CONDOMINIUM OFFERING PLAN

FOR

THE FRANCESCA CONDOMINIUM

150 Luquer Street
Brooklyn, NY 11231
KINGS COUNTY

Total Offering Price of
Four (4) residential units……$7,200,000.00

SPONSOR & SELLING AGENT:

150 Luquer, LLC
2042 West 4th Street
Brooklyn, NY 11223
(917) 747-1056

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

SEE PAGE 3 FOR SPECIAL RISKS TO PURCHASERS

PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE BOARD OF MANAGERS UNDER THE TERMS OF THIS PLAN. (SEE SPECIAL RISKS SECTION OF THE PLAN). OWNER-OCCUPANTS AND NON-RESIDENT OWNERS, SUCH AS SPONSOR, MAY HAVE INHERENT CONFLICTS ON MANAGEMENT OF THE CONDOMINIUM. SPONSOR IS RESERVING THE RIGHT TO RENT UNITS. BECAUSE SPONSOR IS RETAINING THE RIGHT TO RENT RATHER THAN SELL UNITS AFTER PLAN CONSUMMATION, THIS PLAN MAY NOT RESULT IN THE CREATION OF A CONDOMINIUM IN WHICH A MAJORITY OF THE UNITS ARE OWNED BY OWNER-OCCUPANTS OR INVESTORS UNRELATED TO THE SPONSOR. (SEE SPECIAL RISK SECTION OF THE PLAN.)

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

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PART I

SPECIAL RISKS

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

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

If Sponsor opts to rent, rather than sell, the Units, the 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 Sponsor. Under such circumstances, Sponsor will be under no obligation to sell more than 15% of the Units necessary to declare the Plan effective, i.e. one (1) Unit. 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.

Because Sponsor is reserving the right to rent Units, Purchasers for their own occupancy may never gain control of the board of managers under the terms of the Plan, and owner-occupants and non-resident owners, such as Sponsor, may have inherent conflicts on management of the Condominium.

Sponsor will resume sales where offers to buy all Unsold Units increase so that they are within 25% of the offering prices listed in Schedule A.

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

2. Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on purchase financing. Such restrictions include requiring that a certain percentage of units in a building or group of buildings be sold before a lender will consider making a loan. Thus, it may be possible for a purchaser to experience difficulty obtaining a loan in a building or group of buildings where the sponsor has not sold a substantial percentage of the units in the building or group of buildings, which in some cases may be as high as 70%. Moreover, some lenders will not provide financing in a building or group of buildings where an investor other than the original sponsor has an ownership interest of 10% or more. It also may be difficult for a purchaser to resell a unit if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions. Please see "Introduction" Section of the Plan.

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

Under New York law, when a mortgage commitment is not fulfilled through no fault of a purchaser, performance is excused. Sponsor may not condition purchaser's obligations upon obtaining a commitment. Therefore, if the purchaser acts in good faith and the lender revokes the loan commitment after the contingency period expires, performance is excused, and the sponsor must grant to such purchaser a right of rescission and a reasonable period of time to exercise such right. If the financing commitment lapses or expires prior to closing, and the purchaser has made a good faith effort to extend the commitment, sponsor must grant to such purchaser a right of rescission and a reasonable period of time to exercise the right.

If

[i] the Institutional Lender denies Purchaser's application in writing prior to the Commitment Date, and Purchaser has complied with all his obligations set forth in the Purchase Agreement, or

[ii] if no Commitment is issued by the Institutional Lender on or before the Commitment Date and Purchaser has complied with all his obligations set forth in the Purchase Agreement, or

[iii] if a Commitment was issued but it lapsed or expired prior to the closing, and Purchaser has made a good faith effort to extend the Commitment, but the Institutional Lender nevertheless refused or failed to extend the Commitment; or

[iv] If Purchaser acted in good faith and the Institutional Lender revoked a Commitment after the Commitment Date,

then Purchaser will have a right of rescission until the midnight of the fifteenth day following the Commitment Date. Purchaser or Purchaser's attorney must either [i] personally deliver a written notice of rescission to Sponsor's attorney prior to the midnight of said fifteenth

day, [ii] mail the notice of rescission by certified or registered mail, return receipt requested, to Sponsor's attorney, so that mailing is post-marked by post-office prior to the midnight of said fifteenth day, or [iii] send the notice of rescission to Sponsor's attorney by an email set forth in the Purchase Agreement, prior to the midnight of said fifteenth day. If Purchaser fails to give timely notice of cancellation, then Purchaser will be deemed to have waived Purchaser's right to cancel the Purchase Agreement and to receive a refund of the deposit by reason of the contingency.

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

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

4. Sponsor is constructing the Building with its own financial resources. If, however, Sponsor obtains construction financing, a construction lender may impose requirements regarding sales by Sponsor, and the Plan will be amended to disclose relevant terms of a construction loan agreement when financing is obtained. Please see "Introduction" and "Rights and Obligations of Sponsor" Sections of the Plan.

5. The Property is located in Flood Zone X on FEMA Map Number 3604970211F, effective on September 5, 2007. The Property is designated as an area of minimal flood hazard on the currently effective FEMA's Flood Insurance Rate Map. There is no mandatory flood insurance requirement for Flood Zone X. Please see "Description of Property and Improvements" Section of the Plan.

6. Sponsor is in compliance with New York City Local Law 1 of 2004, a copy of which is included as an exhibit to this Plan.

Buildings constructed prior to 1979 may contain lead paint, and buildings constructed before 1960 are presumed to contain lead paint. The ingestion of lead paint poses serious health risks, especially among young children. Purchasers are advised to familiarize themselves with New York City Local Law 1 of 2004. Purchasers for investment are advised that there are certain occupancy and turnover requirements contained therein. Purchasers of a unit for their own occupancy, particularly those with young children, are additionally advised to consult with a professional to determine the existence of, and any appropriate remediation for lead paint. Please see "Description of Property and Improvements" Section of the Plan.

7. Each Unit will contain a laundry closet with hookups for a domestic, stackable type electric washers and electric or gas dryers. However, Sponsor will not provide a washer and dryer. Unit Owners shall be responsible for purchasing laundry equipment. Sponsor will provide exhaust ventilation for the gas dryers in the laundry closets.

Sponsor will provide and equip each Unit with a gas range, refrigerator and dishwasher. A range and refrigerator are the appliances required to obtain a temporary certificate of occupancy for the Building. Please see “Description of Property and Improvements” Section of the Plan.

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

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

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

9. There are stairs with winders within Unit 1. Winder Stairs are not code compliant and do not meet the requirements of the 2014 building code section 1009.4.2 because the linear minimum clearance width dimension is not provided. As designed, the narrow side of the treads converges to a point. This creates a hazardous condition that might result in falls. There is a possibility that the New York City Department of Buildings may at any time in the future require the reconstruction of these stairs to meet code requirements. The expense of this work will be borne by the Owners of Unit 1. Please see “Description of Property and Improvements” Section of the Plan.

10. No secondary drainage system is available at the roof area. There will be no leak management system installed at the roof of the Building. The Board of Managers will be responsible for maintaining the roof drains. In the event that damage is sustained as a result of a roof leak, the Board of Managers shall assess and repair the damage. Please see “Description of Property and Improvements” Section of the Plan.

11. The approximate floor area of each Unit is measured from the outside face of the exterior walls of the Building to the non-unit side of the walls and partitions (dividing the Units from corridors, stairs and mechanical spaces). The dimensions shall be to the centerline of a partition when a partition divides two (2) Units.

The approximate measurements are within reasonable tolerances.

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

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

12. The cellar of Unit 1, and the Limited Common Elements of the Units such as the rear yard, areaway, balcony and stair, storage spaces, and balconies are uninhabitable spaces. They may not be legally used for any residential uses including bedroom, dining room, or any

other use considered to be a habitable space as defined by the New York City Building Code. Their use as a living or sleeping space may result in a building code violation being issued against the Building and the imposition of fines against the Building. The Unit Owner, who caused the violation, will be obligated to remove it and pay all fines associated with the violation. Please see “Introduction”, "Description of Property and Improvements", "Footnotes to Schedule A" and “Rights and Obligations of the Unit Owners and the Board of Managers” Sections of the Plan.

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

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

15. The storage spaces may only be used for the storage of personal effects of Unit Owners. In no event shall any (a) valuable items, (b) animals, (c) food or other perishable items, (d) hazardous substances, (e) flammable, combustible, explosive or other dangerous items, (f) items which have an objectionable odor or which may spoil or decay, or (g) items which may impose a health or safety threat or cause dirt or other sanitary problems or create a nuisance, be stored therein. A storage space may not be legally used for any residential uses including bedroom, dining room, or any other use considered to be a habitable space as defined by the New York City Building Code. The use of a storage space as a living or sleeping space may result in a building code violation being issued against the Building and the imposition of fines against the Building. The Unit Owner, who caused the violation, will be obligated to remove it and pay all fines associated with the violation. Please see “Introduction”, "Description of Property and Improvements" and "Footnotes to Schedule A" Sections of the Plan.

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

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

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

17. On January 1, 2018, the Tax Cuts and Jobs Act of 2017 went into effect. This federal law significantly changed the previously existing Internal Revenue Code, including the taxes and deductions related to homeownership. Purchasers are advised to consult with a tax expert regarding whether the new law will affect the purchaser’s taxes. Please see "Footnotes to

Schedule A" and "Income Taxes Deductions to Unit Owners and Tax Status of Condominium" Sections of the Plan. Please also see “Tax Opinion of Counsel”.

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

Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a final certificate of occupancy, (hereinafter called “FCO”), covering the entire building but with only a temporary certificate of occupancy, (hereinafter called “TCO”), and sometimes with several successive temporary certificates of occupancy. Certificates of occupancy are general governed by Section 301 of the Multiple Dwelling Law of the State of New York and local building codes and rules. Both TCOs and FCOs are issued by the New York City Department of Buildings, (hereinafter called “DOB”). A TCO is intended to indicate that the property conforms substantially to the DOB approved plans and specifications, and to the requirement of all applicable laws, rules, and regulations for the uses and occupancies specified in the TCO. No change of use or occupancy shall be made unless a new certificate of occupancy is issued. All TCOs have an expiration date. A TCO typically expires 90 days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance, or sell units. In New York City, it is common for sponsors to commence unit closings when some or all units are covered by a TCO rather than a FCO. Sponsor anticipates this scenario to occur. Sponsor and its principals will undertake the responsibility for extending each TCO received prior to expiration thereof, and ultimately for obtaining a FCO covering the entire Building. However, Sponsor and its principals make no representation or guarantee that DOB will issue the FCO within two years, which is the timeframe anticipated by the Multiple Dwelling Law for issuance of a FCO. NOTWITHSTANDING THE FOREGOING, SPONSOR AND ITS PRINCIPALS ARE OBLIGATE TO PROCURE THE FINAL CERTIFICATE OF OCCUPANCY FOR THE ENTIRE BUILDING, AND SHALL EXERCISE BEST EFFORTS TO OBTAIN THE FCO WITHIN SUCH TWO YEAR PERIOD WHILE KEEPING THE TCO CURRRENT. Unit Owners and the Board of Managers shall be obligated to cooperate with and refrain from obstructing Sponsor in these undertakings.

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

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

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

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

19. Repairs to the Common Elements of the Condominium (unless such repairs are a result of faulty construction by Sponsor), which go beyond that can be handled by a janitor, will be performed by outside construction companies hired by either the Board of Managers of the Condominium or Managing Agent, as agent for the Board, both during and after the Sponsor control period. The costs for the repairs are not a line item in the budget. In such a case, special assessments may be imposed to pay for these costs. These repairs don't include repairs that are necessary as a result of faulty construction by Sponsor. Sponsor will remain obligated and be responsible to perform such repairs. Please see “Footnotes to Schedule B” Section of the Plan.

20. It is expected that the Building will be self-managing. The Board of Managers will be required to:

(i) bill and collect Common Charges payable by the Unit Owners;
(ii) contract for necessary services and purchase all supplies necessary to properly maintain and operate the Building and its Common Elements;
(iii) check all bills received in connection with the maintenance and operation of the Common Elements and cause all such bills and other expenses to be paid;
(iv) supervise, hire and discharge employees necessary for the proper maintenance and operation of the Building;
(v) maintain payroll records and file withholding tax statements for employees;
(vi) maintain accurate sets of books, including checking accounts, of the Condominium.

Sponsor will manage the Condominium while it controls the Board of Managers. Sponsor will not charge a fee to manage the Condominium while it controls the Board of Managers.

In the event the Board of Managers employs a managing company, a management fee of the company will be an additional expense to the annual expenses of the Condominium by at least $3,600.00, which will result in a substantial increase in the Common Charges. Please see “Footnotes to Schedule B” Section of the Plan.

21. With regard to the size of a Unit, a decrease in a Unit’s area of five percent (5%) or less will not affect Purchaser’s obligations unless such decrease is determined to be a material change. There is a rebuttable presumption that a Unit’s size that is diminished by five percent (5%) or less is not material. Please see "Description of Property and Improvements", “Footnotes to Schedule A” and “Changes in Prices and Units” Sections of the Plan.

22. Sponsor will not rent Units before the consummation of the Plan other than to Purchasers for their contracted Units in accordance with the terms set forth in "Interim Lease" Section of the Plan.

Purchaser does not have the right to take possession of the Unit prior to the closing without the prior written consent of Sponsor, which consent may be withheld for any reason or

for no reason. Sponsor's refusal to consent to a pre-closing possession will not entitle Purchaser to cancel the Purchase Agreement or give rise to any claim for damages against Sponsor.

Purchaser, who takes possession of the Unit prior to the closing pursuant to the Interim Lease, will assume risk of loss not covered by insurance.

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

Please see "Interim Lease" Section of the Plan.

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

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

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

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

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

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

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

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

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

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

(a) the closing apportionments described in the Purchase Agreement will be made as of the midnight of the day preceding the originally scheduled closing, regardless of when the actual closing occurs, and

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

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

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

Purchaser's obligations under the Purchase Agreement if Sponsor prevails in any such dispute. Please see "Procedure to Purchase" Section of the Plan.

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

29. Sponsor anticipates that the first closing of a Unit will occur by November 1, 2022. Purchasers will be offered a right of rescission if: (i) the actual date of closing of title to the first Unit; or (ii) the projected date of closing of title to the first Unit occurs later than October 31, 2023, twelve (12) months after the projected date for the first closing. If the Plan is amended to provide for a later projected date for the first closing, Purchasers will be entitled to an offer of rescission if the first closing occurs more than twelve (12) months beyond that amended, later day. Purchasers who enter into a Purchase Agreement after the Plan has been amended to provide for a later date would be entitled to an offer of rescission if the first Unit closing occurs more than twelve (12) months beyond that amended, later day.

However, if the first closing occurs before October 31, 2023, Sponsor may schedule the closings of title to other Units significantly later than such date. Unless your Purchase Agreement contains an outside closing date, Sponsor is not obligated to schedule your closing within any specified time frame or to ensure that closing of title to your Unit will occur within any specified time frame or to ensure that closing of title to your Unit will occur by any date certain.

Purchasers should note that even if the first closing occurs on or before November 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 (12) month period thereafter, the closing of subsequent Units may be substantially delayed beyond such dates if a TCO has not been issued for such Units or for the floor on which such Units are located. In such case, provided that Sponsor is diligently pursuing completion of construction and the issuance of a certificate of occupancy and is otherwise in compliance with its obligations under the Plan, Purchaser will not be entitled to a right of rescission or to make claims against Sponsor for damages or losses as a result of such delays and will not be excused from paying the full purchase price for the Unit. **PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER THE POSSIBILITY OF SUCH DELAYS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT.**

In the event however, Sponsor cannot convey title to the Unit on or before twenty four (24) months from the date of the Purchase Agreement, affected Purchasers will be afforded the right of rescission. Please see "Procedure to Purchase" Section of the Plan. Please also see Section 3 of the Purchase Agreement in Part II of the Plan.

30. If Purchaser refuses to execute the power of attorney to the Board of Managers and deliver it to the Selling Agent or Sponsor at the closing of his or her Unit, Purchaser will be

in a default under the Purchase Agreement and Sponsor will have the right to retain the deposit and actual costs incurred by Sponsor for any upgrades, extras, special or custom work in the Unit ordered by Purchaser, as and for liquidated damages. Please see "Procedure to Purchase" Section of the Plan.

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

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

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

Sponsor shall have no obligation or liability to repair or restore the Unit damaged by fire or casualty that occurs before closing. If Sponsor elects to repair or restore the Unit, Sponsor shall notify Purchaser within sixty (60) days of the damage to the Unit and repair the damage within ninety (90) days of the notice. In the event Sponsor notifies Purchaser that it does not elect to repair or restore the Unit (which election shall be made within sixty (60) days of the damage to the Unit), or, if the Declaration has been recorded prior thereto and the Unit Owners do not resolve to make such repairs or restoration pursuant to the By-Laws, the Purchase Agreement shall be deemed cancelled and all monies paid on account of the purchase price, including any deposits made for upgrades, extras, special or custom work ordered by Purchaser, shall be returned to Purchaser within ten (10) days of Sponsor's notification to Purchaser that it does not elect to repair or restore the Unit or Unit Owners' notification that they do not intend to repair or restore the Unit pursuant to the By-Laws. Upon such return, neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under the Purchase Agreement and the Plan. Please see "Procedure to Purchase", "Terms of Sale" and "Rights and Obligations of Sponsor" Sections of the Plan.

32. The United States Financial Crimes Enforcement Network ("FinCEN") issued the Geographic Targeting Order ("GTO"), which requires title insurance companies to collect and report to FinCEN the personal identity of purchasers in residential real estate transactions in which:

(1) the purchaser is a legal entity as defined in the GTO;
(2) the purchaser purchases residential real property located in the Boroughs of Bronx, Brooklyn, Queens, Manhattan, and Staten Island;
(3) the purchase price is $300,000.00 or more;
(4) such purchase is made without a bank loan or other similar form of external financing; and

(5) such purchase is made, at least in part, using currency or a cashier's check, a certified check, a traveler's check, a personal check, a business check, a money order in any form, a funds transfer, or virtual currency.

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

As long as the GTO remains in effect, its reporting requirements apply to all residential real property closings meeting the above criteria and occurring on or after November 6, 2020. Please see "Terms of Sale" Section of the Plan.

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

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

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

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

As of July 1, 2021, the amount of the New York State real property transfer tax is excluded from the calculation of consideration.

Accordingly, the consideration is the purchase price of the Unit plus the New York City transfer tax calculated on the amount of the purchase price.

Purchaser will be the required to pay the fee of $1,500.00 to Sponsor as partial reimbursement for the cost of preparing the Plan.

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

34. The Housing Merchant Implied Warranty, as required by Article 36-B of the General Business Law of the State of New York, applies to this offering as the gut renovations undertaken have created a multi-unit residential structure of five stories or less. Please see a copy of the entire Article 36-B in Part II of the Plan.

The Housing Merchant Implied Warranty means that:

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

The Housing Merchant Implied Warranty, however, does not extend to:

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

Sponsor has chosen to limit its liability and limit extent of items covered under the Housing Merchant Implied Warranty.

Sponsor will provide the Limited Warranty as required by Section 777-b of Article 36-B. The Limited Warranty limits the Housing Merchant Implied Warranty by limiting Sponsor's liability for its breach. Sponsor's limit of liability under the Limited Warranty for each Unit is 75% of its purchase price. The complete text of the Limited Warranty offered by Sponsor is reprinted in Part II of the Plan.

Sponsor is not providing any warranty other than the Limited Warranty.

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

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

At or prior to the closing of the Unit, Sponsor will assign any manufacturer's warranties with respect to equipment and appliances installed in the Unit to the Unit Owner and assign any warranties with respect to roof, equipment and appliances installed in the Common Elements to the Board of Managers.

The expected life span of the roof type is ten (10) years. A ten year "No Dollar Limit Manufacturer's Warranty" on materials will be provided by the roof manufacturer. The warranty will commence once the installation of the roof has been completed. There will be no warranty or guarantee provided by the roof installer.

Please see "Rights and Obligations of Sponsor" Section of the Plan.

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

36. Sponsor or Sponsor-designee will retain voting control of the Board of Managers for three (3) years after the closing of title to the first Unit or whenever the Unsold Units constitute, less than 50% of the Common Interests, whichever is sooner.

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

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

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

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

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

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

Please see “Control by Sponsor” Section of the Plan.

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

39. Inhaling, exhaling, burning or carrying any lighted or heated cigar, cigarette, little cigar, pipe, water pipe or hookah, herbal cigarette, non-tobacco smoking product (e.g., marijuana or non-tobacco shisha), or any similar form of lighted object or device designed for people to use to inhale smoke, and are not permitted:

[i] inside of the Units;
[ii] anywhere inside of the Building;

[iii] outdoor Common Elements which is front yard; and

[iv] outdoor Limited Common Areas within 15 feet of entrances, exits, windows, and air intake units in the Building.

This prohibition is included in Rule 28 of the Rules and Regulations of the Condominium. Please see "Rights and Obligations of the Unit Owners and the Board of Managers" Section of the Plan. Please also see Rule 28 of the Rules and Regulations of the Condominium in Part II of the Plan.

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

41. The Purchase Agreement contains a provision that:

1 Any notice, election, demand, request, letter, consent or other communication to Purchaser, hereunder or under the Plan, shall be in writing and either delivered in person or sent, postage prepaid, by registered or certified mail return receipt requested or by Federal Express or other reputable overnight courier, with receipt confirmed or via facsimile with a confirmation letter, to Purchaser's attorney at the address given at the beginning of the Purchase Agreement.

Any notice, election, demand, request, letter, consent or other communication to Sponsor, hereunder or under the Plan, shall be in writing and either delivered in person or sent, postage prepaid, by registered or certified mail return receipt requested or by Federal Express or other reputable overnight courier, with receipt confirmed or via facsimile with a confirmation letter, to Sponsor's attorney at the address given at the beginning of the Purchase Agreement.

Either party may hereafter designate to the other in writing a change in the address to which notices are to be sent.

Except as otherwise expressly provided herein, a notice shall be deemed given when personal delivery or delivery by overnight courier is effected, or in the case of mailing, three (3) business days after the date of mailing, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address.

2 Any notice given by the other party's attorney shall be deemed to be notice from such party itself. Any notice given to the other party's attorney shall be deemed to be notice to such other party.

3 The parties hereunder authorize their attorneys to modify the Purchase Agreement on behalf of the parties and such modification shall be have the same force and effect as if given by the parties.

4. A delay in the actual delivery of the notice to Purchaser may affect the time period allotted to Purchaser to respond in instances in which Purchaser is required to respond within a specified time period.

Please see "Procedure to Purchase" Section of the Plan. Please also see Section 25 of the Purchase Agreement in Part II of the Plan.

42. The Purchase Agreement contains a provision that Sponsor shall be excused from performing any obligation or undertaking provided for in the Purchase Agreement for so long as such performance is prevented, delayed or hindered by an act of God, fire, flood, explosion, war, riot, sabotage, inability to procure or general shortage of energy, labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strike, lockout, action of labor unions, or any other cause (whether similar or dissimilar to the foregoing) not within the reasonable control of Sponsor. Sponsor's time to perform such obligations or undertaking shall be tolled for the length of the period during which such performance was excused.

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

The Purchase Agreement contains a provision that Purchaser's time to perform any obligation or undertaking provided for in the Purchase Agreement shall be tolled for the length of the period during which such performance was prevented, delayed or hindered by an act of God, fire, flood, explosion, war, riot, sabotage, inability to procure or general shortage of energy, labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strike, lockout, action of labor unions, or any other cause (whether similar or dissimilar to the foregoing) not within the reasonable control of Purchaser. Sponsor cannot limit any rights which Purchaser may have pursuant to Article 23A of the General Business Law, NYCRR regulations, and the Plan, except as determined in a final decision or order by a court of competent jurisdiction or any governmental agency or by executive order.

Please see "Procedure to Purchase" Section of the Plan. Please also see Section 27 of the Purchase Agreement in Part II of the Plan.

43. The Purchase Agreement contains a provision that except as prohibited by law, the parties shall, and they hereby do, expressly waive trial by jury in any litigation arising out of, or connected with, or relating to, the Purchase Agreement or the relationship created hereby or in the Plan. With respect to any matter for which a jury trial cannot be waived, the parties agree not

to assert any such claim as a counterclaim in, nor move to consolidate such claim with, any action or proceeding in which a jury trial is waived. Please see "Procedure to Purchase" Section of the Plan. Please also see Section 34 of the Purchase Agreement in Part II of the Plan.

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

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

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

Options for appeal are limited for matters submitted to arbitration.

The arbitration provision does not relate to Purchase Agreements.

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

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

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

INTRODUCTION

Sponsor is offering for sale four (4) residential units at the Property, located at 150 Luquer Street, Brooklyn, NY 11231 as a Condominium to be known as The Francesca Condominium, (hereinafter called the "Condominium"). The following pertinent information is set forth with respect thereto:

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

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

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

3. Sponsor is 150 Luquer, LLC, having an address at 2042 West 4th Street, Brooklyn, NY 11223. The Property consists of one (1) parcel, identified as Lot 18 in Block 377 in the County of Kings and State of New York. Sponsor acquired it on January 10, 2019. The Property was a vacant three-family house at the time of the acquisition.

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

If Sponsor opts to rent, rather than sell, the Units, the 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 Sponsor. Under such circumstances, Sponsor will be under no obligation to sell more than 15% of the Units necessary to declare the Plan effective, i.e. one (1) Unit.

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.

Because Sponsor is reserving the right to rent Units, Purchasers for their own occupancy may never gain control of the board of managers under the terms of the Plan, and owner-occupants and non-resident owners, such as Sponsor, may have inherent conflicts on management of the Condominium.

Sponsor will resume sales where offers to buy all Unsold Units increase so that they are within 25% of the offering prices listed in Schedule A.

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

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

For purposes of this Paragraph, "bulk sale" shall mean a sale of two (2) or more Units to one bona fide Purchaser, which are not purchased for occupancy by the owner or one or more members of his or her immediate family.

5. Sponsor is constructing the Building with its own financial resources. If, however, Sponsor obtains construction financing, a construction lender may impose requirements regarding sales by Sponsor, and the Plan will be amended to disclose relevant terms of a construction loan agreement when financing is obtained.

6. All equipment and fixtures described in the Plan are included in the offering prices except for washers and dryers, which are not included in the offering prices of the Units, and will not be provided by Sponsor. Washer and dryers are permitted in the Units. Sponsor will provide hookups for a domestic, stackable type electric washers and electric or gas dryers in each Unit.

Sponsor will provide and equip each Unit with a gas range, refrigerator and dishwasher. A range and refrigerator are the appliances required to obtain a temporary certificate of occupancy for the Building.

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

7. The basic aspects of condominium ownership are these.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The cellar of Unit 1, and the Limited Common Elements of the Units such as the rear yard, areaway, balcony and stair, storage spaces, and balconies are uninhabitable spaces. They may not be legally used for any residential uses including bedroom, dining room, or any other use considered to be a habitable space as defined by the New York City Building Code. Their use as a living or sleeping space may result in a building code violation being issued against the Building and the imposition of fines against the Building. The Unit Owner, who caused the violation, will be obligated to remove it and pay all fines associated with the violation.

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

The Building will have three (3) storage spaces in the cellar of the Building. The storage spaces will be the Limited Common Elements of Units 2, 3 and 4. Please see Schedule A for detailed information.

The storage spaces may only be used for the storage of personal effects of Unit Owners. In no event shall any (a) valuable items, (b) animals, (c) food or other perishable items, (d) hazardous substances, (e) flammable, combustible, explosive or other dangerous items, (f) items which have an objectionable odor or which may spoil or decay, or (g) items which may impose a health or safety threat or cause dirt or other sanitary problems or create a nuisance, be stored therein. A storage space may not be legally used for any residential uses including bedroom, dining room, or any other use considered to be a habitable space as defined by the New York City Building Code. The use of a storage space as a living or sleeping space may result in a building code violation being issued against the Building and the imposition of fines against the Building. The Unit Owner, who caused the violation, will be obligated to remove it and pay all fines associated with the violation.

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

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

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

9. The Plan delivered to prospective Purchasers contains all of the material terms of the transaction. Copies of the Plan, all documents referred to in the Plan and all Exhibits submitted to the Department of Law in connection with the filing of the Plan will be available for inspection at no cost and for copying at 25 cents per page to prospective Purchasers and their attorneys at the office of Sponsor's attorney, TSYNGAUZ & ASSOCIATES, P.C., having an office at 114 Mulberry Street, 1st fl., New York, NY 10013 for six (6) years from the date of first closing. Copies of the Plan, all documents referred to in the Plan and all Exhibits submitted to the Department of Law in connection with the filing of the Plan will be available for inspection at no cost and for copying at a reasonable fee at the Department of Law, having an office at 28 Liberty Street, New York, NY 10005.

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

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

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

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

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

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

DEFINITIONS

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

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

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

3. "Common Charges" means each Unit's proportionate share of the Common Expenses in accordance with its Common Interest.

4. "Common Elements" means and includes:

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

5. “Common Expenses” mean and include:

(a) Expenses of operation of the Property; and
(b) All sums designated Common Expenses by or pursuant to the provisions of the Condominium Act, the Declaration or the By-Laws of the Condominium.

6. “Common Interest” means the proportionate, undivided interest in fee simple absolute in the Common Elements appertaining to each Unit, as expressed in the Declaration.

7. “Common Profits” mean the excess of all receipts of the rents, profits and revenues from the Common Elements remaining after the deduction of the Common Expenses.

8. "Condominium Documents" mean the Declaration and the By-Laws of the condominium, as may be amended from time to time.

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

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

10. "Institutional Lender" means any bank, savings bank, private banker, trust company, savings and loan association, credit union or similar banking institution whether organized under the laws of this state, the United States or any other state; foreign banking corporation licensed by the Superintendent of Banks of New York or regulated by the Comptroller of the Currency to transact business in New York State; insurance company duly organized or licensed to do business in New York State; mortgage banker licensed pursuant to Article 12-D of the Banking Law; and any instrumentality created by the United States or any state with the power to make mortgage loans.

11. “Limited Common Elements” mean and include the rear yard, areaway, balcony and stair, storage spaces, and balconies appurtenant to the Units in the Building.

12. “Operation of the Property” means and includes the administration and operation of the Property and the maintenance, repair and replacement of, and the making of any additions and improvements to, the Common Elements.

13. “Person” means a natural person, corporation, partnership, association, trustee or other legal entity.

14. “Property” means and includes the land, the Building and all other improvements thereon, located at 150 Luquer Street, Brooklyn, NY 11231 and owned in fee simple absolute.

15. “Sponsor-designee” means a successor-Sponsor, which in the event of the dissolution or liquidation of Sponsor or transfer of at least two (2) Units, assumes all the rights and obligations of Sponsor under the Plan and all applicable laws or regulations with respect to the Unsold Units so owned by said Sponsor-designee.

16. “Unit” means a part of the Property designated as a Unit.

17. “Unit Owner” means the Person or Persons owning a Unit in fee simple absolute.

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

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

The Property and Building

Sponsor is rehabilitating and renovating the existing three-story building pursuant to Alteration Type 1 Application No. 321593628 filed with the Department of Buildings of the City of New York. The building was built in approximately 1901, and was previously used as a three-family house.

Alteration Type 1 is a major alteration of a building that will change use, egress or occupancy, and require a new certificate of occupancy.

The Property is located in R6B Zoning District, which permits residential use as of right.

The Property is located in Flood Zone X on FEMA Map Number 3604970211F, effective on September 5, 2007. The Property is designated as an area of minimal flood hazard on the currently effective FEMA's Flood Insurance Rate Map. There is no mandatory flood insurance requirement for Flood Zone X.

The Building will consist of three (3) floors, a basement and a cellar.

The Building will not have an elevator.

The Building will have one (1) common main exterior entrance along Luquer Street. It will be located on the first floor and provide access to Unit 1, the stairs leading to Units 2, 3 and 4 and the cellar.

The Department of Environmental Protection will provide water and sewer service to all Units. The Building will have a single common meter and will be billed for water consumption and sewer disposal. The cost for water consumption and sewer disposal will be the Common Expense of all Unit Owners.

National Grid will supply gas to all Units. The Building will have four (4) gas meters: one (1) for each Unit. The cost of gas consumption by each Unit will be separately billed to and paid by each Unit. There will be no gas consumption by the Common Elements.

Consolidated Edison Company of New York, Inc. will supply electricity to the Common Elements of the Building and to all Units. The Building will have five (5) electric meters: one (1) for each Unit and one (1) for the Common Elements. The cost for electricity consumption by

the Units will be separately billed to and paid by each Unit. The cost for electricity consumption by the Common Elements will be the Common Expense of all Unit Owners.

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

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

Each Unit will contain a laundry closet with hookups for a domestic, stackable type electric washers and electric or gas dryers. However, Sponsor will not provide a washer and dryer. Unit Owners shall be responsible for purchasing laundry equipment. Sponsor will provide exhaust ventilation for the gas dryers in the laundry closets. Sponsor will provide and equip each Unit with a gas range, refrigerator and dishwasher. A range and refrigerator are the appliances required to obtain a temporary certificate of occupancy for the Building.

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

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

Local Law 1 of 2004

Sponsor is in compliance with New York City Local Law 1 of 2004, a copy of which is included as an exhibit to this Plan.

Buildings constructed prior to 1979 may contain lead paint, and buildings constructed before 1960 are presumed to contain lead paint. The ingestion of lead paint poses serious health risks, especially among young children. Purchasers are advised to familiarize themselves with New York City Local Law 1 of 2004. Purchasers for investment are advised that there are certain occupancy and turnover requirements contained therein. Purchasers of a unit for their own occupancy, particularly those with young children, are additionally advised to consult with a professional to determine the existence of, and any appropriate remediation for lead paint.

The Units

The Building will contain four (4) Units, i.e. Units 1, 2, 3 and 4. Unit 1 will be located in the cellar and the basement of the Building. Unit 2 will be located on the first floor. Unit 3 will be located on the second floor. Unit 4 will be located on the third floor of the Building.

The cellar of Unit 1 may not be legally used for any residential uses including bedroom, dining room, or any other use considered to be a habitable space as defined by the New York City Building Code. Its use as a living or sleeping space may result in a building code violation being issued against the Building and the imposition of fines against the Building. The Unit Owner, who caused the violation, will be obligated to remove it and pay all fines associated with the violation.

There are stairs with winders within Unit 1. Winder Stairs are not code compliant and do not meet the requirements of the 2014 building code section 1009.4.2 because the linear minimum clearance width dimension is not provided. As designed, the narrow side of the treads converges to a point. This creates a hazardous condition that might result in falls. There is a possibility that the New York City Department of Buildings may at any time in the future require the reconstruction of these stairs to meet code requirements. The expense of this work will be borne by the Owners of Unit 1

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

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

The horizontal physical dimensions of each Unit consist of the floor area enclosed by the outside face of the exterior walls of the Building and the non-unit side of the walls and partitions (dividing the Units from corridors, stairs and mechanical spaces). The dimensions shall be to the centerline of a partition when a partition divides two (2) Units.

The Limited Common Elements are not included in the dimensions.

The approximate measurements are within reasonable tolerances.

The above measurements are not based from interior surfaces of interior walls. Therefore, the actual area comprising each Unit is significantly less that the area listed in Schedule A. With regard to the size of a Unit, a decrease in a Unit's area of five percent (5%) or less will not affect Purchaser's obligations unless such decrease is determined to be a material change. There is a rebuttable presumption that a Unit's size that is diminished by five percent (5%) or less is not material.

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

The Rear Yard, Areaway, Balcony and Stair, Balconies

The Building will have one (1) rear yard, one (1) areaway, one (1) balcony and stair, and two (2) balconies.

The rear yard will be the Limited Common Element of Unit 2.

The areaway will be the Limited Common Element of Unit 1.

The balcony and stair will be the Limited Common Element of Unit 2.

The balconies will be the Limited Common Elements of Units 3 and 4.

Please see Schedule A for detailed information.

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

No secondary drainage system is available at the roof area. There will be no leak management system installed at the roof of the Building. The Board of Managers will be responsible for maintaining the roof drains. In the event that damage is sustained as a result of a roof leak, the Board of Managers shall assess and repair the damage.

The Storage Spaces

The Building will have three (3) storage spaces in the cellar of the Building. The storage spaces will be the Limited Common Elements of Units 2, 3 and 4. Please see Schedule A for detailed information.

The storage spaces may only be used for the storage of personal effects of Unit Owners. In no event shall any (a) valuable items, (b) animals, (c) food or other perishable items, (d) hazardous substances, (e) flammable, combustible, explosive or other dangerous items, (f) items which have an objectionable odor or which may spoil or decay, or (g) items which may impose a health or safety threat or cause dirt or other sanitary problems or create a nuisance, be stored therein. A storage space may not be legally used for any residential uses including bedroom, dining room, or any other use considered to be a habitable space as defined by the New York City Building Code. The use of a storage space as a living or sleeping space may result in a building code violation being issued against the Building and the imposition of fines against the Building. The Unit Owner, who caused the violation, will be obligated to remove it and pay all fines associated with the violation.

The Recreational Facilities

The Condominium will not contain any common recreational facilitates.

The Completion of Construction and Compliance with Law

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

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

Sponsor anticipates that the construction of the Building will be completed by May 31, 2022. However, Sponsor makes no representation or warranty that the Units will be completed by said date.

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

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

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

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

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

LOCATION AND AREA INFORMATION

The Property is located in the Carroll Gardens neighborhood in Brooklyn.

It is easily accessible by private transportation as well as New York City subway F and G lines, located approximately 0.3 mile from the Property, and New York City bus B57, located approximately 0.1 mile feet from the Property, and B61, located approximately 0.2 mile from the Property.

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

The New York Police Department‘s 76th Precinct, located at 191 Union Street, Brooklyn, NY 11231, patrols the community. The New York Fire Department’s Engine 279 Ladder 131, located at 252 Lorraine Street, Brooklyn, NY 11231, provides an emergency response in case of fire. The Brooklyn Hospital Center, located at 121 DeKalb Avenue, Brooklyn, NY 11201, and NewYork-Presbyterian Brooklyn Methodist Hospital located at 506 6th Street, Brooklyn, NY 11215, serve medical needs of the neighborhood.

Students living in the Condominium may be eligible to attend P.S. 058 The Carroll, located at 330 Smith Street, Brooklyn, NY 11231, Brooklyn Collaborative Studies, located at 610 Henry Street, Brooklyn, NY 11231, and Digital Arts and Cinema Technology High School, located at 284 Baltic Street, Brooklyn, NY 11231.

The Property is located in R6B Zoning District, which permits residential use as of right. There is no landmark designation of the Property.

There are no adjoining undeveloped areas to the Property.

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

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

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

SCHEDULE A*

OFFERING PRICES, ALLOCATION OF COMMON INTEREST AND ESTIMATED INDIVIDUAL EXPENSES FOR FIRST YEAR OF CONDOMINIUM OPERATION

November 1, 2022 - October 31, 2023

150 Luquer Street, Brooklyn, NY 11231

		Approx. Size of Units in sq. ft. (1)		Approx. Size of Limited Common Elements in sq. ft.** [uninhabitble] (2)											
Unit No.	**Bdrs/ Bths (1)**	**Approx. Size of Units in sq. ft. [habitable] (1)**	**Approx. Size of Units in sq. ft. [uninhabitable] (1)**	Rear Yard	Areaway	Balcony and Stair	Storage Space	Balcony	**Offering Prices (3)**	**% of Common Interest (4)**	**Projected Monthly Common Charges**	**Projected Monthly Real Estate Taxes (6)**	**Projected Annual Real Estate Taxes*** (6)**	**Projected Monthly Carrying Charges**	**Projected Annual Carrying Charges**
1	2/2.5	**890.00**	**570.00**	None	357.00	None	None	None	$2,200,000	**29.25**	$705.46	$581.22	$6,974.66	$1,286.68	$15,440.20
2	2/2	**935.00**	**0.00**	460.00	None	97.00	40.00	None	$1,800,000	**24.25**	$584.87	$481.87	$5,782.41	$1,066.74	$12,800.85
3	2/2	**935.00**	**0.00**	None	None	None	39.00	50.00	$1,600,000	**23.25**	$560.75	$462.00	$5,543.96	$1,022.75	$12,272.98
4	2/2	**930.00**	**0.00**	None	None	None	40.00	50.00	$1,600,000	**23.25**	$560.75	$462.00	$5,543.96	$1,022.75	$12,272.98
TOTALS:		**3,690.00**							**$7,200,000.00**	**100.00**	**$2,411.83**	**$1,987.08**	**$23,845.00**	**$4,398.92**	**$52,787.00**

*Notes are on page 38.

**570.00 sq. ft. of Unit 1 are located in the cellar. The cellar of Unit 1, rear year, areaway, storage spaces, balcony and stair, and balconies are uninhabitable spaces. They may not be legally used for any residential uses, including bedroom, dining room, or any other use considered to be a habitable space as defined by the New York City Building Code. Their use as a living or sleeping space may result in a building code violation being issued agains the Building and the imposition of fines agains the Building. The Unit Owner, who caused the violation, will be obligated to remove it and pay all fines associated with the violation. Please see Footnote 2 to Schedule A.

The cellar has less ligh and air than ordinary living space and it is more susceptible to dampness. Please see Footnote 2 to Schedule A.

***The projected real estate taxes for the first year of operation contained on Schedule A are based on an assessment of the Building after construction is complete. Purchasers are advised that real estate taxes may significantly increase in subsequent years. Please see Footnote 6 to Schedule A.

Notes:

1. Projected monthly carrying charges are composed of projected monthly Common Charges and real estate taxes imposed against each Unit.
2. Projected annual carrying charges are composed of projected annual Common Charges and real estate taxes imposed against each Unit.
3. The above figures are rounded off to the nearest cent.

FOOTNOTES TO SCHEDULE A

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

The measurements in Schedule A, Column (3) are measurements of habitable spaces only.

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

The horizontal physical dimensions of each Unit consist of the floor area enclosed by the outside face of the exterior walls of the Building and the non-unit side of the walls and partitions (dividing the Units from corridors, stairs and mechanical spaces). The dimensions shall be to the centerline of a partition when a partition divides two (2) Units.

The Limited Common Elements are not included in the dimensions.

The approximate measurements are within reasonable tolerances.

The above measurements are not based from interior surfaces of interior walls. Therefore, the actual area comprising each Unit is significantly less that the area listed in Schedule A. With regard to the size of a Unit, a decrease in a Unit's area of five percent (5%) or less will not affect Purchaser's obligations unless such decrease is determined to be a material change. There is a rebuttable presumption that a Unit's size that is diminished by five percent (5%) or less is not material.

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

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

2. **THE CELLAR OF UNIT 1, AND THE LIMITED COMMON ELEMENTS OF THE UNITS SUCH AS THE REAR YARD, AND BALCONIES ARE UNINHABITABLE SPACES. THEY MAY NOT BE LEGALLY USED FOR ANY RESIDENTIAL USES INCLUDING BEDROOM, DINING ROOM, OR ANY OTHER USE CONSIDERED TO BE A HABITABLE SPACE AS DEFINED BY THE NEW YORK CITY BUILDING CODE. THEIR USE AS A LIVING OR SLEEPING SPACE MAY RESULT IN A BUILDING CODE VIOLATION BEING ISSUED AGAINST THE BUILDING AND THE IMPOSITION OF FINES AGAINST THE BUILDING. THE**

UNIT OWNER, WHO CAUSED THE VIOLATION, WILL BE OBLIGATED TO REMOVE IT AND PAY ALL FINES ASSOCIATED WITH THE VIOLATION.

The cellar of Unit 1 has less light and air than ordinary living space and it is more susceptible to dampness.

The storage spaces may only be used for the storage of personal effects of Unit Owners. In no event shall any (a) valuable items, (b) animals, (c) food or other perishable items, (d) hazardous substances, (e) flammable, combustible, explosive or other dangerous items, (f) items which have an objectionable odor or which may spoil or decay, or (g) items which may impose a health or safety threat or cause dirt or other sanitary problems or create a nuisance, be stored therein.

3. Prices and terms of sale, such as an assignment of the Purchase Agreement in Section 23 of the Purchase Agreement and an extension of a closing without incurring any penalties in Section 6 of the Purchase Agreement, are negotiable. Sponsor may enter into a Purchase Agreement with an individual Purchaser to sell one or more Units at prices lower than those set forth in Schedule A without filing an amendment.

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

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

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

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

4. Each Unit will have appurtenant thereto a Common Interest as expressed in the Declaration. In accordance with Section 339-i(1)(iv) of the Real Property Law of the State of New York, the Common Interest has been allocated to each Unit upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit.

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

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

Gas consumption by each Unit for the hot water heating and cooking is not included in the projected monthly carrying charges. Please review Schedule B-1 for approximate gas charges for each Unit.

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

Sponsor anticipates that the construction will be completed by May 31, 2022.

It is anticipated that Units will be separately assessed for the 2022/2023 tax year. The anticipated date of reassessment after completion of the construction is January 5, 2023.

No real estate tax abatement benefits are available to the Units.

The Property is taxed by the City of New York through the Department of Finance, which through the Department of Finance, has assessed the Property at a pre-construction value of $25,081.00.

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

The projected real estate taxes in Schedule A for the Units are calculated based on the Units being in Tax Class 2, the estimated tax rate of $12.55% of the assessed value of the Property, and the assessed value of the Property estimated by The Mazursky Group, Inc. to be $190,000.00 for the year of 2022/2023. The resulting real estate taxes are expected to be $23,845.00.

The projected real estate taxes for the first year of operation contained on Schedule A are based on an assessment of the Building after the construction is complete, which is $190,000.00.

The letter of The Mazursky Group, Inc., dated September 23, 2020, is located on pages 112-115 of Part I of the Plan.

The real estate taxes payable in Schedule A by the Units are determined by applying said data to calculate real estate taxes against the Units and then allocating the amount due in conformity with the allocation of the Common Interests. The City of New York is not bound by

the allocation of the Common Interests, and may allocate on a different basis. Nor is the City bound by the estimate of the market value of the Property. All figures are estimates.

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

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

On January 1, 2018, the Tax Cuts and Jobs Act of 2017 went into effect. This federal law significantly changed the previously existing Internal Revenue Code, including the taxes and deductions related to homeownership. Purchasers are advised to consult with a tax expert regarding whether the new law will affect the purchaser's taxes.

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

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

SCHEDULE B

BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION
November 1, 2022 – October 31, 2023

Projected Income

Common Charges	**$28,942.00**

Projected Expenses

Labor (1)	$5,062.00
Gas (2)	$0.00
Electricity (3)	$3,820.00
Water charges and sewer rents (4)	$3,466.00
Repairs and supplies (5)	$2,500.00
Service contracts (6)	$4,200.00
Insurance (7)	$5,000.00
Management fee (8)	$0.00
Legal fees and audit fees (9)	$2,000.00
Yearly reserve fund (10)	$2,894.00
TOTAL	**$28,942.00**

Note: All figures are rounded to the nearest dollar.

IF THE ACTUAL OR PROJECTED DATE OF COMMENCEMENT OF CONDOMINIUM OPERATIONS IS DELAYED MORE THAN SIX (6) MONTHS FROM THE BUDGET YEAR PROJECTED IN THE PLAN, THE PLAN WILL BE AMENDED TO INCLUDE A REVISED BUDGET DISCLOSING AMENDED PROJECTIONS. IF SUCH AMENDED PROJECTIONS EXCEED THE ORIGINAL PROJECTIONS BY 25% OR MORE, ALL PURCHASERS WILL HAVE A RIGHT TO RESCIND THEIR PURCHASE AGREEMENTS WITHIN FIFTEEN (15) DAYS AFTER THE DATE OF PRESENTATION, WHETHER OR NOT SPONSOR OFFERS TO GUARANTEE THE PREVIOUS BUDGET PROJECTION. SPONSOR WILL RETURN ANY DEPOSIT OR DOWNPAYMENT TO PURCHASERS WITHIN TEN (10) DAYS AFTER RECEIPT OF WRITTEN NOTICE OF RESCISSION. IN ADDITION, ALL PURCHASERS WILL HAVE A RIGHT TO RESCIND THEIR PURCHASE AGREEMENTS IF (I) THE ACTUAL DATE OF CLOSING OF TITLE TO THE FIRST UNIT; OR (II) THE PROJECTED DATE OF CLOSING OF TITLE TO THE FIRST UNIT OCCURS LATER THAN OCTOBER 31, 2023, TWELVE (12) MONTHS AFTER THE PROJECTED DATE FOR THE FIRST CLOSING. SPONSOR MAY NOT DECLARE THE PLAN EFFECTIVE WHERE THERE ARE ANY MATERIAL CHANGES TO THE BUDGET IF THESE CHANGES HAVE NOT BEEN DISCLOSED BY A DULY FILED AMENDMENT TO THE PLAN. IN THE EVENT HOWEVER, SPONSOR CANNOT CONVEY TITLE TO THE UNIT ON OR BEFORE TWENTY FOUR (24) MONTHS FROM THE DATE OF THE PURCHASE AGREEMENT, AFFECTED PURCHASERS WILL BE AFFORDED THE RIGHT OF RESCISSION.

FOOTNOTES TO SCHEDULE B

1. Labor. The Board of Managers will employ a part-time janitor. The janitor will be required to provide the following services:

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

Repairs to the Common Elements of the Condominium (unless such repairs are a result of faulty construction by Sponsor), which go beyond that can be handled by a janitor, will be performed by outside construction companies hired by either the Board of Managers of the Condominium or Managing Agent, as agent for the Board, both during and after the Sponsor control period. The costs for the repairs are not a line item in the budget. In such a case, special assessments may be imposed to pay for these costs. These repairs don't include repairs that are necessary as a result of faulty construction by Sponsor. Sponsor will remain obligated and be responsible to perform such repairs.

The budgeted figure assumes that the janitor will work Monday thru Friday, twenty (20) hours per month at a rate of $17.00 per hour. The hourly rate exceeds a mean hourly rate of $15.12 for janitor as published by the United States Department of Labor, Occupational Employment Statistics.

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

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

Position	Yearly Base Wage Rate
Part-Time Janitor	$4,080.00
FICA – Social Security @ 6.2% of Base Wages	$253.00
FICA – Medicare @ 1.45% of Base Wages	$51.00
State Unemployment Insurance @ 2.5% of first $8,500.00 of Base Wages	$102.00
Federal Unemployment Insurance @ 8% of first $7,000.00 of Base Wages	$327.00
NYS Disability @ $60 per employee	$60.00
Worker's Compensation @ 4.46% of Base Wages	$182.00
Family Leave Benefits Contribution @ 0.153% of Base Wages	$7.00
Total Wages, Taxes and Benefits	$5,062.00

2. Gas. There will be no gas consumption by the Common Elements.

The cost of gas consumption by each Unit for the hot water heating and cooking will be separately billed to and paid by each Unit. Please review Schedule B-1 for approximate gas charges for each Unit.

3. Electricity. The budgeted figure is based upon the estimate provided by Engineering Solutions, having an address at 150 West 30th Street, Suite 402, New York, NY 10001. It is the projected cost for electricity consumption by the Common Elements. It is based on an estimated annual electrical consumption of 16,603.00 kWh by the lighting, fixtures and other appliances or equipment, the tariff of $0.2 per kWh, the inflation adjustment of 10% and the tax of 4.5%.

The common hallway and mechanical rooms will be heated.

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

4. Water charges and sewer rents. The budgeted figure is based upon the estimate provided by Engineering Solutions, having an address at 150 West 30th Street, Suite 402, New York, NY 10001. It is based upon the total annual use of 250,975.00 gallons and the water charge and sewer rents of $10.10 per 748 gallons. This cost is for the water charges and sewer rents projection for the entire Condominium.

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

The budgeted figure is based upon the estimate provided by WMW Realty Management LLC, having an address at 3092 Hull Avenue, Bronx, NY 10467.

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

Service Provider	Projected Annual Cost
Sprinkler Maintenance	$1,000.00

Phone Lines	$1,200.00
Fire Alarm Monitoring	$2,000.00
Total	$4,200.00

The budgeted figure is based upon the estimate provided by WMW Realty Management LLC, having an address at 3092 Hull Avenue, Bronx, NY 10467.

7. Insurance. The projected figure is the projected cost of insurance for the Property. It is not based upon existing coverages for the Property. It is based upon coverages suggested and premiums estimated by NEC Agency Inc., having an address at 8226 5th Avenue, Brooklyn, NY 11209, (hereinafter called the "Insurance Agent"), in the estimate, dated September 21, 2020. Although the projection is considered to be reasonable, there can be no guarantee that the estimate premium will not escalate or that such coverage will continue to be available. The insurance proposal provides for the following coverages:

Property	
Fire Insurance, Special Form	
Replacement Cost and Agreed Amount (Deductible: $1,000.00)	$1,500,000.00
Business Income:	12 Months ALS
Building Ordinance & Law	INCLUDED
Boiler & Machinery	INCLUDED
Back Up Sewer & Drain	$25,000.00
General Liability	
Broad Form Liability per Occurrence	$1,000,000.00
Broad Form Liability in Aggregate	$2,000,000.00
Directors & Officers Liability	
Liability	$1,000,000.00

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

The Property is located in Flood Zone X on FEMA Map Number 3604970211F, effective on September 5, 2007. The Property is designated as an area of minimal flood hazard on the currently effective FEMA's Flood Insurance Rate Map. There is no mandatory flood insurance requirement for Flood Zone X.

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

(1) that each Unit Owner will be an additional insured party;
(2) that there will be no cancellation without notice to the Board of Managers;
(3) a waiver of subrogation;

(4) a waiver of invalidity because of the acts of the insured and Unit Owners; and
(5) a waiver of pro-rata reduction if Unit Owners obtain additional coverage.

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

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

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

8. Management fees. Management fees. It is expected that the Building will be self-managing. The Board of Managers will be required to:

(i) bill and collect Common Charges payable by the Unit Owners;
(ii) contract for necessary services and purchase all supplies necessary to properly maintain and operate the Building and its Common Elements;
(iii) check all bills received in connection with the maintenance and operation of the Common Elements and cause all such bills and other expenses to be paid;
(iv) supervise, hire and discharge employees necessary for the proper maintenance and operation of the Building;
(v) maintain payroll records and file withholding tax statements for employees;
(vi) maintain accurate sets of books, including checking accounts, of the Condominium.

Sponsor will manage the Condominium while it controls the Board of Managers. Sponsor will not charge a fee to manage the Condominium while it controls the Board of Managers.

In the event the Board of Managers employs a managing company, a management fee of the company will be an additional expense to the annual expenses of the Condominium by at least $3,600.00, which will result in a substantial increase in the Common Charges.

9. Legal fees and audit fees. Based upon the quote from A & S Tax Services, LLC, having an address at 362 Guyon Avenue, Staten Island, NY 10306, $1,500.00 of the budgeted item will be used for preparation of certified financial statements of the Condominium for the first year of operation, which will be audited to comply with regulations. The balance of the budgeted figure, $500.00, anticipates legal services during the first year of operation, but would be insufficient to cover any substantial litigation. Said legal services will include the drafting of

board meeting minutes and general advice to members of the board in connection with affairs of the Condominium. Legal fees are based upon the quote from Tsyngauz & Associates, P.C., having an address at 114 Mulberry Street, 1st fl., New York, NY 10013. The Board of Managers of the Condominium will decide in the future which attorney to hire.

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

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

SCHEDULE B-1

BUDGET FOR INDIVIDUAL ENERGY COSTS FOR FIRST YEAR OF CONDOMINIUM OPERATION November 1, 2022 – October 31, 2023

Below are projected costs for electricity consumption by each Unit for the air-conditioning, heating, lighting and appliances, which will be separately billed to and paid by each Unit. Below are projected costs for gas consumption by each Unit for the hot water heating and cooking, which will be separately billed to and paid by each Unit. They are based upon the estimates provided by Engineering Solutions, having an address at 150 West 30th Street, Suite 402, New York, NY 10001.

Electricity - Air-conditioning, heating, lighting and appliances

Unit	kWh/ year	Price per kWh	Annual Projected Costs	Inflation @ 10%	Tax @ 4.5%	Total Annual Projected Costs
1	23,973.18	$0.2	$4,794.64	$479.46	$237.33	$5,511.43
2	18,429.73	$0.2	$3,685.95	$368.59	$182.45	$4,236.99
3	18,429.73	$0.2	$3,685.95	$368.59	$182.45	$4,236.99
4	18,429.73	$0.2	$3,685.95	$368.59	$182.45	$4,236.99

Gas - Hot water heating and cooking

Unit	Therms/ year	Price per Therm	Annual Projected Costs	Inflation @ 10%	Tax @ 4.5%	Total Annual Projected Costs
1	378.00	$1.2	$453.60	$45.36	$22.45	$521.41
2	378.00	$1.2	$453.60	$45.36	$22.45	$521.41
3	378.00	$1.25	$453.60	$45.36	$22.45	$521.41
4	378.00	$1.2	$453.60	$45.36	$22.45	$521.41

TSYNGAUZ & ASSOCIATES, P.C.
114 Mulberry Street, 1st fl.
New York, NY 10013
(212) 337-9770

COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-i

January 8, 2021

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

Re: The Francesca Condominium
150 Luquer Street
Brooklyn, NY 11231

Dear Sir/Madam:

I am the attorney for the sponsor and I have had over 12 years of experience in preparing contracts of sale and closing title to condominium units and as such have requisite experience to prepare this opinion letter. I am not the selling agent or managing agent for the above-referenced property.

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

> "(iv) upon floor space, subject to the location of such space and the additional factors of relative value to other space in the condominium, the uniqueness of the unit, the availability of common elements for exclusive or shared use, and the overall dimensions of the particular unit."

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

Very truly yours,

Yevgeny Tsyngauz

Yevgeny Tsyngauz

WMW REALTY MANAGEMENT

COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-i

December 15, 2020

Daniel Pipitone
150 Luquer, LLC
2042 West 4th Street
Brooklyn, NY 11223

Re: The Francesca Condominium
150 Luquer Street
Brooklyn, NY 11231

Dear Mr. Pipitone:

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

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

I am a principal of WMW Realty Management LLC. WMW Realty Management LLC is a management company. WMW Realty Management LLC currently manages twenty five (25) mixed-use buildings. I am not, in any way, associated with you or any other participants in this project, and have no beneficial interest in your business, or in profitability of the project. This is an opinion only as to the relative value of each unit in relation to the value of the project as a whole; is strictly based on the information provided to me in such reasonable inquiries as to the validity thereof as I deemed appropriate under the circumstances; and is not intended as a guarantee of the actual value of any individual unit. I consent to the inclusion of this letter in your offering plan.

Very truly yours,

Ryan Webler

CHANGES IN PRICES AND UNITS

Changes in Prices

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

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

Prices and specified terms of sale are negotiable and Sponsor may enter into a Purchase Agreement with an individual Purchaser to sell one or more Units at prices lower than those set forth in Schedule A without filing an amendment.

Changes in Units

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

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

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

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

With regard to the quality, "material change or material adverse change" shall mean the change that affects the rights of the Unit Owner to use and enjoy the Common Elements and Units.

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

(a) make alterations, additions, or improvements, structural and non-structural, ordinary and extraordinary, interior and exterior, in, to and upon the Unit;

(b) change the layout or number of rooms in the Unit;

(c) change the size and/or number of such Units by subdividing a Unit, combining separate Units (including those resulting from any subdivision or otherwise) into one or more Units, altering the boundary walls between any Unit or otherwise; and

(d) reapportion among such Unit(s) affected by such change in size or number, subdivision, combination or alteration, their appurtenant interests in the Common Elements, provided, however, that Sponsor or Sponsor-designees shall comply with all rules, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom. If Sponsor reapportions the Common Elements to be included in the Unsold Units, Sponsor must obtain consent from the affected Unit Owners.

Sponsor's rights are subject to the above restrictions.

INTERIM LEASE

Sponsor will not rent Units before the consummation of the Plan other than to Purchasers for their contracted Units in accordance with the terms set forth in this Section.

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

If Sponsor permits Purchaser to take a pre-closing possession of the Unit, the parties will execute the Interim Lease in the form set forth on pages 230-233 in Part II of the Plan.

Inhaling, exhaling, burning or carrying any lighted or heated cigar, cigarette, little cigar, pipe, water pipe or hookah, herbal cigarette, non-tobacco smoking product (e.g., marijuana or non-tobacco shisha), or any similar form of lighted object or device designed for people to use to inhale smoke, and are not permitted:

[i] inside of the Units;
[ii] anywhere inside of the Building;
[iii] outdoor Common Elements which is front yard; and
[iv] outdoor Limited Common Areas within 15 feet of entrances, exits, windows, and air intake units in the Building.

This prohibition is included in Rule 28 of the Rules and Regulations of the Condominium.

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

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

Once Purchaser takes possession of the Unit prior to the closing pursuant to the Interim Lease, Purchaser will assume risk of loss from fire or other casualty not covered by insurance.

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

An uncured default under the Purchase Agreement will be a default under the Interim Lease. An uncured default under the Interim Lease will be a default under the Purchase Agreement. Before Sponsor may utilize the default under the Interim Lease to declare a default

under the Purchase Agreement, Sponsor must either obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the lessee unless the lessee has vacated the Unit.

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

No rent protections laws are applicable to the Interim Lease.

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

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

Purchasers are advised to confer with their insurance adviser regarding insurance for their Units.

PROCEDURE TO PURCHASE

When a prospective Purchaser has decided to purchase a Unit, Purchaser will execute the Purchase Agreement substantially in the form set forth in Part II of the Plan and return four (4) copies thereof with the deposit check to Sponsor's attorney, TSYNGAUZ & ASSOCIATES, P.C., having an address at 114 Mulberry Street, 1st fl., New York, NY 10013. Purchaser will be afforded at least three (3) business days to review the Plan and all filed amendments prior to executing a Purchase Agreement. The Purchase Agreement will not be binding on Sponsor until a fully executed counterpart hereof has been sent out to Purchaser or Purchaser's attorney.

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

1. Deposit.

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

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

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

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

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

2. Escrow.

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

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

Escrow Agent:

The law firm of TSYNGAUZ & ASSOCIATES, P.C., having an address at 114 Mulberry Street, 1st fl., New York, NY 10013 and telephone number (212) 337-9770, shall serve as escrow agent, (hereinafter called "Escrow Agent"), for Sponsor and Purchaser. Escrow Agent has designated Yevgeny Tsyngauz and Mikhail Litt to serve as signatories. All designated signatories are admitted to practice law in the State of New York. Neither Escrow Agent nor any authorized signatories on the account are Sponsor, Selling Agent, Managing Agent or any principal thereof, or has any beneficial interest in any of the foregoing.

The Escrow Account:

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

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

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

The Purchase Agreement:

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

Notification to Purchaser:

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

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

Release of Funds:

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

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

Escrow Agent shall release the deposit if so directed:

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

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

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

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

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

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

Waiver Void:

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

General:

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

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

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

Upon dissolution of the law firm which was Escrow Agent, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the Department of Law of such transfer.

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

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

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

The Plan and the Purchase Agreement comply with Section of 71-a(3) of the Lien Law of the State of New York and any other applicable provisions of law, which require that the Purchaser's deposit under the Purchase Agreement, at Purchaser's option, be deposited within five (5) business days thereafter by Escrow Agent in an interest bearing escrow account in a bank, trust company, savings bank, state or federal savings and loan association, located in the New York State. The deposit, together with the interest accumulated thereon, shall remain the property of the Purchaser, except as otherwise provided herein. Escrow Agent is obligated to advise the Purchaser in writing of the name of the depository where the funds have been placed within ten (10) business days after the deposit has been made.

The deposit shall be retained in the Escrow Account until (i) the Sponsor’s performance of the terms of the Purchase Agreement, or (ii) default of the Purchaser excusing the Sponsor’s performance of the terms of the Purchase Agreement, or (iii) release or discharge of the Sponsor’s liability to refund the deposit to the Purchaser, or (iv) upon transfer of title of the Unit to the Purchaser.

4. Default of Purchaser.

TIME IS OF THE ESSENCE with respect to Purchaser's obligations to pay the Balance of the Purchase Price and to pay, perform or comply with Purchaser's other obligations under the Purchase Agreement. Upon the occurrence of an Event of Default defined in the Purchase Agreement, Sponsor, in its sole discretion, may elect by notice to Purchaser to cancel the

Purchase Agreement. If Sponsor elects to cancel, Purchaser shall have thirty (30) days from the giving of the written notice of cancellation to cure the specified default.

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

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

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

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

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

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

(a) the closing apportionments described in the Purchase Agreement will be made as of the midnight of the day preceding the originally scheduled closing, regardless of when the actual closing occurs, and

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

Purchaser shall also be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in defending Sponsor's rights under the Purchase Agreement or, in the event Purchaser defaults under the Purchase Agreement beyond any applicable grace

period, in canceling the Purchase Agreement or otherwise enforcing Purchaser's obligations hereunder if Sponsor prevails in any such dispute.

5. Financing Contingency.

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

Under New York law, when a mortgage commitment is not fulfilled through no fault of a purchaser, performance is excused. Sponsor may not condition purchaser's obligations upon obtaining a commitment. Therefore, if the purchaser acts in good faith and the lender revokes the loan commitment after the contingency period expires, performance is excused, and the sponsor must grant to such purchaser a right of rescission and a reasonable period of time to exercise such right. If the financing commitment lapses or expires prior to closing, and the purchaser has made a good faith effort to extend the commitment, sponsor must grant to such purchaser a right of rescission and a reasonable period of time to exercise the right.

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

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

If a Commitment was issued but it lapsed or expired prior to the closing, Purchaser will make a good faith effort to extend the Commitment and pay all required costs, fees and expenses

to extend the Commitment up to the closing. In no event whatsoever will Sponsor be liable for any costs, fees or expenses relating to the extension of the Commitment, even if the lapse or expiration of the Commitment resulted from a delay in the closing caused by Sponsor.

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

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

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

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

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

6. Closing of Title.

After the Plan has been declared effective Sponsor will fix dates for closing title to all Units for which Purchase Agreements have been executed by serving notice on each Purchaser stating the date of the first closing and setting such Purchaser’s closing date. The closing date

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

Sponsor anticipates that the first closing of a Unit will occur by November 1, 2022. Purchasers will be offered a right of rescission if: (i) the actual date of closing of title to the first Unit; or (ii) the projected date of closing of title to the first Unit occurs later than October 31, 2023, twelve (12) months after the projected date for the first closing. If the Plan is amended to provide for a later projected date for the first closing, Purchasers will be entitled to an offer of rescission if the first closing occurs more than twelve (12) months beyond that amended, later day. Purchasers who enter into a Purchase Agreement after the Plan has been amended to provide for a later date would be entitled to an offer of rescission if the first Unit closing occurs more than twelve (12) months beyond that amended, later day.

However, if the first closing occurs before October 31, 2023, Sponsor may schedule the closings of title to other Units significantly later than such date. Unless your Purchase Agreement contains an outside closing date, Sponsor is not obligated to schedule your closing within any specified time frame or to ensure that closing of title to your Unit will occur within any specified time frame or to ensure that closing of title to your Unit will occur by any date certain.

Purchasers should note that even if the first closing occurs on or before November 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 (12) month period thereafter, the closing of subsequent Units may be substantially delayed beyond such dates if a TCO has not been issued for such Units or for the floor on which such Units are located. In such case, provided that Sponsor is diligently pursuing completion of construction and the issuance of a certificate of occupancy and is otherwise in compliance with its obligations under the Plan, Purchaser will not be entitled to a right of rescission or to make claims against Sponsor for damages or losses as a result of such delays and will not be excused from paying the full purchase price for the Unit. **PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER THE POSSIBILITY OF SUCH DELAYS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT.**

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

7. Rescission of the Purchase Agreement.

If (i) the actual date of closing of title to the first Unit, or (ii) the projected date of closing of title to the first Unit occurs later than October 31, 2023, twelve (12) months after the projected date for the first Unit closing, Sponsor will offer all Purchasers a right of rescission until the midnight of the fifteenth day following receipt of Sponsor's offer to rescind. If the Plan is amended to provide for a later projected date for the first closing, and the first Unit closing

occurs more than twelve (12) months beyond that amended, later date, Sponsor will also offer all Purchasers a right of rescission until the midnight of the fifteenth day following receipt of Sponsor's offer to rescind. Purchaser or Purchaser's attorney must either [i] personally deliver a written notice of rescission to Sponsor's attorney prior to the midnight of said fifteenth day, [ii] mail the notice of rescission by certified or registered mail, return receipt requested, to Sponsor's attorney, so that mailing is post-marked by post-office prior to the midnight of said fifteenth day, or [iii] send the notice of rescission to Sponsor's attorney by an email set forth in the Purchase Agreement, prior to the midnight of said fifteenth day.

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

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

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

8. Power of Attorney.

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

9. Risk of Loss.

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

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

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

Sponsor shall have no obligation or liability to repair or restore the Unit damaged by fire or casualty that occurs before closing. If Sponsor elects to repair or restore the Unit, Sponsor shall notify Purchaser within sixty (60) days of the damage to the Unit and repair the damage within ninety (90) days of the notice. In the event Sponsor notifies Purchaser that it does not elect to repair or restore the Unit (which election shall be made within sixty (60) days of the damage to the Unit), or, if the Declaration has been recorded prior thereto and the Unit Owners do not resolve to make such repairs or restoration pursuant to the By-Laws, the Purchase Agreement shall be deemed cancelled and all monies paid on account of the purchase price, including any deposits made for upgrades, extras, special or custom work ordered by Purchaser, shall be returned to Purchaser within ten (10) days of Sponsor's notification to Purchaser that it does not elect to repair or restore the Unit or Unit Owners' notification that they do not intend to repair or restore the Unit pursuant to the By-Laws. Upon such return, neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under the Purchase Agreement and the Plan.

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

10. Conflicts.

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

11. Modification of the Purchase Agreement.

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

12. Broker.

The Purchase Agreement contains a provision that Purchaser represents that Purchaser has not dealt with any broker in connection with this transaction other than the broker, if any, named in the Purchase Agreement, whose commissions shall be paid by Sponsor. Purchaser shall pay the commission of any broker with whom Purchaser may have dealt, other than the Broker. Purchaser agrees that, should any claim be made against Sponsor for commissions by

any broker on account of any acts of Purchaser or Purchaser's representatives, Purchaser will indemnify and hold Sponsor free and harmless from and against any and all liabilities and expenses in connection therewith, including reasonable legal fees. The provisions of this provision shall survive the Closing. Please see Section 22 of the Purchase Agreement in Part II of the Plan.

13. Notices.

The Purchase Agreement contains a provision that:

1 Any notice, election, demand, request, letter, consent or other communication to Purchaser, hereunder or under the Plan, shall be in writing and either delivered in person or sent, postage prepaid, by registered or certified mail return receipt requested or by Federal Express or other reputable overnight courier, with receipt confirmed or via facsimile with a confirmation letter, to Purchaser’s attorney at the address given at the beginning of the Purchase Agreement.

Any notice, election, demand, request, letter, consent or other communication to Sponsor, hereunder or under the Plan, shall be in writing and either delivered in person or sent, postage prepaid, by registered or certified mail return receipt requested or by Federal Express or other reputable overnight courier, with receipt confirmed or via facsimile with a confirmation letter, to Sponsor’s attorney at the address given at the beginning of the Purchase Agreement.

Either party may hereafter designate to the other in writing a change in the address to which notices are to be sent.

Except as otherwise expressly provided herein, a notice shall be deemed given when personal delivery or delivery by overnight courier is effected, or in the case of mailing, three (3) business days after the date of mailing, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address.

2 Any notice given by the other party's attorney shall be deemed to be notice from such party itself. Any notice given to the other party's attorney shall be deemed to be notice to such other party.

3 The parties hereunder authorize their attorneys to modify the Purchase Agreement on behalf of the parties and such modification shall be have the same force and effect as if given by the parties.

4. A delay in the actual delivery of the notice to Purchaser may affect the time period allotted to Purchaser to respond in instances in which Purchaser is required to respond within a specified time period.

Please see Section 25 of the Purchase Agreement in Part II of the Plan.

14. Force Majeure.

The Purchase Agreement contains a provision that Sponsor shall be excused from performing any obligation or undertaking provided for in the Purchase Agreement for so long as such performance is prevented, delayed or hindered by an act of God, fire, flood, explosion, war, riot, sabotage, inability to procure or general shortage of energy, labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strike, lockout, action of labor unions, or any other cause (whether similar or dissimilar to the foregoing) not within the reasonable control of Sponsor. Sponsor's time to perform such obligations or undertaking shall be tolled for the length of the period during which such performance was excused.

The Purchase Agreement contains a provision that Purchaser's time to perform any obligation or undertaking provided for in the Purchase Agreement shall be tolled for the length of the period during which such performance was prevented, delayed or hindered by an act of God, fire, flood, explosion, war, riot, sabotage, inability to procure or general shortage of energy, labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strike, lockout, action of labor unions, or any other cause (whether similar or dissimilar to the foregoing) not within the reasonable control of Purchaser. Sponsor cannot limit any rights which Purchaser may have pursuant to Article 23A of the General Business Law, NYCRR regulations, and the Plan, except as determined in a final decision or order by a court of competent jurisdiction or any governmental agency or by executive order.

Please see Section 27 of the Purchase Agreement in Part II of the Plan.

15. Waiver of Jury Trial.

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

ASSIGNMENT OF PURCHASE AGREEMENTS

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

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

EFFECTIVE DATE

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

1. The Plan shall be declared effective by personal service or by commencement of service by mail in the manner required by 13 NYCRR §20.1(d) of a notice on each Purchaser stating that the Plan was declared effective on a particular date, the percentage used to declare the Plan effective and a list of the Units being counted to meet the minimum percentage under the terms of the Plan to declare it effective. Sponsor shall then submit an amendment to the Department of Law within five (5) days confirming that the Plan was declared effective on a specified date. The closing of the first Unit will not occur until the Plan is declared effective. However, a closing may occur without the Sponsor's submitting an amendment to the Department of Law to declare the Plan effective.

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

2. The Plan may not be declared effective unless bona fide Purchasers, including investors, have signed Purchase Agreements for at least 15% of the Units offered under the Plan, which is equal to one (1) Unit. One (1) Unit meets the 15% threshold but constitutes 25.00% of the Units.

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

   (a) signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived; or
   (b) if Purchaser was not afforded at least three (3) business days to review the Plan and all filed amendments prior to executing the Purchase Agreement; or
   (c) with any Purchaser who is Sponsor, the Selling Agent, or the managing agent or is a principal of Sponsor, the Selling Agent or the managing agent or is related to Sponsor, the Selling Agent, or the managing agent or to any principal of Sponsor or the Selling Agent or the managing agent by blood, marriage or adoption or as a business associate, an employee, a shareholder or a limited partner, except that such Purchaser other than Sponsor or a principal of Sponsor may be included if Sponsor has submitted proof satisfactory to the Department of Law establishing that Purchaser is bona fide.

4. The Plan must be declared effective when Purchase Agreements have been accepted by Sponsor for 80% or more of the Units offered under the Plan, which is equal to four (4) Units. Four (4) Units meet the 80% threshold but constitute 100% of the Units.

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

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

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

Said sum will exclude any attorneys' fees or any such title defects or determinations of any authority or regulatory association which exist on the date of presentation of the Plan and are either known to Sponsor or are a matter of public record.

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

TERMS OF SALE

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

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

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

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

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

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

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

In the event Sponsor notifies Purchaser that it does not elect to repair or restore the Unit (which election shall be made within sixty (60) days of the damage to the Unit), or, if the Declaration has been recorded prior thereto and the Unit Owners do not resolve to make such repairs or restoration pursuant to the By-Laws, the Purchase Agreement shall be deemed cancelled and all monies paid on account of the purchase price, including any deposits made for upgrades, extras, special or custom work ordered by Purchaser, shall be returned to Purchaser

within ten (10) days of Sponsor's notification to Purchaser that it does not elect to repair or restore the Unit or Unit Owners' notification that they do not intend to repair or restore the Unit pursuant to the By-Laws. Upon such return, neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under the Purchase Agreement and the Plan.

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

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

(a) Zoning laws and regulations and landmark, historic or wetlands designations which are not violated by the Unit and which are not violated by the Common Elements to the extent that access to or use of the Unit would be materially and adversely affected.

(b) Consents for the erection of any structure or structures on, under or above any street or streets on which the Building may abut.

(c) The terms, burdens, covenants, restrictions, conditions, easements and rules and regulations set forth in the Declaration, By-Laws and rules and regulations of the Condominium, the Power of Attorney to the Board of Managers of the Condominium and the Floor Plans of the Condominium, all as may be amended from time to time.

(d) Rights of utility companies to lay, maintain, install and repair pipes, lines, poles, conduits, cable boxes and related equipment on, over and under the Building and Common Elements, provided that none of such rights imposes any monetary obligation on the owner of the Unit or materially interferes with the use of or access to the Unit.

(e) Encroachments of stoops, areas, cellar steps, trim, cornices, lintels, window sills, awnings, canopies, ledges, fences, hedges, copings and retaining walls projecting from the Building over any street or highway or over any adjoining property and encroachments of similar elements projecting from adjoining property over the Common Elements.

(f) Any state of facts which an accurate survey or personal inspection of the Building, Common Elements or Unit would disclose, provided that such facts do not render title unmarketable.

(g) The lien of any unpaid common charge, real estate tax, water charge, sewer rent or vault charge, provided the same are paid or apportioned at the Closing.

(h) The lien of any unpaid assessments to the extent of installments thereof payable after the closing.

(i) Liens, encumbrances and title conditions affecting the Common Elements, which do not materially and adversely affect the rights of the Unit Owner to use and enjoy the Common Elements.

(j) Notes or notices of violations of law or governmental orders, ordinances or requirements affecting the Building or the Common Elements (other than the Unit), which the other Unit Owner or the Board of Managers of the Condominium are obligated to correct.
(k) Standard exceptions contained in the form of fee title insurance policy then issued by the title insurance company insuring the Owner's title to the Unit.
(l) Zoning Lot Description as recorded in CRFN 2019000241997.
(m) Zoning Lot Certification as recorded in CRFN 2019000241998.

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

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

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

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

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

8. The United States Financial Crimes Enforcement Network ("FinCEN") issued the Geographic Targeting Order ("GTO"), which requires title insurance companies to collect and report to FinCEN the personal identity of purchasers in residential real estate transactions in which:

(1) the purchaser is a legal entity as defined in the GTO;
(2) the purchaser purchases residential real property located in the Boroughs of Bronx, Brooklyn, Queens, Manhattan, and Staten Island;
(3) the purchase price is $300,000.00 or more;
(4) such purchase is made without a bank loan or other similar form of external financing; and

(5) such purchase is made, at least in part, using currency or a cashier’s check, a certified check, a traveler’s check, a personal check, a business check, a money order in any form, a funds transfer, or virtual currency.

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

As long as the GTO remains in effect, its reporting requirements apply to all residential real property closings meeting the above criteria and occurring on or after November 6, 2020.

UNIT CLOSING COSTS AND ADJUSTMENTS

1. Closing Costs

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

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

First $35,000 or less $402.00

Each Additional $1,000.00
(or fraction thereof)

From	To	
$35,001.00	$50,000.00	$6.67
$50,001.00	$100,000.00	$5.43
$100,001.00	$500,000.00	$4.36
$500,001.00	$1,000,000.00	$3.98

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

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

First $35,000 or less $344.00

Each Additional $1,000.00
(or fraction thereof)

From	To	
$35,001.00	$50,000.00	$5.55
$50,001.00	$100,000.00	$4.54
$100,001.00	$500,000.00	$3.64
$500,001.00	$1,000,000.00	$3.31

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

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

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

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

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

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

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

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

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

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

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

As of July 1, 2021, the amount of the New York State real property transfer tax is excluded from the calculation of consideration.

Accordingly, the consideration is the purchase price of the Unit plus the New York City transfer tax calculated on the amount of the purchase price.

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

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

viii. Reimbursement fee. Purchaser will be required to pay the fee of $1,500.00 to Sponsor as partial reimbursement for the cost of preparing the Plan.

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

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

2. Mortgage Tax Credit

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

> "In the event the proceeds of a construction mortgage were applied to construction of a unit of condominium submitted to the provisions of this article, or in the event that a Unit submitted to the provisions of this act was subject to a blanket mortgage, and a mortgage tax was duly paid on

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

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

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

Unit 2

$1,800,000.00 - Purchase Price
$1,440,000.00 - Loan Amount, if applicable

Owner’s title insurance		$7,065.00
Loan title insurance, if applicable		$1,455.00
Additional endorsements, if applicable		$100.00
Abstract search		$550.00
Recording of deed and power of attorney		$500.00
Recording of mortgage, if applicable		$250.00
Mortgage recording tax, if applicable		$27,690.00
New York City transfer tax		$26,119.00
New York State transfer tax		$7,332.00
"Mansion" tax		$18,329.00
Document preparation fee		$2,950.00
Reimbursement fee		$1,500.00
Working capital fund contribution		$1,170.00
	Total:	**$95,010.00**

4. Closing Adjustments

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

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

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

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

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

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

RIGHTS AND OBLIGATIONS OF SPONSOR

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

If Sponsor opts to rent, rather than sell, the Units, the 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 Sponsor. Under such circumstances, Sponsor will be under no obligation to sell more than 15% of the Units necessary to declare the Plan effective, i.e. one (1) Unit. 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.

Because Sponsor is reserving the right to rent Units, Purchasers for their own occupancy may never gain control of the board of managers under the terms of the Plan, and Owner-occupants and non-resident owners, such as Sponsor, may have inherent conflicts on management of the Condominium.

Sponsor will resume sales where offers to buy all Unsold Units increase so that they are within 25% of the offering prices listed in Schedule A.

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

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

All obligations pertaining to the Common Elements shall be enforceable only by the Board of Managers on behalf of the Unit Owners and not by the individual Unit Owners. However, nothing herein shall prevent an individual Unit Owner from bringing an action in the nature of a derivative action. During the time Sponsor controls the Board of Managers, it is

within its sole power to enforce the obligations of Sponsor pertaining to the Common Elements, and therefore, Sponsor agrees that during such period it will in its capacity as the Board of Managers, enforce such obligations when required to do so by a resolution duly passed by a majority of the Unit Owners, excluding Sponsor, at a special meeting of the Unit Owners called for such purposes. Sponsor has a fiduciary duty to act in the best interest of the Condominium, even during the time it controls the Board of Managers.

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

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

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

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

In the event Sponsor notifies Purchaser that it does not elect to repair or restore the Unit (which election shall be made within sixty (60) days of the damage to the Unit), or, if the Declaration has been recorded prior thereto and the Unit Owners do not resolve to make such repairs or restoration pursuant to the By-Laws, the Purchase Agreement shall be deemed cancelled and all monies paid on account of the purchase price, including any deposits made for upgrades, extras, special or custom work ordered by Purchaser, shall be returned to Purchaser within ten (10) days of Sponsor's notification to Purchaser that it does not elect to repair or restore the Unit or Unit Owners' notification that they do not intend to repair or restore the Unit pursuant to the By-Laws. Upon such return, neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under the Purchase Agreement and the Plan.

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

7. In the event of the dissolution or liquidation of Sponsor or the transfer of at least two (2) Units in the Condominium, the principal of Sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of Sponsor for those Units under the Plan, applicable law or regulations.

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

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

For purposes of this Paragraph, "bulk sale" shall mean a sale of two (2) or more Units to one bona fide Purchaser, which are not purchased for occupancy by the owner or one or more members of his or her immediate family.

9. Sponsor is constructing the Building with its own financial resources. If, however, Sponsor obtains construction financing, a construction lender may impose requirements regarding sales by Sponsor, and the Plan will be amended to disclose relevant terms of a construction loan agreement when financing is obtained.

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

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

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

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

11. Prior to the closing the first Unit, Sponsor will obtain a final certificate of occupancy for the Building or, alternatively, obtain a temporary or partial certificate of occupancy for the Building. Sponsor and its principals will obtain a final certificate of

occupancy for the Building within two (2) years of closing the first Unit, and in any event, before expiration of applicable temporary or partial certificate, as same may be renewed, replaced or extended.

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

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

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

Furthermore, because Sponsor and the By-Laws of the Condominium may permit Unit Owners to undertake renovations to individual Units prior to the procurement of a FCO, such

renovations may cause additional delays in the issuance thereof. Notwithstanding the foregoing, Sponsor and its principals are obligated to procure the FCO.

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

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

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

13. The Housing Merchant Implied Warranty, as required by Article 36-B of the General Business Law of the State of New York, applies to this offering as the gut renovations undertaken have created a multi-unit residential structure of five stories or less. The complete text of Article 36-B is reprinted in Part II of the Plan.

The Housing Merchant Implied Warranty means that:

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

The Housing Merchant Implied Warranty, however, does not extend to:

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

Sponsor has chosen to limit its liability and limit extent of items covered under the Housing Merchant Implied Warranty.

Sponsor will provide the Limited Warranty as required by Section 777-b of Article 36-B. The Limited Warranty limits the Housing Merchant Implied Warranty by limiting Sponsor's liability for its breach. Sponsor’s limit of liability under the Limited Warranty for each Unit is

75% of its purchase price. The complete text of the Limited Warranty offered by Sponsor is reprinted in Part II of the Plan.

Sponsor is not providing any warranty other than the Limited Warranty.

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

The Warranty Period applicable to a Unit begins on the date that the Purchaser or member of the Purchaser's family takes title to the Unit or any person begins residential occupancy of the Unit, whichever date is earlier, (hereinafter called the "Warranty Date"). It ends at the expiration of the coverages shown below:

FIRST YEAR BASIC COVERAGE: For one year from the Warranty Date, the Unit will be free from latent defects that constitute:

(a) defective workmanship performed by the Sponsor, an agent of the Sponsor or subcontractor of the Sponsor;
(b) defective materials provided by the Sponsor, an agent of the Sponsor or subcontractor of the Sponsor; or
(c) defective design, provided by an architect, landscape architect, engineer, surveyor, or other design professional engaged solely by the Sponsor.

Workmanship, materials, and design will be considered to be defective if they fail to meet or exceed the relevant standards and specifications of the Building Code of the City of New York.

TWO YEAR MAJOR SYSTEM COVERAGE: For two years from the Warranty Date, the Plumbing, Electrical, Heating, Cooling and Ventilation Systems of the Unit which have been installed by the Sponsor are warranted to be free from latent defects that constitute defective installation by the Sponsor.

Installation will be considered to be defective if Sponsor's workmanship upon the installation fails to meet the relevant standards and specifications of the Building Code of the City of New York or if it fails to meet the accepted standards, if any.

The Plumbing System means: gas supply lines and fittings; water supply, waste and vent pipes and their fittings; water, gas and sewer service piping, and their extensions to the tie-in of a public utility connection.

The Electrical System means: all wiring, electrical boxes, switches, outlets and connections up to the public utility connection.

The Heating, Cooling and Ventilation System means: all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.

All systems are exclusive of appliances, fixtures and items of equipment.

SIX YEAR MAJOR STRUCTURAL DEFECT COVERAGE: For six years from the Warranty Date, the Unit will be free from latent defects that are Major Structural Defects, as defined below, and that constitute:

(a) defective workmanship performed by the Sponsor, an agent of the Sponsor or subcontractor of the Sponsor;
(b) defective materials provided by the Sponsor, an agent of the Sponsor or subcontractor of the Sponsor; or
(c) defective design, provided by an architect, landscape architect, engineer, surveyor, or other design professional engaged solely by the Sponsor.

Workmanship, materials, and design will be considered to be defective if they fail to meet the relevant standards and specifications of the Building Code of the City of New York or if they fail to meet the accepted standards, if any.

A Major Structural Defect is a defect resulting in actual physical damage to the following load-bearing portions of the Unit caused by failure of such load-bearing portions which affects their load-bearing functions to the extent that the Unit becomes unsafe, unsanitary or otherwise unlivable; foundation systems and footings, beams, girders, lintels, columns, walls and partitions, floor systems, and roof framing systems.

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

At or prior to the closing of the Unit, Sponsor will assign any manufacturer's warranties with respect to equipment and appliances installed in the Unit to the Unit Owner and assign any warranties with respect to roof, equipment and appliances installed in the Common Elements to the Board of Managers. The expected life span of the roof type is ten (10) years. A ten year “No Dollar Limit Manufacturer’s Warranty” on materials will be provided by the roof manufacturer. The warranty will commence once the installation of the roof has been completed. There will be no warranty or guarantee provided by the roof installer.

Neither Sponsor nor its principals, managers, members, agents, designees or affiliates make any representation as to which, if any, of the manufacturer's warranties will continue to remain in force upon the closing. If any warrantor is unable to perform under its warranty due to inability, unwillingness or any other reason, neither Sponsor nor its principals, managers, members, agents, designees or affiliates shall under any circumstances be considered a successor warrantor. Neither Sponsor nor its principals, managers, members, agents, designees or affiliates shall have any obligations or responsibilities with respect to such warranties, or the work or item warranted, even if the warrantor goes out of business, declares bankruptcy or simply fails to fulfill the conditions of the warranty. Recourse is only to the warrantor and not to Sponsor, its

principals, managers, members, agents, designees or affiliates. Sponsor is not providing representations regarding manufacturers' warranties.

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

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

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

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

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

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

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

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

(a) will have an easement to erect, maintain, repair and replace from time to time one or more signs on the Building and elsewhere on the Property for the purposes of advertising the sale of Units and the leasing of space in any Unit as well as an easement in and access to Units and Common Elements consistent with the purposes of the Plan, as same may be amended, and Sponsor's rights and obligations thereunder, including, without limitation, the right to develop, renovate, maintain, repair, refurbish, offer, sell and lease Units and Common Elements and
(b) reserve the right to establish, grant and create easements for any additional underground electric transformer, amplifier, gas, cable television,

> telephone, water, storm drainage, sewer or other utility lines and appurtenances in, under and through the Property, including, without limitation, an easement or easements for the benefit of any property adjacent to the Property, to relocate any existing utility easements in any portion of the Property and to dedicate any or all of such facilities to any governmental body, public benefit corporation or utility company if Sponsor, Sponsor-designees, successors, assigns, invitees, licensees, contractors, employees and tenants shall deem it necessary or desirable for the proper operation and maintenance of the Property or any portion thereof, or for the general health or welfare of any Unit Owner, or the residents of any property adjacent to the Property, or users of any recreation facilities, if any, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of the Units for private residential use. Any utility company or public benefit corporation furnishing services to the Property, and the employees and agents of any such company or corporation, shall have the right of access to any Unit, to the Common Elements or the Limited Common Elements in furtherance of such easements, provided such right of access is exercised in such a manner as not unreasonably to interfere with the use of the Units, and provided that affected Purchasers are given at least seven (7) day prior written notice of such access.

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

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

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

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

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

CONTROL BY SPONSOR

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

Sponsor or Sponsor-designee will retain voting control of the Board of Managers for three (3) years after the closing of title to the first Unit or whenever the Unsold Units constitute less than 50% of the Common Interests, whichever is sooner.

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

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

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

(a) increase the number, or change the type, of employees provided for in Schedule B,

(b) make any addition, alteration or improvement to the Common Elements or to any Unit or

(c) assess any Common Charge for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, except that Sponsor will consent to replacements to the contingency fund provided for in Schedule B of the Plan for the Property to the extent that the aggregate amount of such fund does not exceed 10% of the budgeted expenses of the Condominium or

(d) borrow money on behalf of the Condominium (except where necessary to perform work required by applicable law or regulations, or remedy violations or a mortgagee's work order(s) to the extent that existing reserves are insufficient).

Sponsor and Sponsor-designee are entitled to the rights described herein collectively. If both Sponsor and Sponsor-designee, collectively, continue to own Units, the percentage Common Interest of which, in the aggregate, equals more than 25%, they are both entitled to veto power, but in any event, Sponsor or Sponsor-designee will not retain veto power for a period greater than five (5) years after the closing of the first unit.

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

(a) amend the Declaration, the By-Laws or the Rules and Regulations attached hereto so as to limit in any way or eliminate rights of Sponsor or Sponsor-designee under the Declaration, the By-Laws or the Rules and Regulations attached hereto; or

(b) interfere with the offer and sale or leasing of Units or the operation of general, sales or leasing offices at the Property or interfere with actions necessary for construction, renovation, repair or correction at the Property, as required by Sponsor or Sponsor-designee.

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

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

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

The By-Laws of the Condominium contain a provision that after the expiration of initial sponsor voting control period, a majority of the Board of Managers must be owner-occupants or members of an owner-occupant’s household who are unrelated to Sponsor and its principals.

Because Sponsor is reserving the right to rent Units, Purchasers for their own occupancy may never gain control of the board of managers under the terms of the Plan, and Owner-occupants and non-resident owners, such as Sponsor, may have inherent conflicts on management of the Condominium.

BOARD OF MANAGERS

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

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

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

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

Until the first meeting of Unit Owners, the Board of Managers will consist of three (3) members designated by Sponsor. The members will be Daniel Pipitone, Marco Auteri and Giovanni Ferrara. They all are principals of Sponsor.

After the expiration of initial sponsor voting control period, a majority of the Board of Managers must be owner-occupants or members of an owner-occupant's household who are unrelated to Sponsor and its principals.

Within thirty (30) days after the closing of title to the Units whose aggregate Common Interest equals more than 50%, or three (3) years after the first closing, whichever is sooner, Sponsor will call the first meeting of Unit Owners for the purpose of electing a Board of Managers pursuant to Section 1 of Article III of the By-Laws. At such meeting, the first Board of Managers will resign and a new Board will be elected by the Unit Owners. Thereafter, annual meetings will be held on or about the anniversary of such date each succeeding year. At such meetings, there will be elected by ballot of the Unit Owners a Board of Managers in accordance with the requirements of Article II of the By-Laws.

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

The Board of Managers may not be prohibited from removing members for cause. Any one or more of the members of the Board Members may be removed for cause by the affirmative vote of the remaining members of the Board of Managers at any regular or special meeting of the Board of Managers, pursuant to Section 5 of Article II of the By-Laws. Any member of the

Board of Managers whose removal has been proposed shall be given an opportunity to be heard at the meeting.

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

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

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

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

The members of the Board of Managers will not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners will severally indemnify and hold harmless each of the members of the Board of Managers against any liability or claims except those arising out of the bad faith or willful misconduct of the members of the Board of Managers. A Unit Owner's liability is limited to such proportionate share of the total liability as the Common Interests of such Unit Owner bear to the aggregate Common Interest of all Unit Owners and such Unit Owner's interest in his or her Unit's and its appurtenant Common Interest, unless otherwise provided by law. It is intended that the members of the Board of Managers will have no personal

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

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

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

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

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

The Secretary will keep the minutes of all meetings of the Unit Owners and of the Board of Managers; he will have charge of such books and papers as the Board of Managers may direct; and he will in general perform all the duties incident to the office of secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

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

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

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

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

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

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

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

At any regular or special meeting of Unit Owners, any one or more of the members of the Board of Managers may be removed without cause by the affirmative vote of Unit Owners whose aggregate Common Interest exceeds 50% of the Common Interest of the Condominium, and a successor may then and there or thereafter be elected to fill the vacancy thus created. If a member of the Board of Managers ceases to be a Unit Owner, the principal or officer of a Unit Owner or the spouse of a Unit Owner, unless such member is Sponsor or Sponsor-designee, he or she will be deemed to have resigned, effective as of the date such ownership interest ceased.

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

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

(a) no amendment which will change the percentage of Common Interests allocated to any Unit or Units may be made without the written consent of such Owner(s); no amendment which will increase the percentage of Common Interests allocated to any Unit or Units may be made without the written consent of the mortgagees of such Unit, or Units, if any;

(b) no amendment, modification, addition or deletion of or to the Declaration will be effective in any respect against Sponsor, Sponsor-designee, or any Unsold Unit until Sponsor or such designee will consent thereto in writing;

(c) no amendment of a material adverse nature to mortgagees will be made unless agreed to by mortgagees that represent at least 51% of the votes of Units that are subject to mortgages.

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

Sponsor hereby reserves to itself and Sponsor-designees the right to amend the Declaration at any time without the requirement of a vote and without the approval or consent of any Unit Owners or mortgagees for the sole purpose of filing the Floor Plans required by Section 339-p of the Real Property Law of the State of New York for any portion or portions of the Building and appurtenances which are incomplete at the time the Declaration is recorded and the filing along with said amendment to the Declaration and the Floor Plans, the verified statement of a registered architect or licensed professional engineer certifying that the plans being filed simultaneously with such amendment, fully and fairly depict the layout, location, unit designations and approximate dimensions of the particular Unit or Units as built, as provided in

said Section 339-p. No such amendment will be effective until recorded in the Office of the Register of the City of New York. Any changes to the Floor Plans will necessitate an amendment to the Plan.

Any provisions that give Sponsor control of the enforcement of Sponsor's obligations are not lawful. If there are non-Sponsor members of the Board of Managers, and there is a vote on whether to sue Sponsor, the Sponsor's board representative cannot lawfully vote on that issue.

The By-Laws of the Condominium contain a provision that after the expiration of initial sponsor voting control period, a majority of the Board of Managers must be owner-occupants or members of an owner-occupant’s household who are unrelated to Sponsor and its principals.

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

Sale or lease of Units by Unit Owners

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

The Condominium will not have a right of first refusal in connection with sales and leases of Units.

Mortgaging of Units by Unit Owners

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

Common Charges and Assessments

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

The Common Expenses will include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Managers pursuant to the provisions of Section 2 of Article VI of the By-Laws and the fees and disbursements of the Insurance Trustee, if any.

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

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

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

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

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

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

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

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

In the event of default by any Unit Owner in paying to the Board of Managers the Common Charges or any assessment as determined by the Board of Managers, such Unit Owner will be obligated to pay interest at the highest legal rate on such Common Charges or assessments from the due date thereof, together with all expenses, including late fees charged by the Board of Managers and attorneys' fees incurred by the Board of Managers in any proceeding brought to collect such unpaid Common Charges or assessments. The Board of Managers will have the right and duty to attempt to recover such Common Charges or assessments, together with interest thereon, and the expenses of the proceeding, including attorneys' fees, in an action

to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit granted by Section 339-z of the Real Property Law of the State of New York, in the manner provided in Section 339-aa thereof. A Unit Owner defaulting in the payment of Common Charges or assessments will not be permitted to vote at any regular or special meeting of Unit Owners.

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

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

Repairs

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

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

A Unit Owner must grant a right of access to his or her Unit, to the manager and/or the managing agent and/or any other person authorized by the Board of Managers, the manager or the managing agent, for the purpose of making inspections or for the purpose of correcting any condition originating in his or her Unit and threatening another Unit or a Common Element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in his or her Unit or elsewhere in the Building, or remedying any condition which would violate the provisions of any mortgage encumbering another Unit or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof, or to cure any defaults by a Unit Owner or for any other purposes permitted by the By-Laws, provided that requests for entry are made in

advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. In the event of the exercise of the right of access provided for in Section 15 of the By-Laws, any costs for repairs shall be borne in accordance with the provisions of Section 10 of Article VI of the By-Laws.

Additions, Alterations and Improvements

Subject to the provisions of Section 2 of Article II of the By-Laws, whenever in the judgment of the Board of Managers the Common Elements shall require additions, alterations or improvements (but not maintenance) costing in excess of $50,000.00, and the making of such additions, alterations or improvements will have been approved by a majority of the Unit Owners, the Board of Managers will proceed with such additions, alterations or improvements and shall assess all Unit Owners for the cost thereof as a Common Expense. Any additions, alterations or improvements costing $50,000.00 or less may be made by the Board of Managers without approval of the Unit Owners and the cost thereof shall constitute part of the Common Expenses.

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

In the event the Board of Managers grants its consent to any addition, alteration or improvement to be made by a Unit Owner in accordance with the provisions of Section 13 of Article VI of the By-Laws, such consent shall be deemed to provide that any such work shall be at the Unit Owner's sole cost and expense, that work shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances, that all work shall be done by reputable contractors with adequate liability, property damage and worker's

compensation insurance (certificates of which shall be delivered to the Board of Managers prior to the commencement of construction), that any additions, alterations or improvements, shall be maintained in their entirety by said Unit Owner who shall also be responsible for any repairs, including structural repairs, to such area in any event, and to the Unit and any Common Elements where such repairs become necessary, due to additional stresses caused by such addition, alteration, or improvement, or due to improper design or construction of such addition, alteration, or improvement, and such approval shall further provide that the Unit Owner shall reimburse the Board of Managers for any out-of-pocket expenses incurred by the Board of Managers in connection with the granting of such approval and for any services provided in connection with such addition, alteration, or improvement; such expenses may include, but shall not be limited to, any fees of an attorney and/or fees of an architect consulted in connection with any request by a Unit Owner for approval of such work.

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

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

Insurance

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

(a) fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring the Building containing the Units (including all of the Units and the fixtures initially installed therein by Sponsor or by prior construction and any other property usual to the servicing and general occupancy, but not including improvements, furniture, furnishings or other personal property supplied or installed by Unit Owners), together with all service machinery and equipment contained therein and covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees as their interests may appear, in an amount to be determined by the Board of Managers but in no event to be less than eighty 80% of the full replacement cost of the Building, including the above noted items, but exclusive of footings and foundations, as approved by a fire insurance company or a qualified insurance broker; each of said policies shall contain a Condominium Property Endorsement and a New York standard mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee, if any, as herein provided;

(b) worker's compensation insurance if the Condominium has employees; and

(c) such other insurance as the Board of Managers may determine.

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

All policies of physical damage insurance will contain waivers of subrogation and of any reduction of pro-rata liability of the insured as a result of any insurance carried by Unit Owners or of invalidity arising from any acts of the insured or any Unit Owners, and the individual Unit Owners as well as the Condominium will be primary insureds to the extent as their interests will also appear. Such policies may not be cancelled or substantially modified without at least ten (10) days prior written notice to all of the insureds, including all mortgagees of Units. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, will be delivered to all mortgagees of Units at least ten (10) days prior to expiration of the then current policies if so requested in writing by them. Please see Schedule B for details of the Condominium’s insurance coverage.

The Board of Managers will also be required to obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Board of Managers may from time to time determine, covering each member of the Board of Managers, the managing agent, the manager and each Unit Owner. Such public liability coverage will also cover cross-liability claims of one insured against another. Until the first meeting of the Board of Managers elected by the Unit Owners the public liability insurance will be in a limit of at least $1,000,000.00 covering all claims for bodily injury with respect to any one occurrence. Please see Schedule B for details of the Condominium’s insurance coverage.

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

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

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

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

In the event of a fire or other casualty which damages or destroys less than 75% of the Building containing the Units, the Board of Managers will arrange for the prompt repair and restoration of the Building containing the Units (including any damaged Units, and any kitchen and bathroom fixtures and floor coverings initially installed therein by Sponsor, but not including any wall, ceiling or floor decorations or coverings or other improvements, furniture, furnishings, fixtures, appliances or equipment installed in the Units by the Unit Owners), and the Board of Managers or the Insurance Trustee, as the case may be, will disburse the proceeds of all insurance policies in appropriate progress payments for distribution to the contractors engaged in such repairs and restoration. Any cost of such repair and restoration in excess of the insurance proceeds will constitute a Common Expense and the Board of Managers may assess all the Unit Owners for such deficit as part of the Common Charges.

If 75% or more of the Building containing the Units is destroyed or substantially damaged and Unit Owners whose percentage of Common Interest totals 75% in the aggregate of the total Common Interest do not duly and promptly resolve to proceed with repair or restoration, the Property will be subject to an action for partition at the suit of any Unit Owner or lienor, as if owned in common, in which event the net proceeds of sale, together with the net proceeds of insurance policies (or if there will have been a repair or restoration pursuant to the first paragraph of Section 3 of Article VI of the By-Laws, and the amount of insurance proceeds will have exceeded the cost of such repair or restoration, then the excess of such insurance proceeds) will be divided by the Board of Managers or the Insurance Trustee, as the case may be, among all the Unit Owners in proportion to their respective Common Interest, after first paying out of the share

of each Unit Owner the amount of any unpaid liens on his or her Unit, in the order of the priority of such liens.

Whenever in Section 3 of Article VI of the By-Laws the words "promptly repair" are used it will mean repairs are to begin not more than sixty (60) days from the date the Insurance Trustee notified the Board of Managers and the Unit Owner or Unit Owners that it will hold proceeds of insurance funds sufficient to pay the estimated costs of such work; or not more than ninety (90) days after the Insurance Trustee notified said Board of Managers and Unit Owner or Unit Owners that such funds are insufficient to pay said estimated costs and advising them of the amount of the required completion bond, if necessary. If there is no Insurance Trustee, then the aforementioned sixty (60) and ninety (90) day periods will be from the date of notification by an insurance adjuster retained by the Board of Managers. Wherever the words, "promptly resolve" are used it will mean not more than sixty (60) days from the date of receipt of said insurance funds.

Restrictions on Occupancy and Use

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

A. Each Unit Owner will have the right to use his or her Unit only for residence purposes.

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

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

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

B. The Common Elements and the Limited Common Elements may only be used for the furnishing of the services and facilities for which they are reasonably suited and which are incidental to the use and occupancy of Units. However, the Common Elements and the Limited Common Elements may not be used as a dwelling space, and for kindling, building, maintaining or using an open fire, including, without limitation, charcoal, piped natural gas, or LPG fired

barbeques. The use of roof terraces as contemplated in the Plan will comply with the requirements set forth in the New York City Department of Building's Buildings Bulletin 2018-002.

C. The storage spaces may only be used for the storage of personal effects of Unit Owners. In no event shall any (a) valuable items, (b) animals, (c) food or other perishable items, (d) hazardous substances, (e) flammable, combustible, explosive or other dangerous items, (f) items which have an objectionable odor or which may spoil or decay, or (g) items which may impose a health or safety threat or cause dirt or other sanitary problems or create a nuisance, be stored therein. A storage space may not be legally used for any residential uses including bedroom, dining room, or any other use considered to be a habitable space as defined by the New York City Building Code. The use of a storage space as a living or sleeping space may result in a building code violation being issued against the Building and the imposition of fines against the Building. The Unit Owner, who caused the violation, will be obligated to remove it and pay all fines associated with the violation.

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

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

F. No portion of a Unit other than the entire Unit, including any Limited Common Elements appurtenant thereto, may be rented.

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

H. Inhaling, exhaling, burning or carrying any lighted or heated cigar, cigarette, little cigar, pipe, water pipe or hookah, herbal cigarette, non-tobacco smoking product (e.g., marijuana or non-tobacco shisha), or any similar form of lighted object or device designed for people to use to inhale smoke, and are not permitted:

[i] inside of the Units;
[ii] anywhere inside of the Building;
[iii] outdoor Common Elements which is front yard; and
[iv] outdoor Limited Common Areas within 15 feet of entrances, exits, windows, and air intake units in the Building.

This prohibition is included in Rule 28 of the Rules and Regulations of the Condominium.

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

General

1. The Condominium will not have a right of first refusal in connection with sales and leases of Units.

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

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

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

Options for appeal are limited for matters submitted to arbitration.

The arbitration provision does not relate to Purchase Agreements.

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

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

5. The cellar of Unit 1, and the Limited Common Elements of the Units such as the rear yard, areaway, balcony and stair, storage spaces, and balconies are uninhabitable spaces. They may not be legally used for any residential uses including bedroom, dining room, or any other use considered to be a habitable space as defined by the New York City Building Code. The use of a parking garage as a living or sleeping space may result in a building code violation being issued against the Building and the imposition of fines against the Building. The Unit Owner, who caused the violation, will be obligated to remove it and pay all fines associated with the violation. Please see "Rules and Regulations" Section of Part II of the Plan.

REAL ESTATE TAXES

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

In the event that the Units have not been separately assessed for real estate tax purposes prior to the closing of title to the first Unit, Sponsor will place in escrow in the name of the Board of Managers an amount equal to the real estate taxes attributable to the Unsold Units, which will be levied against them for the six (6) month period following the first closing, or until the Units are separately assessed, whichever is sooner, and will collect at each Unit closing the estimated amount of taxes attributable to such Unit for the balance of the six (6) month period. The Board of Managers will pay the real estate taxes from the escrow account when taxes are due and payable and Sponsor will be entitled to reimbursement from Unit Owners to the extent of the actual assessment. It is anticipated that Units will be separately assessed for the 2022/2023 tax year, and that individual Unit Owners (whether Purchasers or Sponsor) will pay the taxes thereof. The amount of real estate tax escrow will be disclosed in the initial post-closing amendment to the Plan.

The Property is taxed by the City of New York through the Department of Finance, which through the Department of Finance, has assessed the Property at a pre-construction value of $25,081.00.

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

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

Sponsor anticipates that the construction will be completed by May 31, 2022. The anticipated date of reassessment after completion of the construction is January 5, 2023.

No real estate tax abatement benefits are available to the Units.

Properties in New York City are divided into different classes, each treated differently under the law. The type of property one owns determines class and how property value is

accessed. Tax classes each pay a different share of property tax in New York City. Tax Class 2 includes residential properties with more than three (3) units, including cooperatives and condominiums.

The projected real estate taxes in Schedule A for the Units are calculated based on the Units being in Tax Class 2, the estimated tax rate of $12.55% of the assessed value of the Property, and the assessed value of the Property estimated by The Mazursky Group, Inc. to be $190,000.00 for the year of 2022/2023. The resulting real estate taxes are expected to be $23,845.00.

The projected real estate taxes for the first year of operation contained on Schedule A are based on an assessment of the Building after the construction is complete, which is $190,000.00.

The letter of The Mazursky Group, Inc., dated September 23, 2020, is located on pages 112-115 of Part I of the Plan.

The real estate taxes payable in Schedule A by the Units are determined by applying said data to calculate real estate taxes against the Units and then allocating the amount due in conformity with the allocation of the Common Interests. The City of New York is not bound by the allocation of the Common Interests, and may allocate on a different basis. Nor is the City bound by the estimate of the market value of the Property. All figures are estimates.

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

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

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

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

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

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

Under Section 528 of the Internal Revenue Code, associations are taxed at a rate of 30% on the homeowners association taxable income. Association taxable income consists of all of the organization's income except exempt function income.

Exempt function income includes any amount received as membership dues, fees, or assessments from owners of condominium housing units of a condominium management association.

The Condominium will be eligible to qualify as an exempt homeowner's association under Section 528 of the Internal Revenue Code if the Condominium elects to do so. As a result, the Condominium will not be subject to Federal corporate income tax.

The Mazursky Group, inc.
Real Estate Tax Consultants and Appraisers

September 23, 2020

150 Luquer, LLC
68 34th Street, Suite 514
Brooklyn, N.Y. 11232

Attention: Mr. Marco Auteri

Re: 150 Luquer Street
Brooklyn, New York

I, JEROME MAZURSKY, CERTIFY:

THAT I am a real estate appraiser and have many years of experience in the assessment of real estate for tax purposes both as an Assessor in the Borough of Manhattan and as the Department of Finance's Assistant Commissioner of the Real Property Assessment Division;

THAT I have been retained by the sponsor, to estimate for inclusion in an Offering Plan to be submitted to the Attorney General, the assessed valuation of the above-captioned property after completion of its renovation;

THAT in estimating the assessed valuation of the property, I am aware of the renovation costs, rental values and offering prices of the units;

THAT I have consulted with personnel in the Property Division of the Department of Finance regarding the current practice in assessing newly renovated condominiums. Specifically, discussions centered around appropriate land and building factors and income projections for properties similar to the subject in type and location.

42 Broadway, Suite 1744, New York, NY 10004 (212) 344-8586

I have discovered the following:

1) The subject property is located at 150 Luquer Street in the Carroll Gardens section of the borough of Brooklyn. According to city records, it is improved with a 3-story, 3-unit residential building (C0) constructed in 1901. The sponsor is in the process of gut-renovating the existing structure, extending it, adding a floor and converting it into a condominium that will contain four (4) residential units.

The site has 20' frontage on the southerly side of Luquer Street and extends 100' in depth. It is rectangularly-shaped and contains approximately 2,000 square feet of ground area. The property is identified on the city's tax records as Block 377 Lot 18.

2) After completion of the renovation, the building will contain the following net square foot areas and uses:

Floor	Area	Use
Cellar	1,018	Mechanical and Meter Rooms, Recreation Room Connected to Basement Duplex Apartment
Basement	1,018	1-2BR Duplex Apartment
1	1,018	1-2BR Apartment
2	1,018	1-2BR Apartment
3	1,018	1-2BR Apartment

3) The property is currently assessed in Tax Class 1. After completion of construction and conversion to a condominium, the units will be assessed in Tax Class 2C under the classification system adopted by the State Legislature in its revision of the Real Property Tax Law (Section 305, Article 1802, and Section 581, applicable to the assessment of cooperative apartments and condominiums.)

Tax Class 2C consists of primarily residential co-ops and condominiums that contain no more than ten units. Tax Class 2C properties are assessed at 45% of market value. Increases in value for are limited to 8% per year or 30% over five years. Increases for physical changes are limited to 15% of estimated renovation cost.

The 2019/20 Class 2C tax rate is $12.473 per $100 I estimate the tax rate, after completion of construction, at $12.55 per $100.

4) The recent history of assessed valuation of 150 Luquer Street is as follows:

2019/20	Land	Total
Actual:	$ 3,580	$ 25,081
Market Value:	$ 462,000	$ 3,237,000

2020/21	Land	Total
Actual:	$ 3,959	$ 25,081
Market Value:	$ 462,000	$ 2,927,000

5) It is my judgment that after completion of the renovation, the assessed valuation of the property will be as follows:

2021/22	Land	Total
Actual:	$ 4,000	$ 190,000
Market Value:		$ 800,000

6) The tax liability after completion of construction is estimated at $23,845. The calculation is as follows:

$$\$190,000^{1} \times .1255^{2} = \$ 23,845$$

Each unit will be given a separate tax lot number. Individual tax liability may be estimated by apportioning the total tax among the unit owners in proportion to their percentage of common interest as indicated in the Offering Plan.

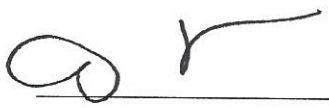
1. Estimated Taxable Assessed Value after completion of the renovation.
2. Estimated Tax Rate

7) The co-op/condominium real estate tax abatement law, that over the past few years has had a favorable effect on the real estate tax burden of residential co-op and condominium unit owners, has been extended to June 30, 2022. The Legislature indicated its intention in passing this law was to address the disparity between the tax burden of one to three family homeowners and that of residential co- op and condominium unit owners. Effective July 1, 2020 only "qualified properties" will be eligible for the abatement. A "qualified property" is defined in Section 267-a of the RTPL as (i) a property with an average unit AV of less than or equal to $60,000; or (ii) a property in which all building service employees employed or to be employed at the property receive the applicable prevailing wage for the duration of the tax abatement. If the abatement is granted to this condominium, the law may allow up to a 17.5% abatement of the real estate tax bill of a unit owner for whom the unit is his or her primary residence on the city's taxable status date of January 5, 2021. Excluded from receiving the abatement benefits are co-ops and condominiums that receive tax exemption benefits.

8) This estimate of the assessed valuation has been prepared for inclusion in the Offering Plan, and I consent to its use for this purpose.

Although the aforesaid estimate of the Actual Assessed Valuation is a good-faith estimate, it is not possible to estimate same with any degree of certainty. Assessed valuations, when actually made, may be lesser or greater based on our interpretation of the administrative code and the applicable rules and regulations of the City of New York. Although I believe my opinions are well-founded, they are not intended, and should not be construed as warranties as to future assessed valuations of the property under discussion.

In no event will this firm, the Sponsor, the Sponsor's counsel or any other person be liable if the assessed valuation, when actually made, is lesser or greater than that estimated above, or if the administrative code and the applicable rules and regulations of the City of New York are changed in the future, or if the facts as represented prove to be untrue.



Jerome Mazursky, MAI, CAE

INCOME TAXES DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF CONDOMINIUM

On January 1, 2018, the Tax Cuts and Jobs Act of 2017 went into effect. This federal law significantly changed the previously existing Internal Revenue Code, including the taxes and deductions related to homeownership. Purchasers are advised to consult with a tax expert regarding whether the new law will affect the purchaser's taxes.

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

The affairs of the Condominium will be governed by the Board of Managers. The Board of Managers will assess and collect Common Charges from the Unit Owners, and will have certain discretionary powers over the operating expenses and the application of the assessments. Sponsor's counsel is of the opinion that the Condominium will be eligible to qualify as an exempt homeowner's association under Section 528 of the Internal Revenue Code if the Condominium elects to do so. As a result, the Condominium will not be subject to Federal corporate income tax.

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

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

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

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

TSYNGAUZ & ASSOCIATES, P.C.
114 Mulberry Street, 1st fl.
New York, NY 10013
(212) 337-9770

OPINION OF COUNSEL

January 8, 2021

Daniel Pipitone
150 Luquer, LLC
2042 West 4th Street
Brooklyn, NY 11223

Re: The Francesca Condominium
150 Luquer Street
Brooklyn, NY 11231

Dear Mr. Pipitone:

You have requested my opinion concerning (i) the availability of certain deductions for Federal, New York State, and New York City income tax purposes to persons who purchase units for residential use, (hereinafter called the "Unit Owners"), under a Condominium Offering Plan, (hereinafter called the "Plan"), for The Francesca Condominium, (hereinafter called the "Condominium"), (ii) the Federal income tax treatment of the common charges received by the board of managers of the Condominium, (hereinafter called the "Board"), and (iii) the availability of real estate tax abatement and exemption benefits for this project.

In connection with rendering this opinion, I have prepared the Plan and the Schedules and Exhibits thereto, the Declaration of the Condominium, (hereinafter called the "Declaration"), the By Laws of the Condominium, (hereinafter called the "By-Laws"), and reviewed the relevant sections of the Internal Revenue Code of 1986, as amended, (hereinafter called the "Code"), the Regulations promulgated thereunder by the Treasury Department, (hereinafter called the "Treas. Regs."), the New York State Tax Law, the Administrative Code of the City of New York, revenue rulings, relevant case law and such other materials as I have deemed relevant.

Facts

Sponsor will apply to the Department of Law of the State of New York to submit the premises, located at 150 Luquer Street, Brooklyn, NY 11231 to a condominium ownership pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York, (hereinafter called the "New York Condominium Act"). The Condominium will consist of four (4) residential units in the Building, which Sponsor is currently rehabilitating and renovating pursuant to Alteration Type 1 Application No. 321593628 filed with the Department of Buildings of the City of New York. Each Unit Owner will own his or her Unit and an interest in the elements common to all Units, (hereinafter called the "Common Elements"). Each Unit

Owner will be entitled to the exclusive ownership and possession of his or her Unit and will receive a separate deed to the Unit.

The affair of the Condominium will be governed by the Board which, pursuant to the By-Laws, will act only as an agent of all Unit Owners. The Board will be comprised of three (3) members, who shall each be elected by the Unit Owners. The primary function of the Board will be to supervise the maintenance and operation of the Common Elements, and collect charges necessary to maintain and operate the Common Elements, (hereinafter called the "Common Charges").

Discussion

Deductibility of mortgage interest and real estate taxes

Under the New York Condominium Act, each Unit Owner will own his or her Unit and its appurtenant interest in the Common Elements in fee simple, and each Unit will be taxed as a separate tax lot for real estate tax purposes. Each Unit Owner may mortgage his or her Unit and become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness. Failure to pay his or her share of the Common Charges will result in the Board having a lien on the Unit for the unpaid Common Charges.

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.

The deductibility of the mortgage interest and real estate taxes paid or accrued by the Unit Owner during his or her taxable year will be governed by Sections 11043 and 11042 of the Code. Section 11043 of the Code allows a taxpayer to deduct all interest on a principal of up to $750,000.00 paid or accrued during the taxable year on bona fide indebtedness. Section 11042 of the Code allows a taxpayer to deduct real estate taxes up to $10,000.00 paid or incurred on his or her Unit during the taxable year. The $10,000.00 limit includes other state and local taxes besides real estate taxes.

In my opinion, under Sections 11043 and 11042 of the Code, a Unit Owner should, for Federal income tax purposes, be entitled to a deduction for interest on a principal of up to $750,000.00 paid or accrued with respect to mortgage indebtedness and for real estate taxes up to $10,000.00 paid or accrued with respect to his or her method of accounting. The $10,000.00 limit includes other state and local taxes besides real estate taxes.

It is also my opinion that each Unit Owner should, for New York State and New York City income tax purposes, be entitled to the same deduction which is allowed for Federal income tax purposes for the mortgage interest and real estate taxes paid or accrued during the taxable year. See Section 615 of the Tax Law of the State of New York.

It should be noted, however, that for New York City income tax purposes, the benefit of such deduction may be reduced if the Unit Owner has more than the specified amount of tax preference items. See Sections 615, 622 and 623 of the Tax Law of the State of New York.

Common Charges - Federal income taxation of the Condominium

Section 528 of the Code provides a tax exemption for an organization that qualifies as a "homeowners association" which term includes a "condominium management association". A "condominium management association" is defined as an organization organized and operated to provide for the acquisition, construction, management, maintenance, and care of a condominium, provided substantially all of the units are used by individuals for residence. See Sections 528 (c)(1)(A) and 528 (c)(2) of the Code. "Substantially all" the units will be considered used by individuals for residences if at least 85% of the total square footage of all units within the project is used, or is intended to be used, by individuals for residential purposes or purposed auxiliary to residential use, such as storage rooms, laundry and maintenance areas. See Section 1.528-4(b) of Treas. Regs. The organization itself will be considered "organized and operated" for the acquisition, construction, management, maintenance, and care of such condominium, if the facts and circumstances indicate such to be the case. See Section 1.528-2 of Treas. Regs.

However if the articles of the Condominium reflect that it is the purpose of the association, then the condominium management association will be presumed to be operated for such purpose. See Section 1.528-2(a) of Treas. Regs.

In addition to the organization and operation test, the tests set forth below must be satisfied under Section 528 (c)(1) of the Code in order for a condominium to qualify as a "homeowner's association".

(1) 60% or more of the gross income of the organization must be "exempt function income," that is, income derived from the payment of dues or fees from the residential unit owners in their capacity as owner-members rather than in the capacity as customers for services. See Section 528 (c)(1)(A) of the Code and Sections 1.528-5 and 1.528.9 of Treas. Regs. "Exempt function income" includes income which is attributable to assessments that arise as a result of the members' ownership interest, either based on value or size of their units, and used for the purpose of enhancing or maintaining the value of the residence. See Section 1.528-9(a) of Treas. Regs. For example, the regulations indicate that assessments for the purpose of paying real estate taxes, removing garbage, or removing snow are "exempt function income". See Section 1.528-9(b) of Treas. Regs. Income attributable to the use of laundry machines and interest earned on sinking funds is not exempt function income. See Section 1.528-9(c) of Treas. Regs. Any assessments attributed to special capital improvements, which are treated as capital contributions, are not included in gross income, and therefore, are not part of the calculation of the gross income test. See Section 1.528-9(a) of Treas. Regs.;

(2) 90% or more of the expenditures of the organization for the taxable year must be used for the acquisition, construction, management, maintenance and care of the organization's property. See Section 528(cc)(1)(c) of the Code. These

expenditures include operating and capital expenditures during the taxable year. Investments in reserve funds for future expenditures are not included in this calculation;

(3) No part of the net earnings of the organization may inure to the benefit of any individual. See Section 528(c)(1)(D) of the Code. The Code expressly excludes benefits received by a unit owner attributable to the homeowners association performing its exempt function, such as the benefit from the homeowners association acquiring, constructing, managing and taking care of the associating property;

(4) The organization must properly and timely elect to have Section 528 of the Code apply for the taxable year. See Section 528(c)(1)(E) of the Code.

It is my opinion that the Condominium should be eligible to qualify as a homeowners association within the meaning of Section 528(c)(1) of the Code and that, to the extent the Condominium has income in excess of its expenses, that income should not be subject to federal income taxation.

Real Estate Tax Benefits

I have reviewed the letter, heretofore set forth in the Plan, from the Sponsor's expert concerning the availability of real estate tax abatement and exemption benefits for this project. Based on existing statutes and practices, the opinion expressed therein that no real estate tax abatement benefits are currently available to the Units appear to be correct, and I hereby adopt said opinion as my own. This adoption is, of course, subject to the accuracy of the facts supplied to said expert in rendering his determination.

Compliance With Real Property Law Section 339-i

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

> "(iv) upon floor space, subject to the location of such space and the additional factors of relative value to other space in the condominium, the uniqueness of the unit, the availability of common elements for exclusive or shared use, and the overall dimensions of the particular unit."

Conclusion

In my opinion, the Condominium will be eligible for tax-exempt status, if it elects such status, and Unit Owners will be entitled to income tax deductions described above. However, this opinion is not a guarantee. It is based on existing rules of law applied to the facts and documents referred to above. No assurances can be given that the tax laws upon which I base this opinion will not change. In no event the Sponsor, the Sponsor's counsel, the Board of Managers

of the Condominium, the Selling Agent or any other person be liable if there are changes in the facts on which I relied in issuing this opinion or if there are changes in the applicable statutes, regulations, decisional law or Internal Revenue Service rulings on which I relied which cause the Condominium to cease to meet the requirements of Section 528 of the Internal Revenue Code of 1986, as amended, or the New York State tax law, as amended, cause Unit Owners not to be entitled to income tax deductions.

Very truly yours,

Yevgeny Tsyngauz

Yevgeny Tsyngauz

WORKING CAPITAL FUND

The Condominium will have a fund for working capital, (hereinafter called the "Working Capital Fund"). At the time of the closing of title to the Units from Sponsor or Sponsor-designee to a bona fide Purchaser, Purchaser will be required to pay into the Working Capital Fund the sum equal to two (2) months' Common Charges then applicable to each Unit being purchased. Sponsor will not contribute to the Working Capital Fund.

Upon the sale of all Units, it is anticipated that the Working Capital Fund will be equal to $4,823.67 for the first year of the condominium operation.

The Working Capital Fund will be used only for payment by the Board of Managers of expenses authorized by the Declaration and the By-Laws of the Condominium, and for payment by the Board of Managers of any net adjustments for prepaid expenses owed to Sponsor at the closing of title to the first Unit.

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

The Working Capital Fund will be available for the Condominium after the closing of title to the first Unit.

NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENT AGENCY HAS PASSED UPON THE ADEQUACY OF THE WORKING CAPITAL FUND.

RESERVE FUND

The Condominium will have a fund as a reserve for capital expenditures, (hereinafter called the "Reserve Fund").

The Reserve Fund will be used only for capital expenditures. The Condominium's By-Laws contain a provision authorizing the establishment of the Reserve Fund. Please see Article II, Section 2 of the By-Laws.

When established, the Reserve Fund will not have any funds. During the first year and subsequent years of Condominium operations, the Unit Owners, with their common charges, will make contributions to the Reserve Fund, the amount of which will be equal to 10% of the projected annual budget of the Condominium. The Reserve Fund will be sufficient to pay for capital expenditures likely to be needed within the first five years of operation following the first closing under the Plan.

Sponsor will not make an initial contribution to the Reserve Fund, and the Reserve Fund will be funded by common charges.

If additional funds are required, common charges may be increased or special assessments imposed.

While Sponsor is in control of the Board of Managers, the Reserve Fund will not be used to reduce the Common Charges.

Should monies be required by the Condominium for capital expenditures such as renewal or replacement of Building components or systems or to remedy major Building defects, the Board of Managers will be able to borrow the moneys as provided in Section 339-jj of the Real Property Law of the State of New York, which states, in pertinent parts, as follows:

> "1. To the extent authorized by the declaration or the by-laws, the board of managers, on behalf of the unit owners, may incur debt. In addition, subject to any limitations set forth in the declaration or the by-laws, the board of managers, on behalf of the unit owners, may incur debt for any of the purposes enumerated in paragraph (b) of subdivision two of section three hundred thirty-nine-v of this article, provided that (a) such debt is incurred no earlier than the fifth anniversary of the first conveyance of a unit and (b) the incurrence of such debt shall require the consent of a majority in common interest of the unit owners.
>
> 2. In connection with a debt incurred by it, the board of managers, on behalf of the unit owners, may (a) assign the rights in and to receive future income and common charges, (b) create a security interest in, assign, pledge, mortgage or otherwise encumber funds or other real or personal property that it holds, (c) agree that, to the extent of any amounts due under any of the provisions of the agreements under which the debt was

incurred and subject to the provisions of subdivision two of section three hundred thirty-nine-1 of this article, all common charges received and to be received by it, and the right to receive such funds, shall constitute trust funds for the purpose of paying such debt and the same shall be expended for such purpose before expending any part of the same for any other purpose, and (d) agree that at the lender's direction it will increase common charges to the extent necessary to pay any amount when due under any of the provisions of the agreements under which the debt was incurred. The preceding sentence shall not be construed to authorize the board of managers to create a lien on the common elements. Any such assignment may provide that, in the event of a default, the lender shall have the right of the board of managers to file liens in the lender's name on units for unpaid common charges pursuant to sections three hundred thirty-nine-z and three hundred thirty-nine-aa of this article and the right to foreclose such liens pursuant to section three hundred thirty-nine-aa of this article."

NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENT AGENCY HAS PASSED UPON THE ADEQUACY OF THE RESERVE FUND.

IDENTITY OF PARTIES

Sponsor

Sponsor is 150 Luquer, LLC, having an address at 2042 West 4th Street, Brooklyn, NY 11223. Sponsor is a New York limited liability company.

Its principals are Daniel Pipitone, having an address at [redacted], Marco Auteri, having an address at [redacted], and Giovanni Ferrara, having an address at [redacted].

Daniel Pipitone, Marco Auteri and Giovanni Ferrara are the managers of Sponsor.

Giovanni Ferrara is a president and Daniel Pipitone is a vice-president of TBTTS, Inc., having an address at 98 4th Street, Brooklyn, NY 11231. TBTTS is a fintech company whose primary business line is the creation and licensing of real-time market data and trading platforms. The day to day duties of Giovanni Ferrara are technical troubleshooting and client support. The day to day responsibilities of Daniel Pipitone include the management of software development projects, technical sales and relationship management.

Marco Auteri is a consultant at BFC Partners, having an address at 150 Myrtle Avenue, Brooklyn, NY 11201. BCF Partners is a real estate development company responsible for the acquisition, development, financing, construction, marketing, and management of New York City's properties. Prior to joining BFC Partners, Marco Auteri was a licensed sales person at The Corcoran Group, a full service real estate firm.

Daniel Pipitone, Marco Auteri and Giovanni Ferrara:

i. as the principals of 171 Lexington LLC, took part in a public offering of condominium units in 171 Lexington Avenue Condominium, located at 171 Lexington Avenue, Brooklyn, NY 11206. The offering plan, having file number CD14-0056, was accepted for filing on June 30, 2014. The first unit closing took place on December 1, 2015. The sponsor and principals of sponsor of this condominium are current in their financial obligations under this offering;

ii. as the principals of 578 Sterling LLC, took part in a public offering of condominium units in The 578 Sterling Place Condominium, located at 578 Sterling Place, Brooklyn, NY 11238. The offering plan, having file number CD17-0005, was accepted for filing on May 9, 2017. The first unit closing took place on July 31, 2018. The sponsor and principals of sponsor of this condominium are current in their financial obligations under this offering.

iii. as the principals of Boomerang Building Fund LLC, took part in a public offering of condominium units in The Alfred on Fleet Condominium, located at 112 Fleet Place, Brooklyn, NY 11201. The offering plan, having file number CD20-0104, was accepted for filing on October 9, 2020. No closings took place yet. The sponsor and principals of sponsor of this condominium are current in their financial obligations under this offering.

There are no prior felony convictions of Sponsor, Daniel Pipitone, Marco Auteri and Giovanni Ferrara.

There are no prior bankruptcies, convictions, injunctions, judgments or liens against Sponsor, Daniel Pipitone, Marco Auteri and Giovanni Ferrara or entities in which they were principals that may be material to the Plan or an offering of securities generally, that occurred within fifteen (15) years prior to the submission of the Plan.

Neither Sponsor nor its affiliate have taken part in real estate syndications of securities consisting of participation interests or investments in real estate, including limited partnership interests or private or public offerings of cooperative interests in realty, including condominiums, in or from New York, which were initially offered during the preceding five (5) years.

There are no cooperative, condominium or homeowners association, other than the subject Building, where Sponsor, general partner or principal of Sponsor, or the holder of unsold shares, owns ten (10) percent or more of the unsold shares or units as an individual, general partner or principal.

Selling Agent

Selling Agent for the Property is Sponsor, having an address at 2042 West 4th Street, Brooklyn, NY 11223. Sponsor is a New York limited liability company.

The principals of Selling Agent are Daniel Pipitone, Marco Auteri and Giovanni Ferrara.

Sponsor has no prior experience as a selling agent.

Sponsor's Attorney

TSYNGAUZ & ASSOCIATES, P.C., having an address at 114 Mulberry Street, 1st fl., New York, NY 10013, represents Sponsor in connection with this Plan. Yevgeny Tsyngauz, Esq. of TSYNGAUZ & ASSOCIATES, P.C. prepared the Plan.

TSYNGAUZ & ASSOCIATES, P.C. has no beneficial interest in Sponsor.

Managing Agent

There will not be an outside managing agent. The Condominium will be managed by the Board of Managers. Sponsor will manage the Condominium while it controls the Board of Managers. Sponsor will not charge a fee to manage the Condominium while it controls the Board of Managers. Sponsor does not have any experience as a managing agent. Sponsor's principals, Daniel Pipitone, Marco Auteri and Giovanni Ferrara, previously managed their prior condominium projects located at:

171 Lexington Avenue
Brooklyn, NY 11206

578 Sterling Place
Brooklyn, NY 11238

Sponsor's Architect

Henry Radusky, R.A., having an address at 6321 New Utrecht Avenue, 2nd fl., Brooklyn, NY 11219, prepared the report included in Part II of the Plan. He is not affiliated with Sponsor.

Mr. Radusky has been a registered architect since 1981.

Below is a list of some of the condominium projects, Mr. Radusky was an architect of record for:

227 East 7th Street
New York, NY 10009

2066 5th Avenue
New York, NY 10035

679 East 3rd Street
Brooklyn, NY 11218

346, 348 & 350 93rd Street
Brooklyn, NY 11209

145 Summit Street
Brooklyn, NY 11231

323 20th Street
Brooklyn, NY 11215

REPORTS TO UNIT OWNERS

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

(a) a financial statement of the Condominium prepared by a certified public accountant or public accountant by March 1 of each year; such statement shall be certified while Sponsor is in control of the Board of Managers;

(b) prior notice of the annual Unit Owners' meeting at least ten (10) days but not more than thirty (30) days prior to such meeting; and

(c) a copy of the proposed annual budget of the Condominium at least thirty (30) days prior to the date set forth for adoption hereof by the Board of Managers; while Sponsor is control of the Board of Managers such budget shall be certified by an expert in compliance with Section 20.4(d) of Part 20 of Title 13 NYCRR.

DOCUMENTS ON FILE

Sponsor will keep copies of the Plan, all documents referred to in the Plan and all Exhibits submitted to the Department of Law in connection with the filing of the Plan, on file and available for inspection without charge and copying at 25 cents per page at the office of Sponsor's attorney, TSYNGAUZ & ASSOCIATES, P.C., having an address at 114 Mulberry Street, 1st fl., New York, NY 10013 for six (6) years from the date of first closing.

Sponsor will deliver to the Board of Managers a copy of all documents filed with the Office of the Register of the City of New York at the time of the closing of the first Unit.

GENERAL

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

The Property was not, to Sponsor's knowledge, the subject of any prior cooperative or condominium offerings. Sponsor has not entered into any preliminary binding agreements. Sponsor has not collected money from prospective purchasers.

In accordance with the provisions of the laws of the United States and the State of New York, Sponsor represents that Sponsor and its agents will not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law in the sale of Units offered by the Plan or in the leasing of any Unit.

If there is a material amendment to the Plan that adversely affects Purchasers, Sponsor will offer Purchasers a right of rescission until the midnight of the fifteenth day following service of the amendment. Purchaser or Purchaser's attorney must either [i] personally deliver a written notice of rescission to Sponsor's attorney prior to the midnight of said fifteenth day, [ii] mail the notice of rescission by certified or registered mail, return receipt requested, to Sponsor's attorney,

so that mailing is post-marked by post-office prior to the midnight of said fifteenth day, or [iii] send the notice of rescission to Sponsor's attorney by an email set forth in the Purchase Agreement, prior to the midnight of said fifteenth day. If the Purchase Agreement is rescinded, all monies paid on account of the purchase price, including any deposits made for upgrades, extras, special or custom work ordered by Purchaser, shall be returned to Purchaser within ten (10) days after receipt of written notice of rescission.

Neither Sponsor nor anyone acting on its behalf has entered into any contracts or agreements, written or oral, for the sale or transfer of any of the Units offered in the Plan, as of the date the Plan is accepted for filing.

Neither Sponsor nor anyone acting on its behalf has taken any deposits or advances of funds in connection with the reservation, sale or transfer of such Units, as of the date the Plan is accepted for filing.

All of the Units offered in the Plan are newly built and will be delivered vacant.

SPONSOR'S STATEMENT OF SPECIFICATIONS

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

The number of Units offered is identical to the number of units that will be stated in the certificate of occupancy of the Property.

The proposed use of the Units is the same as the use that will be indicated in the certificate of occupancy of the Property.

The property interests that are offered, such as cellar facilities, will be provided for in the certificate of occupancy of the Property.

PART II

ARCHITECT'S REPORT

THE FRANCESCA CONDOMINIUM



Prepared By:

HENRY RADUSKY, R.A.
6321 New Utrecht Avenue, 2nd Fl
Brooklyn, NY 11219
Phone : (718) 259-1100

March 21st, 2022

SECTION 20.7: DESCRIPTION OF PROPERTY AND SPECIFICATIONS

(a) LOCATION AND USE OF PROPERTY

(1) Address:

The building is located at 150 Luquer Street in the Carroll Gardens Section of the Borough of Brooklyn, County of Kings, City and State of New York in zip code 11231.

(2) Block and lot number:

The site is located on Tax Lot number 18 in Tax Block number 377.

(3) Zoning:

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

The building is an existing building which is being renovated pursuant to the Quality Housing Zoning Requirements and complies with Section 28 of the current N.Y. City Zoning Resolution.

The building is not required to comply with the Quality Housing requirements of a refuse storage room and recreation room as there are less than nine units in the building. The square footage deduction for elevated ground floor units, laundry facilities, daylight in corridors and density of corridors have also not been utilized in this development.

The required planting area between the front façade of the building and the front property line is also not possible as there is a paved walkway required for access to the main entrance to the building and exterior concrete steps which provide access to the cellar floor level in the yard area to the front of the building.

(4) Permissible Use:

The Zone permits the continuation of the existing Residential use as of right. The property and proposed use will comply with all zoning and use requirements at closing.

The building has been designed to comply with all applicable Federal and State regulations and the 2014 N.Y. City Building Code and Local Law 58 / 87, as it relates to the provision of required ADA units and the accessibility of such units.

The building is four stories in height and is allowed to have one stair as a means of egress and is not required to have an elevator as per the 2014 N.Y. City Building Code, therefore the only unit required to be accessible is Unit 1, located primarily at the basement floor level.

(b) STATUS OF CONSTRUCTION

(1) Year built:

The building was originally constructed approximately in 1901.

The existing building has undergone a complete gut renovation and was extended horizontally on each floor from the cellar to third floor level, to the rear of the building and vertically and horizontally above the third floor level.

The building has been substantially completed as of the date of the date of this Report March 21st, 2022, and inspections are currently being scheduled in order to obtain sign-off and an eventual Certificate of Occupancy.

The estimated date of obtaining a Certificate of Occupancy will be approximately in May of 2022.

(3) Class of construction:

The existing Class of Construction is 3 as described by the pre 1968 New York City Building Code.

The proposed Class of Construction is I B as per the 2014, New York City Building Construction Code.

The existing structural support members consist of non-combustible materials with a minimum fire protection rating of two hours. Structural floor / ceiling assemblies were of combustible materials with a minimum rating of one hour. Structural roof / ceiling assemblies were of combustible materials with a minimum rating of one hour. The proposed structural support members will consist of non-combustible materials with a minimum fire protection rating of two hours. Structural floor / ceiling and roof / ceiling assemblies will be of non-combustible materials with a minimum fie resistance rating of one hour.

(4) Certificate of Occupancy, type and number:

There is an existing Certificate of Occupancy number 81919 which was issued on April 13th, 1937 for the use of the building as three residential units.

The Sponsor will obtain a new Certificate of Occupancy from the N.Y. City Department of Buildings for the interior renovation of the building and the change of occupancy to four residential units.

The estimated date of obtaining the new Certificate of Occupancy is May of 2022.

The renovation of and extension to the building is being done under Department of Buildings, Type 1 application number 321593628.

(5) Permit numbers and description of work done:

The building is being renovated as per plans which were filed with, examined and approved by the Brooklyn Office of the N.Y. City Department of Buildings.

Permit numbers, 321593628-01-FO AE, 321593628-01-FO and 321593628-01AL were issued by the N.Y. City Department of Buildings on December 16th 2019; for the excavation, foundation work and renovation, respectively of the site and building.

The excavation and foundation work have been completed.

The existing Alteration and Plumbing permits are valid until December of 2021.

(c) SITE

(1) Size:

The site is located on the Southerly side of Luquer Street, distance two hundred and thirty two point thirty three (232.33) feet Westerly from the corner formed by the Westerly side of Court Street and the Southerly side of Luquer Street. The site has a frontage of twenty (20.00) feet along Luquer Street and extends to a depth of one hundred (100.0) feet, southerly and perpendicular to the Luquer Street property line. The site has an area of approximately two thousand (2,000.00) square feet.

(2) Number of buildings and use:

There will be one building with four residential units and accessory uses.

(3) Streets owned or maintained by the project:

(i) Paving (material and condition).

The streets beyond the lot lines are existing, New York City sidewalks, curbs and roadways. Luquer Street is an existing fifty foot (50’-0”) wide one-way street.

The existing concrete sidewalk fronting the property is in good condition. The existing concrete sidewalk fronting the property will be repaired as necessary when construction is near completion.

(ii) Curbing (material and condition);

There is an existing concrete curb fronting the property. The existing concrete curb is in good condition and will be repaired as necessary, when construction is near completion. The existing curb is free of tripping hazards.

The existing curb and sidewalk are ADA compliant, and if replaced will be as per the standards of the N.Y. City Department of Transportation.

(iii) Catch Basins (location and condition);

The existing roadway is asphalt paved and is in good condition. Existing catch basins are located in the roadway to drain the storm water run-off, into the existing New York City Sewer System. The existing catch basins are in good condition and are constructed of concrete with steel grating covers. Existing catch basins are located along Luquer Street and along Court Street, and have been installed by the N.Y. City Department of Transportation.

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

The existing street lighting is provided by the City of New York, and consists of vertical metal, stanchions surmounted with high efficiency LED lamps in metal enclosures. The existing street lights are located, at the sidewalk close to the curb, on both sides of the roadway along Luquer Street. The existing street lights are in good condition.

(v) Conformity with Municipal Codes;

The sidewalk paving and curb are existing and are ADA compliant. In addition catch basins and street lighting are designed to conform to the standards of the N.Y. City Department of Transportation and the N.Y. City Department of Buildings and Building Code and are subject to approval and inspection by these agencies.

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

(4) Drives, sidewalks and ramps:

(i) Paving (material and condition);

There will be no paved driveways on the property.

(ii) Curbing (material and condition);

There will be no curbs on the property.

(iii) Catch Basins drainage (location and condition); There are no catch basins on the property.

(iv) Street lighting (material, type, location and condition); There is no street lighting on the property.

(v) Conformity with municipal codes;

All paving and drainage devices were designed to conform to the standards of the N.Y. City Department of Buildings and the N.Y. City Building Code.

(d) UTILITIES

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

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

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

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

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

The **Storm** water runoff is transported to the building's storm drainage system and to the existing N.Y. City Storm Drainage and Sewer System.

(e) SUB-SOIL CONDITIONS

The site is located in a non-shaded Zone X within FEMA Map panel number 3604970211F and preliminary map panel 3604970211G. The location indicates that the site is in an area determined to be of minimal flood hazard.

The building is not located in a high risk flood zone. There is no available information that the property has flooded in the last ten years.

The soil at the bottom of the footings was determined to be Class 3b soil, as per borings which were performed by IP Concrete Testing & Inspection INC., 101-01, 101st Avenue, Queens NY 11416. The existing soil has an allowable, load bearing capacity of approximately two to four tons per square foot.

The foundation walls and footings are mostly existing and located at the cellar floor level. There will be new poured, reinforced, concrete foundation walls and footings constructed at the rear of the building for the horizontal addition.

The new concrete floor at the cellar will be constructed on a six mil vapor barrier and gravel and compacted fill. New foundation walls and footings shall be protected below grade with a troweled on mastic, waterproofing membrane and clean gravel fill adjacent to the walls at the exterior. The protective membrane and adjacent gravel fill at the foundation walls and footings will facilitate drainage away from the foundation walls and footing.

There will be no other sub-grade drainage system.

The existing and new building foundation systems have been adequately reinforced and sized to support the calculated loads.

(1) Uneven foundation movement (cracking, mortar joint decay, etc.);

There is no apparent evidence of uneven foundation movement, settling, cracking or mortar joint decay.

(2) Evidence of (moisture or seepage or ground water infiltration; corrective action needed);

There is no apparent evidence of moisture, seepage or ground water infiltration.

(3) Danger from (flooding due to water table or overflow from other bodies of water, potential for mudslides or erosion);

There is no apparent danger from flooding due to a water table or overflow from other bodies of water. As per the test boring results, ground water was encountered at approximately nineteen feet below the normal grade level of the site.

The site and surrounding properties are relatively flat and there is no apparent potential for mudslides or erosion from the surrounding properties.

There is no land subsidence, expansive soils, hazardous materials and / or environmental restrictions present on the property.

(f) LANDSCAPING AND ENCLOSURES

(1) Grass cover (type, location);

There will be no grass areas at the yard area to the front or the building. There will be partial grass covering at the yard area to the rear of the building adjacent to the rear property line. The front yard area will be paved with concrete. Part of the yard area and the areaway to the rear of the building will also be paved with concrete.

(2) Plantings (type, location);

There will be no other plantings at the yard areas.

(3) Trees (type, location);

There are no existing trees in the yard areas. There is an existing tree at the sidewalk area in front of the property approximately in line with the westerly, side property line.

(4) Fencing (type, location);

There will be a wood or steel, chain link fence, approximately six feet in height above the adjacent grade, constructed on the property, enclosing the yard area to the rear of the building.

There will also be new wrought iron railing, at the perimeter of the areaway to the rear and at the perimeter of the stairwell to the front of the building. The railings will be approximately three feet and six inches in height, above the adjacent grade of the site.

All existing fencing and railing are in good condition and will be repaired as necessary when construction is near completion.

(5) Gates (type, location);

There will be no gates at the yard areas.

(6) Garden walls (type, location);

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

(7) Retaining walls (type, location);

There will be a new retaining wall to the rear of the property enclosing an areaway. The retaining wall will be approximately twelve inches thick and eight feet in height measured approximately from the cellar level to the level of the natural grade at the rear yard area. The retaining wall will be supported on poured, reinforced concrete, T and L-shaped footings. Weep holes shall be provided at the retaining walls enclosing the areaway. Weep holes shall be a minimum of two inches in diameter and approximately four feet on center vertically and horizontally

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

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

(g) BUILDING SIZE

(1) Total height (approximate total feet from ground level to highest part of roof);

The building will be a total height of approximately forty feet measured from the average grade level at the front of the building, to the roof above the third floor level.

(2) Crawl spaces (floor to ceiling, height);

There are no crawl spaces in the building.

The cellar floor will have a floor to ceiling height of approximately eight feet. There will be a basement floor level with a floor to ceiling height of approximately eight feet. The first, second and third floor levels will each also have a floor to ceiling height of approximately eight feet.

(3) Number of sub-cellars and cellars;

There will be one existing cellar level below the basement floor level of the building.

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

The existing building consists of a cellar, basement, first, second and third floors.

(5) Equipment rooms (location and use);

There will be mechanical rooms and meter closets located at the cellar floor level towards the front of the building. There will be one mechanical room within which the hot water heaters for the units are located. There will be one sprinkler equipment room, one gas meter room and an electrical meter closet located at the foundation wall to the front of the building.

There will be laundry closets located within each unit at the cellar and first, second and third floors.

(6) Parapet (height above roof);

There will be new, parapet walls to the front, sides and rear of the building at the roof above the third floor. The parapet walls will be a minimum height of three feet and six inches above the finished roof area.

(h) STRUCTURAL SYSTEM

The existing structural system of the building is a bearing wall type system. There are existing masonry, load-bearing, walls at the side property lines and to the front of the building. There will be new, perimeter, load bearing, masonry walls, foundations and footings constructed to the front and rear of the building.

The existing load-bearing, masonry walls, foundation and footings are in good condition. The existing wood joists will be replaced with new a new steel column and girder grid and steel channel joists on all floors above the cellar level.

The existing footings are of masonry construction and are in good condition. The existing foundation walls are of masonry construction and are in good condition. New foundation walls and footings for the existing walls and for the new extension to the rear will be of poured, reinforced concrete construction. There will be underpinning of the footings and foundation walls of the adjacent buildings at the side lot lines.

New foundation walls and footings shall be protected below grade with a troweled on mastic, waterproofing membrane and clean gravel fill adjacent to the walls at the exterior. The protective membrane and adjacent gravel fill at the foundation walls and footings will facilitate drainage away from the foundation walls and footing. There will be no other sub-grade drainage system.

The new exterior walls shall be of steel columns and girders framing with brick veneer and stucco walls supported with load bearing steel studs.

The floor at the cellar level will be a new, poured, reinforced, concrete slab on a six mil vapor barrier and gravel and compacted fill.

The floor / ceiling assembly at the upper floors shall be a 3/4 “hardwood finished flooring on 3/4” plywood underlayment; supported on a reinforced concrete slab on corrugated steel decking, supported on steel channel joists and girders and steel tube columns. The underside of the assembly shall be of gypsum wallboards attached to steel channel joists with resilient steel channels.

The roof / ceiling assembly shall be a multi-ply, rubberoid roofing finish on rigid insulation supported on a reinforced concrete slab on corrugated steel decking which in turn will be supported on steel channel joists and girders and steel tube columns.

The spaces between the joists shall be fitted with, sprayed on cell foam, insulation with a minimum R value of 38. The underside of the assembly shall be of gypsum wallboards attached to resilient steel channels.

Floor / ceiling assemblies shall have an STC of not less than 50 and an IIC rating of not less than 50 in compliance with the 2014 N.Y. City Building Code.

The existing and new structural elements have been designed to withstand lateral forces due to wind, soil and earthquake in compliance with the 2014 N.Y. City Building Code.

The structural work for the building has been completed. There is no apparent need for structural bracing and shoring work to be performed on the property. There is no apparent, potential danger of building structural failure or any other hazardous conditions.

The construction class of the building is Construction Class I B as per Table 601 of the 2014 N.Y. City Building Code.

Structural plans for the shoring, structural bracing and the new structural elements for the existing building and adjacent buildings were prepared by a New York State licensed Engineering Company, Shahrish Consulting, LLC; 535 Broadhollow Road, Suite 87, Melville, NY 11747. The plans were reviewed and approved by the N.Y. City Department of Buildings along with the Architectural plans for the building.

(1) Exterior of Building:

(i) Walls;

The existing exterior walls, at the side lot lines, are of a load-bearing masonry and are in good condition. There will be one inch of continuous, spraytite 178 sprayfoam insulation applied to the existing adjacent masonry walls and steel furring channels supporting the gypsum wallboard interior finish. The space between the metal furring channels shall be fitted with two and one half inches of sprayed on spraytite 178 sprayfoam cavity insulation. The insulation will have a minimum total R value of 23.5.

The existing exterior walls at the side lot lines were supported with new, perimeter, steel tube columns and perimeter, steel I beam girders bolted to the masonry walls. There were also intermediate, steel I beam girders bracing the new steel columns on opposite sides of the existing columns.

The new exterior walls, to the rear and at the side lot lines of the building shall be load-bearing, steel studs with exterior grade wallboards, rigid insulation and a stucco finish at the exterior and a gypsum wallboard finish at the interior surface. There will also be a new exterior wall, to the front of the building, of load-bearing, steel studs with exterior grade wallboards, rigid insulation and a brick veneer finish at the exterior and a gypsum wallboard finish at the interior surface. The spaces between the steel furring channels shall be fitted with fiberglass, batt insulation with a minimum R value of 21.

The minimum total R value of the insulation will be approximately 28.5.

The exterior walls to the front and rear of the building and the extension to the rear will be new.

All exterior walls will have a minimum fire resistance rating of two hours.

All exterior walls shall have a maximum thermal performance value that complies with the 2016, New York City Energy Conservation Code and the New York State Energy Conservation Construction Code.

The building is less than six stories in height, therefore Local Law 11 / 98 which require periodic facade inspections will not be applicable.

(ii) Windows;

Windows are new, double-glazed windows mainly of the double hung type, as manufactured by Andersen. Glazing shall be set in aluminum frames or wood frames with a rigid, vinyl clad exterior finish. Windows set in aluminum frames shall be equipped with polyurethane thermal breaks.

The perimeter of window openings shall be fitted with a latex-based caulking at interior and exterior surfaces. Air infiltration rate of windows shall not exceed 0.3 cfm per square foot in compliance with the 2016 New York City Energy Conservation Code and the New York State Energy Conservation Construction Code. The manufacturer guarantees one year, parts and hardware and five years glazing.

The Sponsor reserves the right to provide windows by different manufacturers than noted above.

Window sills shall be constructed of masonry and stucco. Lintels above window openings shall be of steel fabrication protected with wire lath and stucco.

There will be no window screens provided by the Sponsor.

Window guards shall be installed as necessary by each unit's owner when a child under the age of eleven years will reside in the unit. Window guards, where installed, shall be Alumi-Trim window guards.

There will be no lot line windows at the exterior walls of the building.

(iii) Landmark Status;

The building is not located in a designated Landmark area, nor is the building designated Landmark Status.

(2) Parapets and Copings:

All parapet walls will be new and shall be constructed of load bearing steel studs with a brick veneer finish at the front facade and a stucco finish at all other exterior surfaces. The inside surfaces shall be finished with stucco on exterior grade wallboards. The parapet wall to the rear of the building will be mostly of wrought iron railing mounted on a low load bearing steel stud wall with exterior grade gypsum wallboard and a stucco finish at the exterior. The wrought iron railing and parapet shall be a minimum height of three feet and six inches above the finished roof. The maximum spacing between vertical mullions of the railings shall be approximately four inches (4") as required by the N.Y. City Building Code. All exterior metals, including fasteners, at balcony areas shall be corrosion resistant.

Parapet walls shall be capped with extruded aluminum, which shall be anchored to the load bearing steel stud walls with non-corrosive steel dowels.

Parapet walls shall be constructed with stainless steel or copper fabric, base and cap flashing.

(3) Chimneys and Caps:

There will be vertical, galvanized steel, gas flues and caps provided, for the ventilation of the mechanical equipment located in the mechanical room at the cellar floor level. The flues will terminate at the roof area above the stair bulkhead. Flues shall be AmeriVent model, of double-wall construction, with an inner pipe thickness of approximately 0.014" and an outer pipe thickness of approximately 0.018", as manufactured by American Metal Products Group. Flues shall be N.Y. City BS & A or MEA approved.

The Sponsor reserves the right to provide flues by a different manufacturer than noted above.

(4) Balconies and Terraces:

There will be cantilevered, exterior, balconies located at the second and third floor levels to the rear of the building and a column supported porch at the first floor level to the rear of the building.

All balconies and porch areas shall remain open as per the approved plans in compliance with the N.Y City Zoning Resolution and the 2014 N.Y. City Building Code.

(i) Deck Finish;

The finished surfaces of the cantilevered balconies and the porch shall be a screed, concrete finish. Balcony and porch surfaces shall be pitched away from the face of the building. The balconies and porch shall also be equipped with perimeter edge drip grooves to allow for drainage.

Roof areas shall be kept clear of obstacles along the Fire Department’s access path of travel.

Balustrade;

There will be no balustrades at the balcony areas.

(ii) Railings;

Balconies shall be protected at the perimeter with wrought iron guard rails with a minimum height of three feet, six inches (3'-6") above the finished balcony level. The maximum spacing between vertical mullions of the railings shall be approximately four inches (4") as required by the N.Y. City Building Code. All exterior metals, including fasteners, at balcony areas shall be corrosion resistant.

There will be no intermediate, horizontal, mullions at the perimeter of the balconies to create a "ladder effect".

Coping;

There will be no coping at the balcony and porch areas.

Parapet walls at the perimeter of roof areas shall be capped with precast masonry or extruded aluminum, which shall be anchored to the load bearing masonry walls with noncorrosive steel dowel fasteners.

(iii) Soffits;

The soffit areas of the cantilevered balconies shall be finished with stucco.

(iv) Doors to balconies and terraces;

The doors to the porch and balconies shall be sliding glass doors as manufactured by Andersen. The doors shall be equipped with double paned glass, set in wood framing which shall be finished with rigid vinyl or Fibrex cladding. All balcony and porch doors shall be equipped with entry type locksets.

Balcony doors that are set in steel framing shall be constructed with polyurethane thermal breaks.

The Sponsor reserves the right to provide doors to balcony areas by different manufacturers which are equal to or better than noted above.

(5) Exterior entrances:

There will be two exterior entrances to front of the building and two exterior access doors to the rear of the building.

There will be one main entrance, located at the basement floor level, accessible from grade level, to the easterly side of the front facade of the building. The entrance will provide access, to the unit located at the basement level and to the units located at the first, second and third floors, via the main egress stair. There will also be an exterior entrance to the cellar level, beneath the steps to the main entrance, via exterior steps from grade.

There will be an exterior access from the cellar floor level at the rear facade of the building via sliding glass doors. The doors will provide access to an areaway at the rear yard area which will be a limited common area to the unit located mainly at the basement floor and part of the cellar. There will also be an exterior access from the first floor level, via sliding glass doors a porch and steel stairs, which will provide access to the rear yard area at grade. The rear yard area at grade will be a limited common area to the unit located at the first floor.

(i) Exterior Doors and Frames;

The main entrance door at the basement floor level shall be a wood framed door, with a double glazed panel and shall be set in steel frames. The main door shall be equipped with an entry type lockset an electronic door release connected to an intercom system for the residential units. The door to the cellar at the front of the building shall be a hollow core steel door set in steel frame and equipped with an entrance type locket. The other doors to the rear of the building, at the cellar and basement floor levels, shall be sliding, glass doors set in wood frames and shall be equipped with entrance type locksets.

The main entrance door to the basement floor shall be as manufactured by JeldWen. The hollow metal door to the cellar shall be as manufactured by L.I.F Industries. Sliding glass doors shall be as manufactured by Andersen.

The Sponsor reserves the right to provide exterior doors by different manufacturers than noted above.

All exterior doors shall be constructed with thermal breaks where necessary.

(ii) Vestibule doors and frames;

There will be no interior vestibule door located at the main entrance to the building.

(iii) Exterior Stairs;

There will be three stairs at the exterior of the building; one to the front and two to the rear.

There will be a new stair at the front that provides access from grade to the cellar floor level. One of the stairs to the rear will provide access to the main areaway to the rear of the building from the cellar level. The other stair will provide access to the rear yard area at grade from the first floor level.

The exterior stairs to the front of the building and the stair at the areaway to the rear will be new and will be of poured, reinforced concrete construction. The exterior stairs to the rear providing access to the rear yard shall be of steel construction. The stairwells to the front and areaway at the rear yard areas shall be equipped with area drains, at the lowest points, connected to the building's storm drainage system.

(iv) Railings;

The perimeter of stairwells, areaways and the perimeter of stair landings shall be protected with wrought iron guardrails, with a minimum height of three feet and six inches (3'-6") above the adjacent grade level. The maximum spacing between the vertical mullions of the guard railings shall be approximately four inches (4") on center as required by the N.Y. City Building Code.

(v) Mailboxes;

U.S.P.S. approved type mailboxes shall be provided for each residential unit within the entrance hall at the basement floor level. Mailboxes shall be, wall mounted, cluster box units and shall be of aluminum construction.

(vi) Lighting;

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

Lighting requirements shall be in compliance with the New York City Housing Maintenance Code and Multiple Dwelling Laws.

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

(6) Service entrances:

There will be no separate service entrance to the building therefore the following sub sections will not be applicable to this Report:

(i) Exterior Doors and Frames;

(ii) Vestibule doors and frames;

(iii) Exterior Stairs;

(iv) Railings;

(7) Roof and Roof Structures:

All exterior metals, including fasteners, at roof areas shall be corrosion resistant materials.

Part of the roof area above the third floor will be a limited common element for the Units located at the second and third floor levels. The passive, rooftop, recreation space will be listed on the Certificate of Occupancy and will comply with the 2014 New York City, Building Code and Department of Buildings Bulletin 2018-002.

(i) Types:

There will be flat roof areas above the third floor level and above the common stair bulkhead.

(i) (a) Material;

The flat roof areas shall be finished with a rubberoid type, built-up roofing membrane, as manufactured by Firestone, on rigid insulation supported on poured, reinforced, concrete on corrugated steel decking, which in turn will be supported by steel joist rafters and perimeter steel girders.

The proposed roof finish will be adequate for minimal foot traffic at the roof areas.

(i) (b) Insulation;

The spaces between the joist rafters at roof areas shall be filled with closed cell, sprayed on foam insulation with a minimum R value of 50.

(i) (c) Surface finish;

The roof surfaces shall be finished with a rubberoid, built-up, roofing membrane as manufactured by Firestone.

The Sponsor reserves the right to provide a roof finish by a different manufacturer than noted above.

(i) (d) Bond or guarantee;

The expected life span of the roof type is ten (10) years. A ten year “No Dollar Limit Manufacturer’s Warranty” on materials will be provided by the roof manufacturer.

The warranty will commence once the installation of the roof has been completed.

There will be no warranty or guarantee provided by the roof installer.

(i) (e) Flashing materials including counter flashing;

The perimeter of the roof areas at parapet walls shall be fitted with aluminum flashing and counter flashing.

Penetration of ducts, pipes, skylights, etc. are flashed and waterproofed with galvanized steel or stainless steel base and cap flashing.

(ii) Drains:

(ii) (a) There will be cast iron roof drains and internal leaders connected to the buildings storm drainage system.

There will be no controlled flow and overflow drains at the roof area above the third floor. The drains at the roof areas above the third floor will be free flow drains which will be conveyed partially to the existing combined sewer which serves the site and partially to a drywell located in the yard area to the rear of the building. All openings and drain pipe penetrations of roof areas shall be flashed and waterproofed with galvanized steel or stainless steel base and cap flashing.

There is a wrought iron, parapet railing at the rear façade of the building which will allow any build up of water to flow through from the roof area.

The fact that there will be no secondary roof drains provided at the roof area above the third floor will be noted as a Special Risk in the Offering Plan.

The residential unit to which the limited common roof area has been allocated will be responsible for the maintenance of the roof drains and other roofing elements located within the area allocated. The Declaration and By Laws of the Condominium will specify the allocation of repairs to the limited common and common areas.

(ii) (b) Gutters and leaders (type, material);

There will be an aluminum gutter and aluminum leader to the rear of the building at the roof above the stair bulkhead which will be connected to the building's storm drainage system. The gutter and leader will drain the storm water runoff from the roof of bulkhead to an aluminum splash block and to the storm drains at the roof above the third floor level of the building.

(iii) Skylights:

There will be no skylights at the roof areas above the third floor and stair bulkhead. In lieu of skylights, the egress stair bulkhead shall be equipped with a two foot and six inch by five foot window with a louvered, ventilation opening o approximately three square feet at the front wall of the stair bulkhead.

(iv) Bulkheads:

There will be a stair bulkhead at the roof area above the third floor level of the building.

(iv) (a) Stair material;

The exterior walls of the stair bulkhead shall be of load bearing, steel studs with exterior grade gypsum wallboards, rigid insulation, and a steel wire lath and a stucco finish at the exterior surfaces. The spaces between the steel studs shall be fitted with fiberglass, batt insulation with a minimum R value of 21. The interior surfaces shall be finished with two layers of gypsum wallboards. The stair bulkhead will have a minimum fire resistance rating of two hours.

The roof area shall be finished with a rubberoid roofing finish on rigid insulation and exterior grade gypsum wallboards, supported on steel channel joists. The spaces between the steel joists shall be fitted with fiberglass batt or sprayed on insulation with an R value of 50. The interior surfaces shall be finished with two layers of gypsum wallboards. The assembly will have a fire resistance rating of two hours.

(iv) (b) Elevator material;

There will be no elevator bulkhead at the roof area.

(iv) (c) Other;

There will be no other bulkheads at the roof area.

(v) Metal work at roof levels:

(v) (a) Exterior metal stairs;

There will be no exterior stairs at the roof areas.

(v) (b) Vertical ladders, including gooseneck;

There will be no ladders at the roof areas.

(v) (c) Railings;

The parapet wall to the rear will be a wrought iron steel railing with a minimum height of three feet and six inches above the finished roof level. The maximum spacing between vertical mullions of the railings shall be approximately four inches (4”) as required by the N.Y. City Building Code

(v) (d) Hatches to roof;

There will be no hatches to the roof areas.

(v) (e) Other;

There will be steel dunnage beams supporting the condensers located at the roof area above the third floor.

(vi) Rooftop Facilities:

There will be no common, occupied, rooftop facilities. The roof area will be an open common area to the condominium and will not be occupied for any specific use.

Rooftop access has been designed to comply with Section FC 504.4 (Rooftop Access) of the 2014 N.Y. City Fire Code.

(8) Fire Escapes:

There will be no fire escapes at the exterior of the building. The following subsections of the Report will not be applicable.

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

(9) Yards and Courts:

The building will have two yard areas, one to the front and one to the rear. The existing front yard area has a depth of five feet measured perpendicular to the front facade of the building. The front yard will be a common area.

The rear yard will have a depth of approximately forty four feet, measured from the rear property line perpendicular to the rear facade of the building at the basement through third floors. The rear yard area at grade level will be accessible from the unit located at the first floor level. The rear yard at grade level will be a limited common element for Unit 2, located at the first floor.

The rear yard area at the level of the areaway will be accessible from the cellar level of the unit located primarily at the basement floor level. The rear yard at the level of the areaway will be a limited common element for Unit 1, located at the basement and cellar floor levels.

(i) Paving;

The existing front yard area will be paved with reinforced concrete. The yard area to the rear of the building will be paved with reinforced concrete at the level of the areaway and mostly of compacted earth at the area located at grade level.

(ii) Drainage;

The front and rear yard areas shall be equipped with cast iron area drains which will be connected to the building's new storm drainage piping and connection to the New York City storm and sewer drainage system.

(iii) Railings;

There will be wrought iron guardrails at the perimeter of the stairwells to the cellar level and at the perimeter of the areaway to the rear of the building. The guardrails shall be a minimum height of three feet and six inches (3'-6") above the highest, adjacent grade level or finished landing. The maximum spacing between the vertical mullions of the railings shall be approximately four inches (4") as required by the N.Y. City Building Code.

(iv) Stairs;

There will be two stairs at the yard area to the rear and one at the yard area to the front of the building.

One of the stairs to the rear will provide access to the rear yard at grade from the first floor level. The other stair or steps will provide access to the areaway from the cellar floor level. The stair to the front will provide access to the cellar floor level from grade.

Stairs to the cellar level shall be of reinforced concrete construction at the front and rear yards. Stairs to the first floor level at the rear of the building will be of steel construction.

(v) Fencing;

There will be a wood or steel, chain link fencing at the side and rear property lines at the yard area to the rear of the building, which will separate the property from the adjacent properties.

(vi) Walls;

There will be new perimeter, concrete retaining walls constructed to enclose the areaway at the yard area to the rear, adjacent to the building.

(10) Interior Stairs:

The interior stairs within the building were, reviewed and approved by the N.Y. City Department of Buildings, for compliance with the 2014 New York City Building Code. The interior stairs were installed as per the approved building plans. The interior stair within the unit at the first floor and cellar is not an egress stair for the unit.

The winder treads at the stair within the unit located at the first floor have been deemed to be not in compliance with the requirements of Section 1009.4.2, of the Building Code, which requires a minimum width of six inches at the narrow end of winder treads which are part of egress stairs. This will be noted as a Special Risk in the Offering Plan as necessary.

(i) Number and type;

There will be two, interior stairs within the building. There will be one common interior stair which will provide access to the units located at the first through third floor levels. There will also be an interior stair providing access to the cellar level from the unit located mainly at the basement floor level.

Enclosure;

The walls of the common interior, stair enclosure shall be constructed of masonry with gypsum wallboard interior finish at the property line and of steel studs with two layers of one hour rated gypsum wallboards on each side at the other walls of the enclosure. Ceiling areas, below landings shall be finished with gypsum wallboards which will be primed and painted. The stair enclosure will have a minimum fire resistance rating of two hours.

The interior stairs within the unit will be an open stair which will be finished with painted, gypsum wallboards at the wall areas adjacent to the stairs. Adjacent walls will have a minimum fire resistance rating of one hour.

(ii) Stair construction;

The common interior stair shall be of steel pan construction, with concrete treads and steel pipe handrails.

The stairs within the unit shall also be of steel pan construction.

(iii) Stringers;

The stringers at the common interior stairs shall be steel, channel stringers. The stringers at the stairs within the units shall be steel channel stringers.

(iv) Treads;

The treads at the common interior stairs shall be of poured concrete. The treads at the stairs within the unit shall be of poured concrete.

(v) Risers;

The risers at the common, interior stairs shall be of steel plate construction. The risers at the stairs within the unit shall be of steel plate construction.

(vii) Guardrails;

The open perimeter of stair landings at the common stair hallway shall be protected with wrought iron guardrails, with a minimum height of three feet and six inches (3'-6") above the level of the landings. The maximum spacing between the vertical mullions of the railings shall be approximately four inches (4") as required by the N.Y. City Building Code.

The open perimeter of the stairwell at the stair within the unit shall be protected with wood guardrails, with a minimum height of three feet and six inches (3'-6") above the level of the landing. The maximum spacing between the vertical mullions of the railings shall be approximately four inches (4") as required by the N.Y. City Building Code.

(viii) Balustrade;

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

(11) Interior Doors and Frames:

(i) Unit Entrance and Interior Doors and Frames;

The entrance doors to the units shall be hollow core, steel, fireproof, self-closing doors with a minimum fire rating of one and one half hours. Unit entrance doors shall be mounted on steel frames and shall be equipped with entry type locksets.

Interior doors within the units shall be wood doors set in, steel channel or wood frames. Doors within the units shall be equipped with passage type locksets.

(ii) Corridor doors and frames;

Corridor doors and frames, located at the cellar floor level shall be hollow core, steel, fireproof, self-closing doors with a minimum fire rating of one and one half hours, and mounted on metal frames.

(iii) Stair hall doors and frames;

The stair hall entrance doors to the units shall be hollow core, steel, fireproof, self-closing doors with a minimum fire rating of one and one half hours. Stair hall doors shall be mounted on steel frames and shall be equipped with peepholes and entry type locksets.

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(iv) Roof Doors, Cellar Doors and frames;

There will be one door located at the stair bulkhead at the roof above the third floor.

Doors at the cellar floor level providing access to mechanical room and meter closets shall be one and one half hour rated, steel core, fireproof self closing doors mounted on steel frames. The door to the roof shall be a one and one half hour rated, hollow core steel, fireproof self closing door mounted on steel frames.

(12) Elevators:

There will be no elevators in the building. The following sub sections will not be applicable to this Report:

(i) Number;

(ii) Manufacturer & capacity;

(iii) Type of Operation;

(iv) Automatic (Type of controls);

(v) Floors served;

(vi) Type (hydraulic, gearless)

(vii) Doors (sliding, swinging, manual, automatic);

(viii) Location of machine rooms;

(ix) DC motor (manufacturer);

(x) AC motor generator set (manufacturer);

(xi) Other;

(13) Elevator Cabs:

There will be no elevator cabs in the building. The following sub sections will not be applicable to this Report: (i) Kind (manufacturer);

(ii) Floor (Material);

(iii) Walls (Material);

(iv) Ceiling (Material);

(v) Lighting;

(vi) Alarm, Safety system;

(i) AUXILIARY FACILITIES

The building is an existing building which will be undergoing a complete gut renovation and addition to at the rear and above the third level.

Laundry closets and mechanical and electrical closets are the only auxiliary facilities which will be provided.

Laundry / mechanical closets shall be of gypsum wallboard walls and ceilings which will be painted. Floors shall be of ceramic tile.

(1) Laundry rooms:

(i) Location and number;

There will be one laundry / mechanical closet provided within each residential unit with hookups for domestic, stackable type, electric washers and electric or gas dryers.

The actual laundry equipment will be the responsibility of each unit's occupant. Laundry equipment to be installed shall be U.L. approved or N.Y. City M.E.A. or B.S. and A. approved if necessary.

(ii) Clothes Washers;

There will be no clothes washers provided by the Sponsor.

(iii) Clothes Dryer;

There will be no clothes dryers provided by the Sponsor.

(iv) Room Ventilation;

There will be exhaust ventilation provided for a gas dryer in the laundry closet if necessary.

There will be exhaust ventilation ducts provided for the equipment in the mechanical room at the cellar floor level.

(v) Dryer Ventilation

There will be no exhaust ducts for the electric dryers.

(2) Refuse Disposal:

(i) Incinerators;

There will be no incinerators in the building.

(ii) Compactors;

There will be no garbage compactors in the building

(iii) Approvals by Authority having jurisdiction;

There will be no approvals required for refuse disposal. Garbage will be removed by the N.Y. City Department of Sanitation.

(iv) Storage Location;

Refuse disposal will be the responsibility of each individual unit's occupant. They will take their own garbage to garbage cans located at the yard area to the front of the building, for temporary storage. The garbage will be removed from the cans and placed close to the curb in front of the property, by a janitorial service on the nights before scheduled garbage collection by the N.Y. City Department of Sanitation.

(v) Pick-up Schedule;

The schedule for garbage removal at the location of the site is Mondays and Thursdays with recycling and composting on Mondays, as per the N.Y. City Department of Sanitation website.

(3) Bike Storage:

There are no bicycle parking spaces required as there are less than ten residential units in the building. There will be no voluntary spaces provided in the building.

(4) Storage:

There will be three separate storage rooms provided at the cellar level, as a limited common element for the residential Units 2, 3 and 4.

Each storage room will have a clear interior dimension of approximately four feet by six feet and eight inches. Each room will have a smooth concrete floor and a one hour rated, gypsum wallboard wall and ceiling enclosure. The walls and ceilings will be primed and painted with one coat of primer and one coat of finish paint. Each storage room will be equipped with a hollow core, steel door which will be equipped with an entry type lockset unique to each unit's owner.

(j) PLUMBING AND DRAINAGE

(1) Water Supply:

Water will be supplied to the units through connections to the building, from the New York City Water Distribution System. There will be a new 3” combined domestic and sprinkler, copper, water main conveying the water into the building. Each residential unit will be supplied with cold water from a minimum ½" copper piping. Each residential unit will have its own hot water heater, located in a mechanical closet within the unit. The hot and cold water piping throughout the building shall be protected with a minimum 1” thick polyethylene, thermal insulation with a minimum R value of 2 as required by the N.Y, State Energy Conservation Construction Code.

The building relies on the normal New York City water pressure for raising water to the third floor level. There will be no water tanks or pumps in the building.

The main shut-off valve will be located at the sprinkler mechanical room at the cellar floor level towards the front of the building.

(2) Fire Protection System:

There will be a wet pipe, sprinkler system installed throughout the building.

A separate sprinkler application, number B00257037-I1 was filed with the Brooklyn Office of the New York City Department of Buildings for the installation of the sprinkler system. The required approval and permits will be secured prior to the installation of the sprinkler system.

The sprinkler system will comply with the N.Y. City Building Construction Code and will be subject to inspection by the Department of Buildings prior to the sprinkler application being signed off.

The nearest fire hydrant to the building is approximately forty feet, West of the Westerly, side property line, at the sidewalk on the opposite side of the street.

(i) Standpipes;

There will be no standpipes in the building. There will be a main 3” diameter combined sprinkler and domestic water supply to the building. There will be a 3” steel, sprinkler riser pipe located in a chase wall adjacent to the common egress stairwell.

(ii) Hose racks, hoses and nozzle;

There will be no hose racks, hoses and nozzles in the building.

(iii) Sprinkler heads;

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

(iv) Siamese Connection;

There will be a 3” flush mounted, single inlet fire department connection and sprinkler alarm, gong, located on the front wall, at the basement floor level of the building facing Luquer Street. The connection will be a minimum of 18” and a maximum of 36” above the average grade level of the site.

(3) Water storage tanks and enclosures:

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

(i) Number, type, location;

(ii) Material (Interior, exterior and roof);

(iii) Access to tank;

(iv) Capacity (total gallons);

(v) Capacity (fire reserve);

(4) Water pressure;

The building will rely on normal N.Y. City water pressure to raise the water to the third floor level. The existing water pressure at the site is approximately 50 psi. There will be no water tanks or pumps.

(5) Sanitary Sewage System:

(i) Sewage piping (materials);

Sanitary sewage piping will be new and will be of extra hard cast iron.

(ii) Sewage pumps;

There will be no ejector or sewage pumps in the building.

(iii) Sewage disposal;

The sanitary waste will be conveyed to the New York City sewer system via new, extra heavy cast iron, sewer pipes, which will lead to a house trap of extra heavy cast iron. The house trap will be located at the cellar level towards the front of building. Beyond the house trap there will be a new 6” cast iron, combined sanitary and storm drain pipe which will be connected to the existing 12" combined, public, sewer located in the roadway beneath Luquer Street.

(6) Permits required:

Plumbing permits were obtained from the N.Y. City Department of Buildings for the installation of plumbing fixtures and all plumbing work within the building and on the site.

A plumbing permit number will be obtained for the plumbing work, prior to the installation of the plumbing.

All plumbing work will be done by a N.Y. State Licensed Plumber.

(7) Storm Drainage System:

The storm drainage system will consist of an aluminum gutter and leader, roof drains and area drains at the yard areas and a drywell located in the yard area to the rear of the building.

The run-off from part of the roof areas and the yard area to the front of the building will be conveyed to the extra heavy, cast iron, horizontal, storm drain. The new storm drain will be tied into a new 6” combined site connection which will be connected to the existing 12" combined sewer, located in the roadway beneath Luquer Street. The rest off the roof runoff and the yard areas to the rear of the building will be dissipated to an eight foot diameter by four feet deep, drywell located at the yard area to the rear of the building.

All storm drainage piping to be installed will be new.

A site connection application was submitted and approved by the NY City Department of Environmental Protection for the installation of the storm drainage system.

(i) Catch Basins;

There will be no catch basins on the site.

Existing catch basins are located in the public roadway along Luquer Street and along Court Street. Existing catch basins have been designed and installed by the N.Y. City Department of Transportation. Catch basins are constructed of concrete with steel grating covers.

(ii) Yard and Roof drains;

There will be cast iron area drains located at the front and rear yard areas of the building. There is an aluminum gutter and leader at the bulkhead roof area and roof drains located at the roof area above the third floor.

(iii) Piping;

All below grade drain pipes shall be of cast iron construction.

(iv) Ejector or Sump pumps;

There will no ejector pumps located in the building.

(k) HEATING (SPACE HEATING AND DOMESTIC HOT WATER)

(1) Domestic hot water shall be provided for each residential unit by gas fired, tankless hot water heaters which will be located within a mechanical closet at the cellar floor level. The hot water heating system shall be designed to be capable of providing peak required services to each residential unit.

Heating of each residential unit will be achieved by a ductless, multi zoned, mini, split heating and cooling system. There will be at least one, wall mounted, indoor, air handling unit located within each living room and bedroom within each residential unit. The space heating system will be designed to maintain a minimum inside temperature of 70 degrees Fahrenheit, when the outside temperature is 15 degrees Fahrenheit with a 15 mph wind (in accordance with ASFRAE, 2001 Fundamentals Handbook, Climatic Design Information, Table 1A, for New York City, JFK Airport). Each unit's owner will be responsible for the costs of maintenance and replacement of the domestic hot water and the space heating equipment for the residential units. Original Test and Balancing Reports for the heating and cooling system shall be provided to the Condominium Board upon conversion.

(2) Number of boilers and description:

There will be four new, gas fired hot water heaters located in a mechanical closet at the cellar floor level.

There will be four new, heat pump / condenser units located at the roof above the third floor level towards the rear of the building.

There will be a wall mounted, air handler units located in each living area and bedroom area within each residential unit and at the open accessory area at the cellar floor level.

(3) Manufacturer (model, capacity):

Each hot water heater shall be model number **NPE-150S**, as manufactured by **NAVIEN.** Each heater will have a maximum heating capacity of approximately 120,000 BTUs per hour and will operate with an efficiency rating of approximately ninety six (96 %) percent.

Each hot water heater has a warranty of five years on parts and fifteen years on the heat exchanger.

The Sponsor reserves the right to provide hot water heaters by a different manufacturer which will be equal to or better than noted above.

The outdoor, heat pump / condensing unit for the residential units shall be model numbers**: MXZ-3C36NAHZ and MXZ-5C48NAHZ** as manufactured by **MITSUBISHI**. Each section shall be UL approved and will have heating capacities of approximately 45,000 and 54,000 BTUs per hour respectively. Each heat pump / condensing unit will operate with an efficiency rating of approximately ninety (90 %) percent with a HSPF rating of approximately 11.3 and 11.0 respectively.

The outdoor units have a warranty of five years on parts and seven years on the compressor.

The Sponsor reserves the right to provide heat pump / condenser units by a different manufacturer, which will be equal to or better than noted above.

The indoor, air handler units shall be model numbers **MSZ-GL09NA-U1 and MSZGL18NA-U1** as manufactured by **MITSUBISHI**. Each air handler unit is UL approved and will have heating capacities of approximately 10,900 and 21,600 BTUs per hour respectively. Each air handler will operate with an efficiency rating of approximately ninety (90 %) percent with a HSPF rating of 12.8 and 12.5 respectively.

The indoor air handlers have a warranty of five years on parts.

The Sponsor reserves the right to provide air handler units by a different manufacturer, which will be equal to or better than noted above.

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

The hot water heater elements will be new and will be as manufactured by **NAVIEN**.

Heating elements for the heat pump / condenser units and the air handlers will be new and will be as manufactured by **MITSUBISHI**.

The Sponsor reserves the right to provide heater elements by different manufacturers which are equal to or better than noted above.

(5) Type of Controls:

Each hot water heater and air handler unit will be equipped with thermostats.

(6) Radiators, piping, etc.

There will be no radiators in the heating system.

(7) Fuel (supply system):

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

(8) Location of oil tank:

There will be no oil tanks in the building.

(9) Capacity of oil tank:

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

(I) GAS SUPPLY

(1) Type;

The service to the building will be a new 3” diameter, copper gas line. Gas service will be provided by National Grid Company to each residential unit. The gas will be used for domestic cooking.

(2) Meters;

There will be a minimum of four, new, gas meters provided at the cellar floor level towards the front of the building.

(3) Piping;

Gas piping throughout the building shall be of black iron.

(m) AIR CONDITIONING

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

Original Test and Balancing Reports for the mechanical system shall be provided to the Condominium Board upon conversion if applicable.

(1) Type of system,

Cooling of each residential unit will be achieved by a ductless, multi zoned, mini, split heating and cooling system.

(2) Central System (manufacturer, model, capacity):

Cooled air will be distributed to the spaces within the residential units via wall mounted, air handling units. There will be at least one, wall mounted, indoor, air handling unit located within each living room and bedroom within each residential unit.

The indoor, air handler units shall be model numbers **MSZ-GL09NA-U1 and MSZGL18NA-U1** as manufactured by **MITSUBISHI**. Each air handler unit is UL approved and will have cooling capacities of approximately 9,000 and 18,000 BTUs per hour respectively. Each air handler will operate with an efficiency rating of approximately ninety (90 %) percent with a SEER rating of 24.6 and 23.1 respectively.

The indoor air handlers have a warranty of five years on parts.

The Sponsor reserves the right to provide air handler units by a different manufacturer, which will be equal to or better than noted above.

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(3) Cooling towers or Condensers (number, location, description):

There will be four heat pump / condensers, one for each residential unit, located at the roof above the third floor level. The condensing units at the roof area shall be installed on steel dunnage beams or vibration isolator pads.

The outdoor, heat pump / condensing unit for the residential units shall be model numbers**: MXZ-3C36NAHZ and MXZ-5C48NAHZ** as manufactured by **MITSUBISHI**. Each section shall be UL approved and will have cooling capacities of approximately 36,000 and 48,000 BTUs per hour respectively. Each heat pump / condensing unit will operate with an efficiency rating of approximately ninety (90 %) percent with a SEER rating of approximately 19.10 and 19.0.

The outdoor units have a warranty of five years on parts and seven years on the compressor.

All exterior metals including fasteners at the roof areas shall be corrosion resistant metals.

Rooftop piping shall be insulated with a minimum ½" thick, fiberglass, exterior pipe insulation as manufactured by Owens Corning.

The Sponsor reserves the right to provide condensers by different manufacturers than noted above.

(4) Individual units covered by the offer (window / sleeve- number, location, description);

There will be no individual air conditioning units or AC sleeves provided at the exterior of the building.

(n) VENTILATION

The spaces that require mechanical ventilation within the units will be the interior bathrooms and toilet rooms. These spaces within the residential units will be equipped with vertical ducts with a fan, which terminates to the outside air. The minimum rate of exhaust ventilation for the bathrooms and toilet rooms is 50 cfm as required by the New York City Building Code.

Kitchen areas will also be provided with exhaust fans with an exhaust rate of approximately 100 cfm. Ventilation equipment will be by Air King and will have a noise emission rating of approximately 0.8 sones.

The Sponsor reserves the right to provide ventilation equipment by a different manufacturer than noted above.

The mechanical room shall be equipped with exhaust ventilation ducts for the mechanical equipment and fixed fresh air intake for the room.

The cellar area will have operable windows and doors to the front and rear of the building which will provide ventilation.

(o) ELECTRICAL SYSTEM

(1) Service from main service switchgear;

The electrical service to the building will be brought in from the terminal point of the Consolidated Edison Co. The service supplied to the building, will be a 400 Amp, 120 / 208 Volt, single phase, copper, three wire, service.

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

(2) Service to the individual units;

There will be a separate meter for each residential unit. There will be 100 Amps of service to each residential unit. Each unit will be wired with three phase, copper wiring protected with PVC insulation.

(3) Compartment switchgear;

The sectional meter boards and transformers supplying power to the meter boards are located at the cellar floor level towards the front of the building.

(4) Unit service;

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

(5) Adequacy;

The electrical system will be designed by a licensed NY State Engineer and installed to comply with the New York City Electrical Code and the N.Y. City Building Code. The electrical system will be inspected and eventually signed off to by the N.Y. City Department of Buildings
(Electrical Division) prior to the issuance of a Certificate of Occupancy for the building.

(i) Service;

There will be approximately six circuits with circuit breakers provided for each unit. The circuits will have the capacity to handle modern appliances such as air conditioners, dishwashers and electric washing machines and dryers. The circuit breakers will be designed to comply with the N.Y. City Electrical Code and will be adequate for each residential unit.

There will be no emergency generators provided in the building.

(ii) Lighting and Fixtures;

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

Lighting fixtures and electrical outlets; shall be installed by a licensed Electrician, and shall be in compliance with the N.Y. City Electrical Code and the N.Y. City Building Code.

(iii) Convenience outlets & appliance outlets;

There will be convenience outlets and appliance outlets provided in each bedroom, living room, kitchen, bathroom, toilet room etc. within each unit. Convenience outlets and appliance outlets shall be installed by a licensed Electrician and shall be in compliance with the N.Y. City Electrical Code and the N.Y. City Building Code.

(p) INTERCOMMUNICATION SYSTEM

The residential units located at the basement, first, second and third floors, shall be equipped with an intercom system connected with the main entrance at the basement floor level. The intercom will permit voice contact between the inside of each unit and the main entrance door. The intercom system shall be equipped with an electronic door release for opening the main, entrance door at the basement level from within the units..

The intercom shall be Model LAF 3, as manufacture by Aiphone.

Aiphone warrants its products for a minimum period of two years after delivery.

There will be no other security systems.

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

The Sponsor reserves the right to provide equipment by a different manufacturer than noted above.

(q) PUBLIC AREA LIGHTING

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

Wall mounted, lighting fixtures shall be provided adjacent to the main entrance at the front of the building; providing an equivalent, aggregate illumination of two hundred (200) watts of incandescent illumination.

There shall also provided, at the rear facade of the building, a light fixture equivalent to at least forty (40) watts incandescent illumination.

The ceiling mounted, lighting fixtures for the interior public areas shall be Avalon, flush mounted, model number P3688 as manufactured by Progress Lighting.

The lighting fixtures at the exterior entrance shall be from The Ledge Collection, wall sconces, model number WS-W1408-AL as manufactured by Modern Forms.

The lighting fixture at the rear facade shall be from the Reef Collection, model number 1950 HE-GU24, as manufactured by Hinkley Lighting.

The Sponsor reserves the right to provide fixtures by different manufacturers than noted above.

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

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

(r) GARAGES AND PARKING AREAS

There will be no garages or parking areas in or at the exterior of the building. The following sections will not be applicable to this Report:

(1) Location of garages;

(2) Location of parking areas;

(3) Surfaces;

(4) Parking (attended or unattended);

(5) Garage ventilation (method and equipment);

(6) Garage fire protection (method and equipment);

(7) Drainage;

(s) SWIMMING POOLS

There will be no swimming pools in or at the exterior of the building. The following sections will not be applicable to this Report:

(1) Type (concrete, material composition) and Location;

(2) Size (length, width, depth, capacity);

(3) Enclosure (material including roof);

(4) Pumping and filter system;

(5) Water heating equipment;

(6) Structural support system (roof location);

(t) TENNIS COURTS, PLAYGROUNDS AND RECREATION FACILITIES

There will be no tennis courts playgrounds or recreational facilities in or at the exterior of the building. The following sections will not be applicable to this Report:

(1) Tennis Courts:

- (i) Type (clay, macadam, turf);
- (ii) Number and Size;
- (iii) Lighting (number and type);
- (iv) Fencing and enclosure;

(2) Playgrounds (size and location);

(3) Other Recreation facilities;

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(u) PERMITS AND CERTIFICATES

All required permits and Sign-offs and a Certificate of Occupancy shall be obtained by the Sponsor.

The following permits shall be obtained by the Sponsor's contractor prior to commencement of the renovation:

PERMIT TYPE	AGENCY
Fence	Department of Building
Sidewalk Shed	Department of Building
Foundation	Department of Building
General Construction	Department of Buildings
Plumbing	Department of Buildings
Electrical	Department of Buildings
Sprinkler	Department of Buildings
Site Connection	Department of Environmental Protection

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

Site connection permits will be valid for two years from the date of issue.

All permits issued by the New York City Department of Transportation expire on December 31st of each year and are required to be renewed.

Recurring, annual, inspections to be performed after the building is in operation shall include, but not be limited to, the Sprinkler System, Mechanical Equipment and NFPA 80 (Fire Doors). RPZ and Fire alarm systems will also be inspected annually by an approved servicing company as per NFPA 72.

The gas piping system shall be inspected at least once every five years by or under the supervision of a N.Y. City licensed Master Plumber. The initial inspection for a new building shall be conducted in the tenth year after the issuance of a letter of completion or the issuance of a temporary or final Certificate of Occupancy for the building

A Report and Certification will be required in compliance with Local Law 152-2016 and Section 218-318.1 of the 2014 New York City Construction Code.

(v) VIOLATIONS

There are currently six open violations listed for the property as per the N.Y. City Department of Buildings, Building Information System website.

The Sponsor will correct all outstanding violations prior to obtaining a Certificate of Occupancy and prior to closing on the units.

(w) UNIT INFORMATION

The condominium will consist of four residential units and three storage units. The residential units will be located at the basement, first, second and third floor levels. Part of the cellar floor level will be used in conjunction with the unit located at the basement floor level.

There will be limited common storage units located at the cellar floor level for the units located at the first, second and third floors.

Unit 1 will consist of:

Two (2) bedrooms, two and one half (2½) bathrooms, living / dining area, kitchen, accessory recreation room and laundry closet;

Unit 2 will consist of:

Two (2) bedrooms, two (2) bathrooms, living / dining area, kitchen and laundry closet;

Unit 3 will consist of:

Two (2) bedrooms, two (2) bathrooms, living / dining area, kitchen and laundry closet;

Unit 4 will consist of:

Two (2) bedrooms, two (2) bathrooms, living / dining area, kitchen and laundry closet;

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UNIT SIZES:

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

The approximate square footage for each unit is as follows:

Unit 1	Cellar Floor	= 570 square feet
	Basement Floor	= 890 square feet
		= 1,360 square feet
Unit 2	First Floor	= 935 square feet
Unit 3	Second Floor	= 935 square feet
Unit 4	Third Floor	= 930 square feet

(1) **UNIT FINISHES;**

The residential units will be finished as described herein.

The finished floor of the living, dining and bedroom areas of the residential units shall be of ¾" thick, select grade, oak, hardwood finish on a minimum ½" thick plywood underlayment. Thereafter unit owners may finish with carpeting or another material of their own choice and at their own expense.

The walls and ceilings of residential units shall be of gypsum wallboard which will be primed and painted with one primer coat and one finished coat of paint. Unit owners may decorate by finishing with paint, wallpaper, paneling, etc. of their own choice.

The floors of the residential kitchens shall be of ¾" thick, select grade, oak, hardwood finish on a minimum ½" thick plywood underlayment and gypsum wallboard walls and ceilings.

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

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

When completed, the following interior finishes will be installed.

	Location	Floors	Base	Walls	Ceilings
1.	Living/Dining Room	Wood	Wood	GWB. Painted	GWB. Painted
2.	Bedroom	Wood	Wood	GWB Painted	GWB. Painted
3.	Kitchen	Wood	Wood	GWB Painted	GWB. Painted
4.	Open Cellar Area	Vinyl Tile	Wood	GWB Painted	GWB. Painted
5.	Bathroom	Ceramic Tile	Ceramic Tile	Tile/GWB Painted	GWB. Painted
6.	Laundry Cl.	Ceramic Tile	Ceramic Tile	GWB. Painted	GWB. Painted
7.	Storage Room	Concrete	Mas / GWB.	GWB. Painted	GWB. Painted

Note:
GWB : Denotes Gypsum Wallboard
Mas : Denotes Masonry
Mech : Denotes Mechanical
Cl. : Denotes Closet
N.A. : Denotes not applicable.

(2) **BATHROOM FIXTURE SCHEDULE;**

A. Water Closets: shall be model; Colony 2388.012 as manufactured by American Standard. Water closets shall be of vitreous china and shall be floor mounted and equipped with syphon flushing action. Water closets are also to be equipped with vacuum breakers and shall meet water saving performance standards as per New York City Local Law 29/89.

B. Countertop lavatory: shall be model; Rondalyn 0491.019 as manufactured by American Standard with American Standard, model; Colony 2175.200 faucet; set in a plastic laminate finished, particle board vanity countertop.

C. Bathtubs: shall be model; Salem 0155.017 with flow outlet, showerhead and trim model; Colony R110SS as manufactured by American Standard.

The Sponsor reserves the right to provide fixtures by different manufacturers which are equal to or better than noted above.

D. Showers: shall be; Studio Suite model, with acrylic base and showerhead and trim model; Studio TU105501 as manufactured by American Standard.

(3) **KITCHEN EQUIPMENT SCHEDULE;**

The kitchen areas will generally be provided with the following fixtures, appliances and equipment:

1. Formica or wood laminate, wall and base cabinets and formica or wood laminate countertops.
2. Stainless steel sink by Crane, with faucet by Delta model number 400.
3. One, four burner gas range by Frigidare, model # FCRG3052AS.
5. One, electric refrigerator by Frigidare, model # FFHT1621TS.
6. One, electric dishwasher by Frigidare, model # FFCD2413US.

Note:

Additional kitchen appliances and fixtures including additional gas ranges will be the responsibility of the unit owners.

The sponsor reserves the right to provide fixtures by different manufacturers, which are equal to or better than noted above.

(x) FINISH SCHEDULE (SPACES OTHER THAN UNITS)

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

	Location	Floors	Base	Walls	Ceilings
1.	Meter Closet	Concrete	Masonry	Mas / GWB	GWB
2.	Common Hallway	Concrete	Masonry/GWB	GWB Painted	GWB Painted
3.	Mechanical Room	Concrete	Masonry/GWB	GWB Painted	GWB Painted

Note
GWB : Denotes Gypsum Wallboard
Mas. : Denotes Masonry
N.A. : Denotes not applicable.

(y) SAFETY AND WARNING DEVICES

There will also be a wet pipe sprinkler system throughout the building, with fire alarm gong at the front of the building. There is also a Fire Alarm System installed throughout the building. A fire alarm application number 39240767 was filed with and approved by the N.Y. City Fire Department for the installation of the fire alarm system.

The fire alarm gong will be located at the front façade of the building adjacent to the entrance and will be part of the sprinkler system. There fire alarm central station is located at the cellar level towards the front of the building.

There will be hardwired, combined smoke and carbon monoxide detector provided within each bedroom and at a maximum distance of fifteen feet from any bedroom door within each residential unit as required by the N.Y. City Building Code.

The combined smoke and carbon monoxide detector shall be BRK Brands model number SC9120B as manufactured by BRK Brands Inc.

The Sponsor reserves the right to provide combined, smoke and carbon monoxide detectors by a different manufacturer which are equal to or better than noted above.

(z) ADDITIONAL INFORMATION REQUIRED

To the best of my knowledge, belief and professional judgment these plans and specifications will be in compliance with the Energy Conservation Construction Code of New York State and The New York City Energy Conservation Code.

(bb) FURTHER DEVELOPMENT

There will be no further development of the property. The Sponsor will not construct any additional units or phases after completion of the structure which is contrary to the plans as approved by the N.Y. City Department of Buildings.

(cc) ASBESTOS

The building is currently unoccupied and will be vacant during renovation.

There are no asbestos made products or products containing asbestos materials specified or used in insulating or fireproofing materials or any other materials in the renovation of the building.

An Asbestos Report (ACP5 Form) was filed with the N.Y. City Department of Buildings by a Certified Asbestos Investigator, as is required for all Alteration Applications prior to the building plans being approved by the Department of Buildings.

(dd) LEAD-BASED PAINT

There will be no lead-based paints specified nor will there be lead-based paint products used in the construction and finishing of the building.

The building was originally completed in 1937. All existing interior partitions, flooring and roof were removed. The existing side, lot line walls and foundation that remained were stripped of all existing paint. The structural system, including, the cellar floor, the floors above the cellar, the roofing system and all interior partitions, will be new construction as noted in Section (h) of this Report.

The building has undergone a complete gut renovation and all trims, frames, lintels, panels or any other elements that were painted surfaces, were removed. All new painted finishes shall be non, lead-based paint finishes.

(ee) CORROSIVE MATERIALS

There are no “Sulfide” or other known corrosive drywall materials used or scheduled to be used in the construction of the building.

(ff) TENANT PROTECTION PLAN

The building will not be occupied by tenants and / or unit owners prior to the Sponsor obtaining a signoff and Certificate of Occupancy from the Department of Buildings.

(gg) DOCUMENTS TO BE TRANSFERRED TO THE CONDOMINIUM MANAGEMENT

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

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

Electronic system manual;

Re-commissioning manual (as applicable);

Equipment Warranties;

NDL Manufacturer's Roof Warranty;

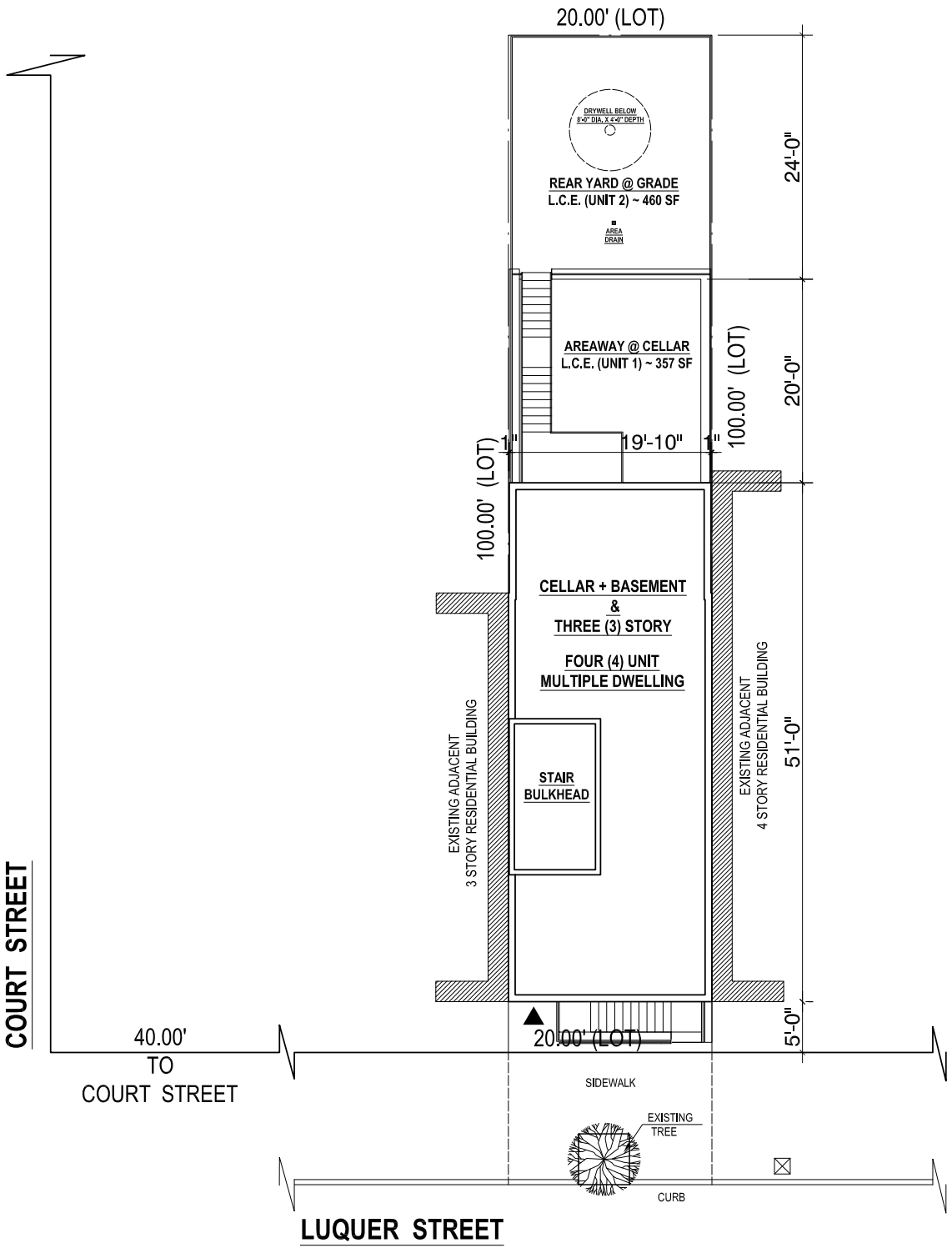
Major Equipment Start-Up Sheets;

Control System As-Built

Original Test and Balance Report for HVAC System;

Indoor Air Quality Report;

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



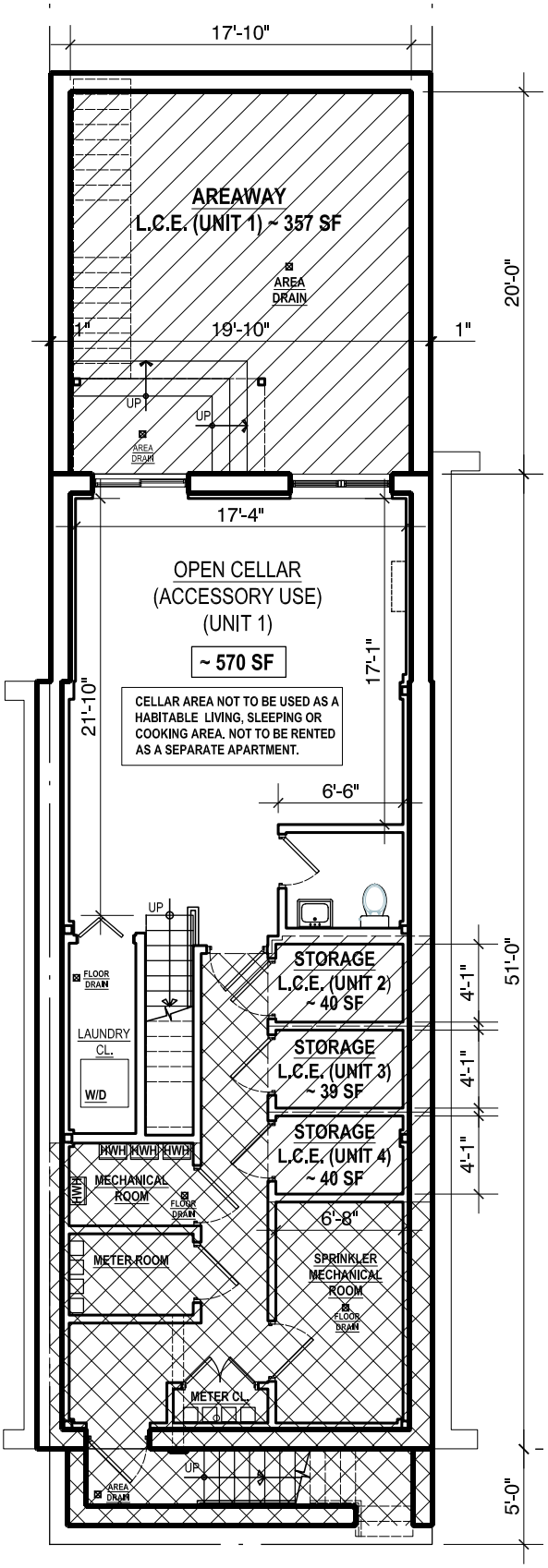
PLOT PLAN

150 LUQUER STREET, BROOKLYN NY

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0' 2' 4'

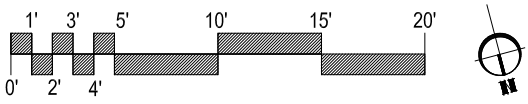
BLOCK : 377
LOT : 18

(REVISED: 11-10-2021)



CELLAR FLOOR PLAN

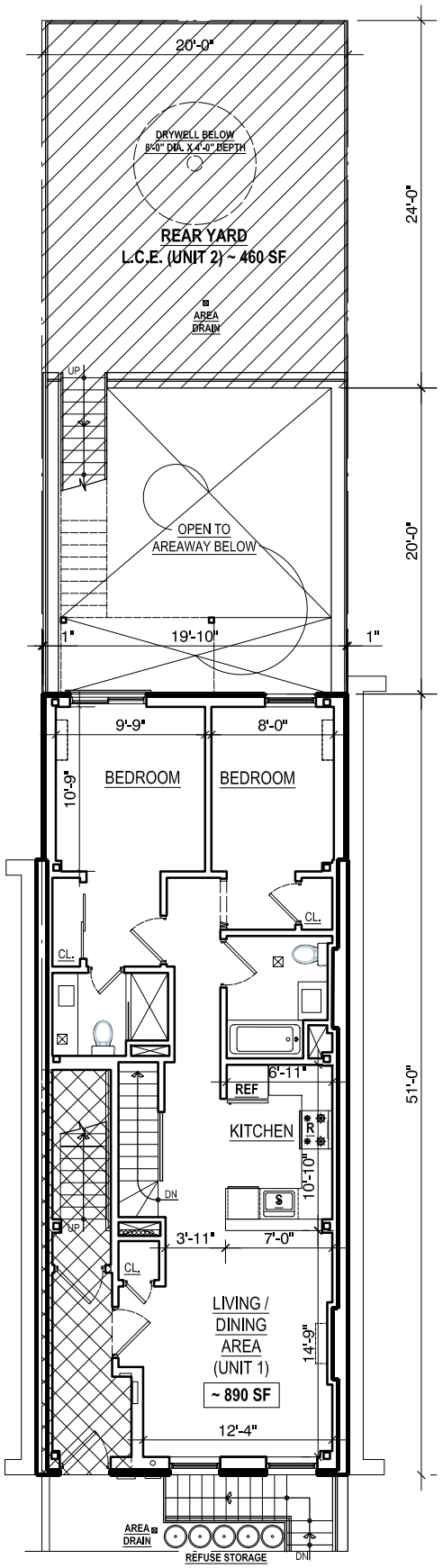
150 LUQUER STREET, BROOKLYN, NY



(REVISED: 11-10-2021)

LEGEND

	DENOTES COMMON AREAS
	DENOTES LIMITED COMMON AREAS
REF	DENOTES REFRIGERATOR
R	DENOTES COOKING RANGE
S	DENOTES KITCHEN SINK
DW	DENOTES UNDERCOUNTER DISHWASHER LOCATION
W/D	DENOTES WASHER, DRYER LOCATION (WASHER & DRYER NOT PROVIDED)
HWH	DENOTES HOT WATER HEATER



BASEMENT FLOOR PLAN

150 LUQUER STREET, BROOKLYN, NY

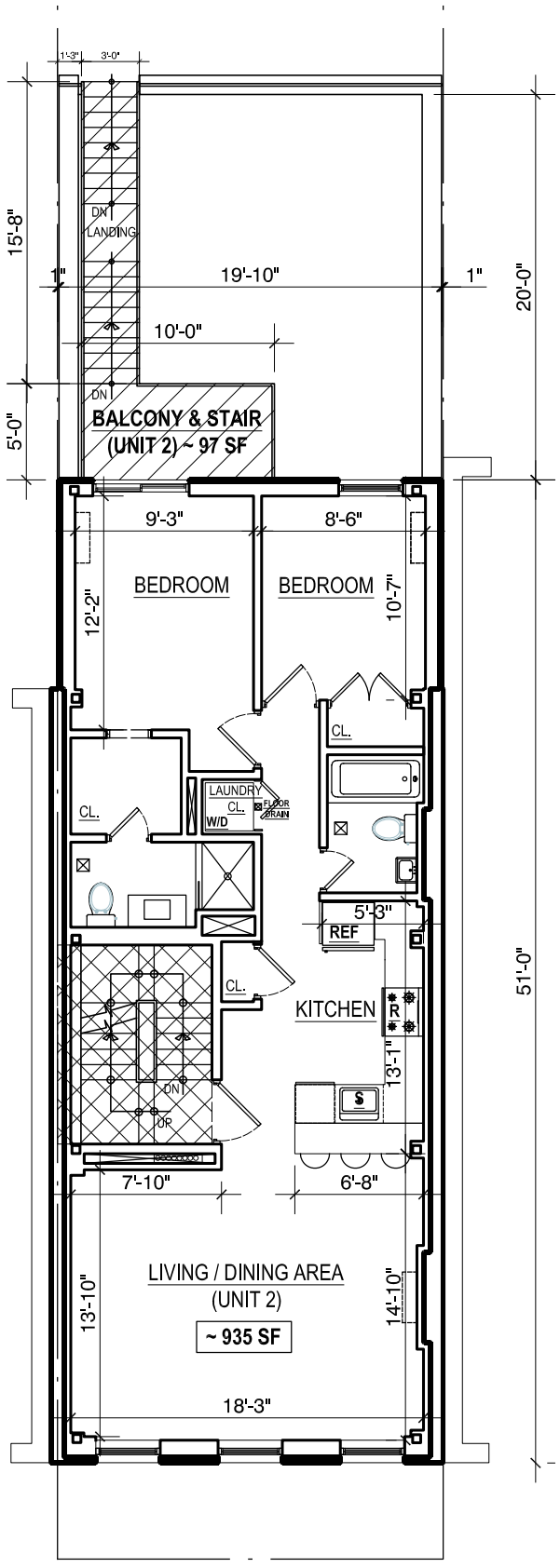
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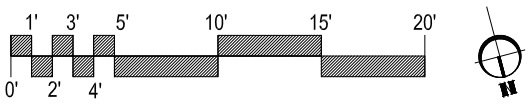
LEGEND

	DENOTES COMMON AREAS
	DENOTES LIMITED COMMON AREAS
REF	DENOTES REFRIGERATOR
R	DENOTES COOKING RANGE
S	DENOTES KITCHEN SINK
DW	DENOTES UNDERCOUNTER DISHWASHER LOCATION
W/D	DENOTES WASHER, DRYER LOCATION (WASHER & DRYER NOT PROVIDED)
HWH	DENOTES HOT WATER HEATER



FIRST FLOOR PLAN

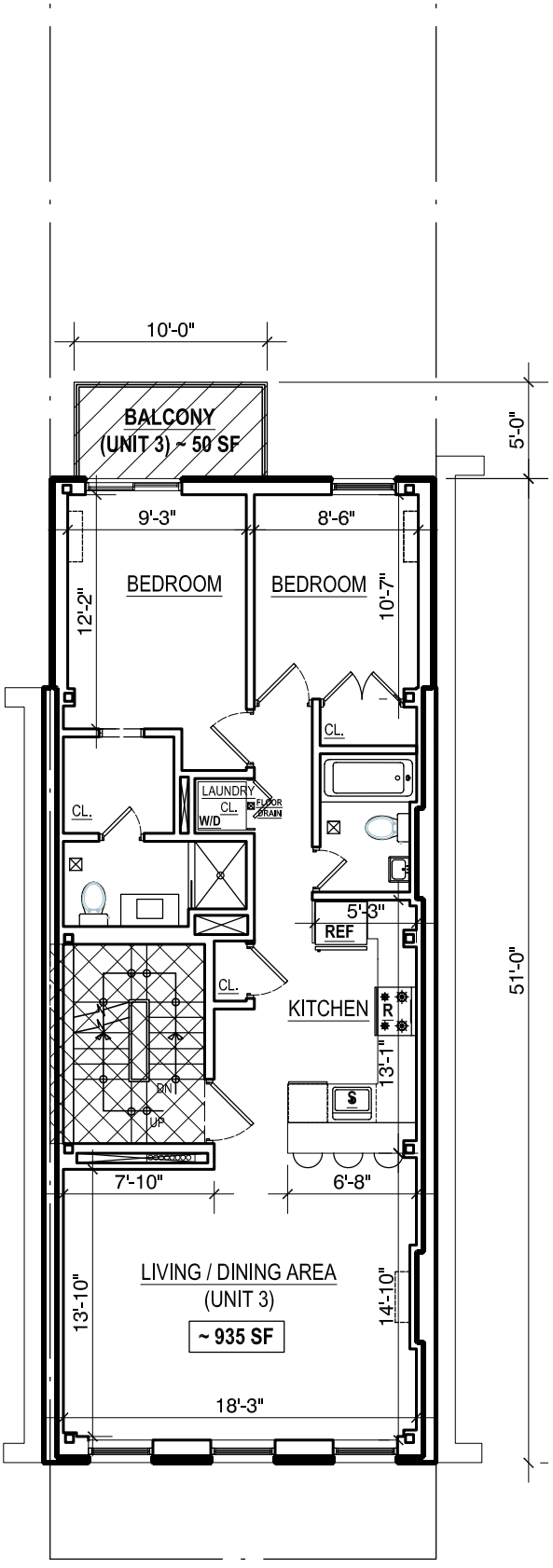
150 LUQUER STREET, BROOKLYN, NY



(REVISED: 11-10-2021)

LEGEND

	DENOTES COMMON AREAS
	DENOTES LIMITED COMMON AREAS
REF	DENOTES REFRIGERATOR
R	DENOTES COOKING RANGE
S	DENOTES KITCHEN SINK
DW	DENOTES UNDERCOUNTER DISHWASHER LOCATION
W/D	DENOTES WASHER, DRYER LOCATION (WASHER & DRYER NOT PROVIDED)
HWH	DENOTES HOT WATER HEATER



SECOND FLOOR PLAN

150 LUQUER STREET, BROOKLYN, NY

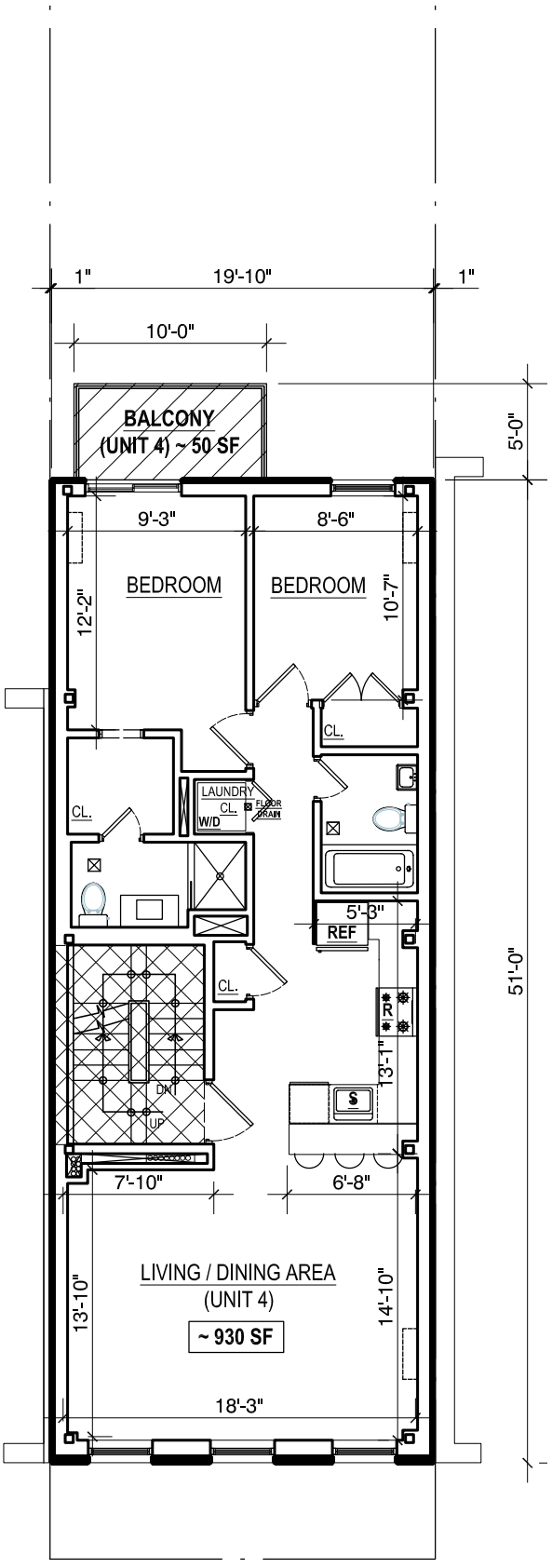
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(REVISED: 11-10-2021)

LEGEND

	DENOTES COMMON AREAS
	DENOTES LIMITED COMMON AREAS
REF	DENOTES REFRIGERATOR
R	DENOTES COOKING RANGE
S	DENOTES KITCHEN SINK
DW	DENOTES UNDERCOUNTER DISHWASHER LOCATION
W/D	DENOTES WASHER, DRYER LOCATION (WASHER & DRYER NOT PROVIDED)
HWH	DENOTES HOT WATER HEATER



THIRD FLOOR PLAN

150 LUQUER STREET, BROOKLYN, NY

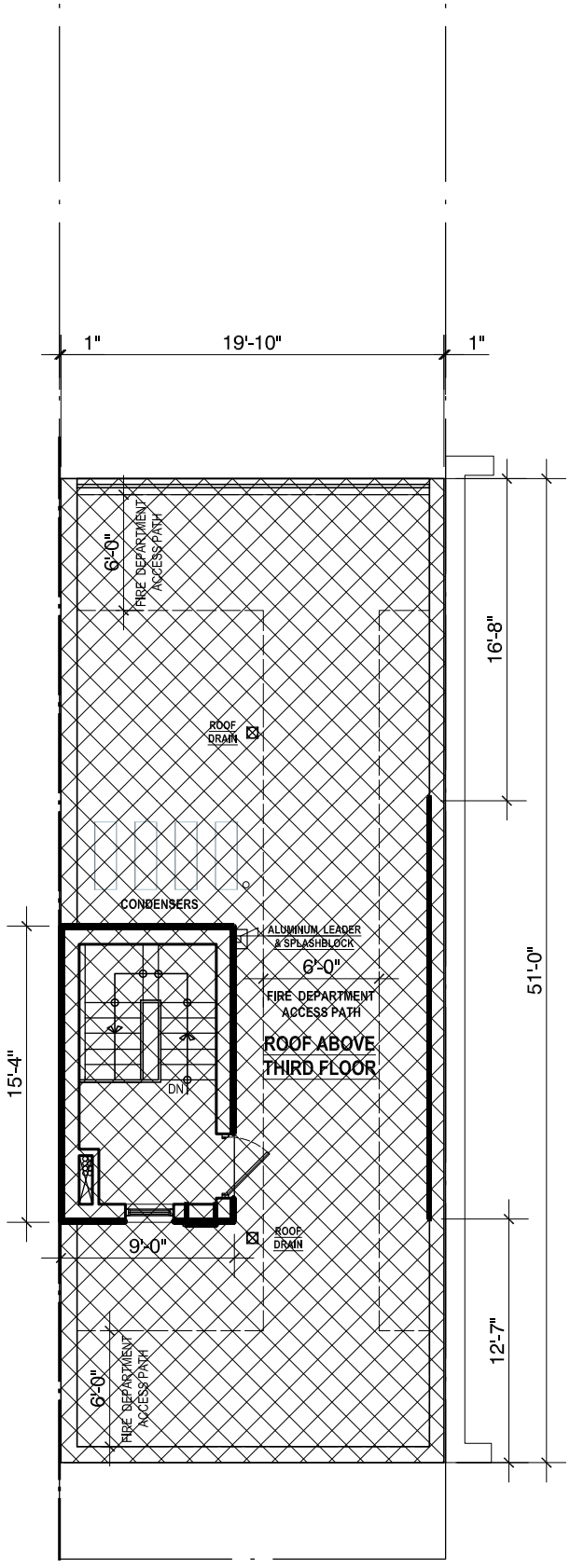
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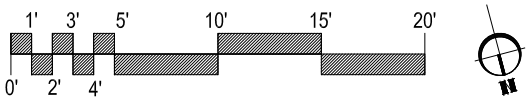
LEGEND

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	DENOTES LIMITED COMMON AREAS
REF	DENOTES REFRIGERATOR
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S	DENOTES KITCHEN SINK
DW	DENOTES UNDERCOUNTER DISHWASHER LOCATION
W/D	DENOTES WASHER, DRYER LOCATION (WASHER & DRYER NOT PROVIDED)
HWH	DENOTES HOT WATER HEATER



BULKHEAD & ROOF PLAN

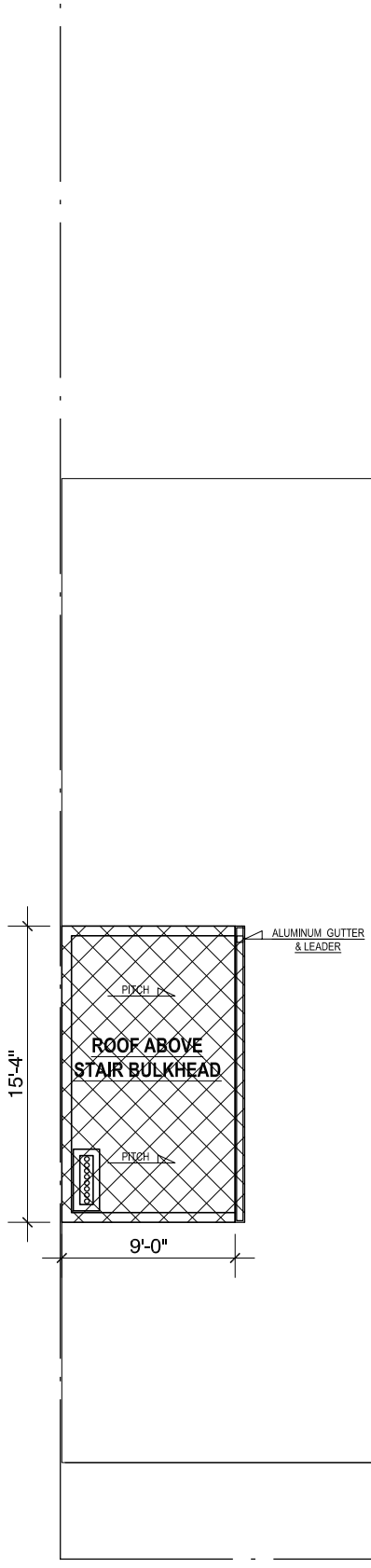
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(REVISED: 11-10-2021)

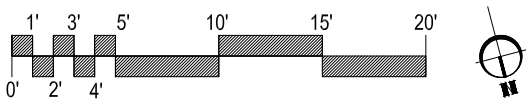
LEGEND

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W/D	DENOTES WASHER, DRYER LOCATION (WASHER & DRYER NOT PROVIDED)
HWH	DENOTES HOT WATER HEATER



BULKHEAD ROOF PLAN

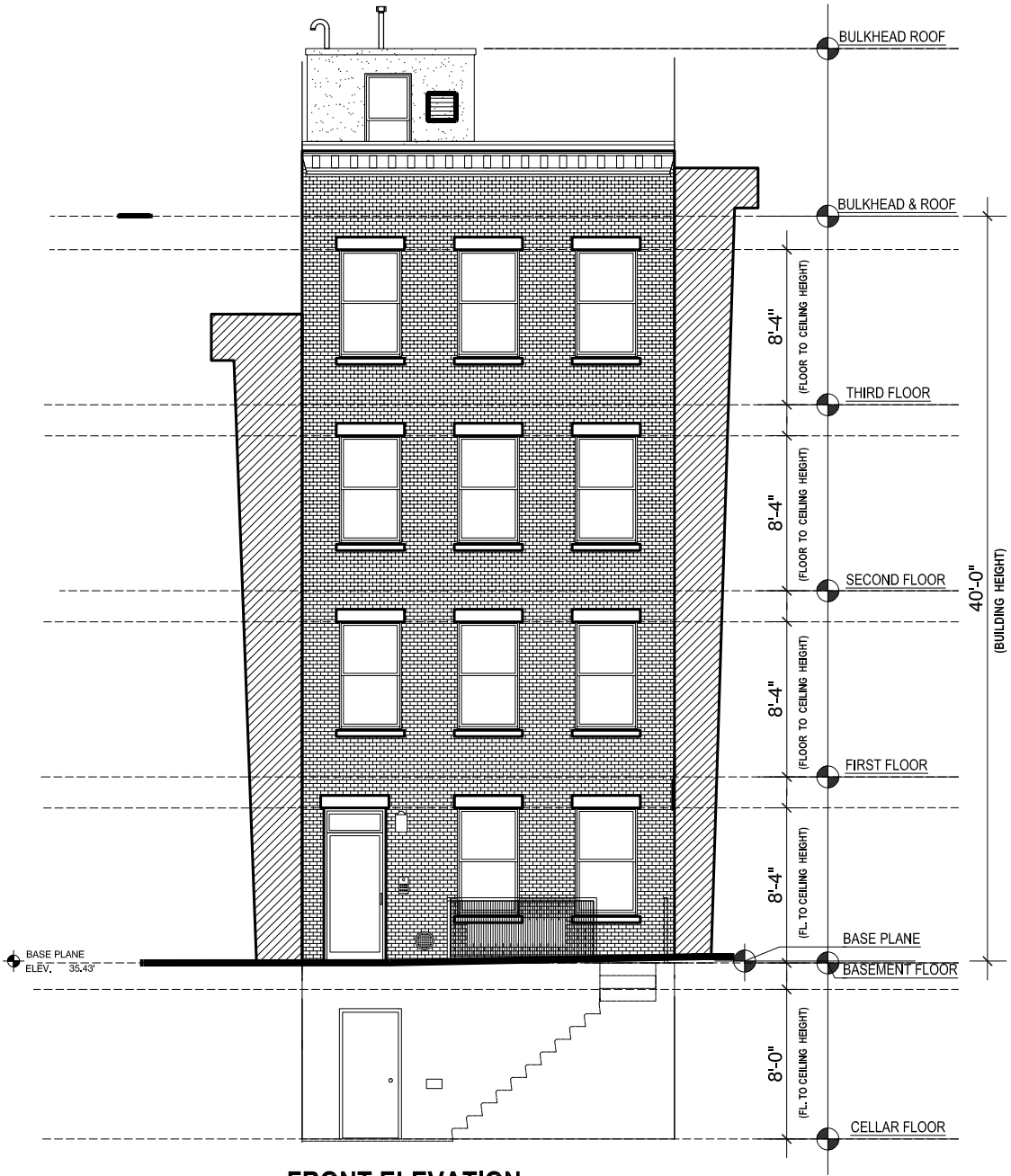
150 LUQUER STREET, BROOKLYN, NY



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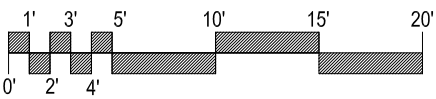
LEGEND

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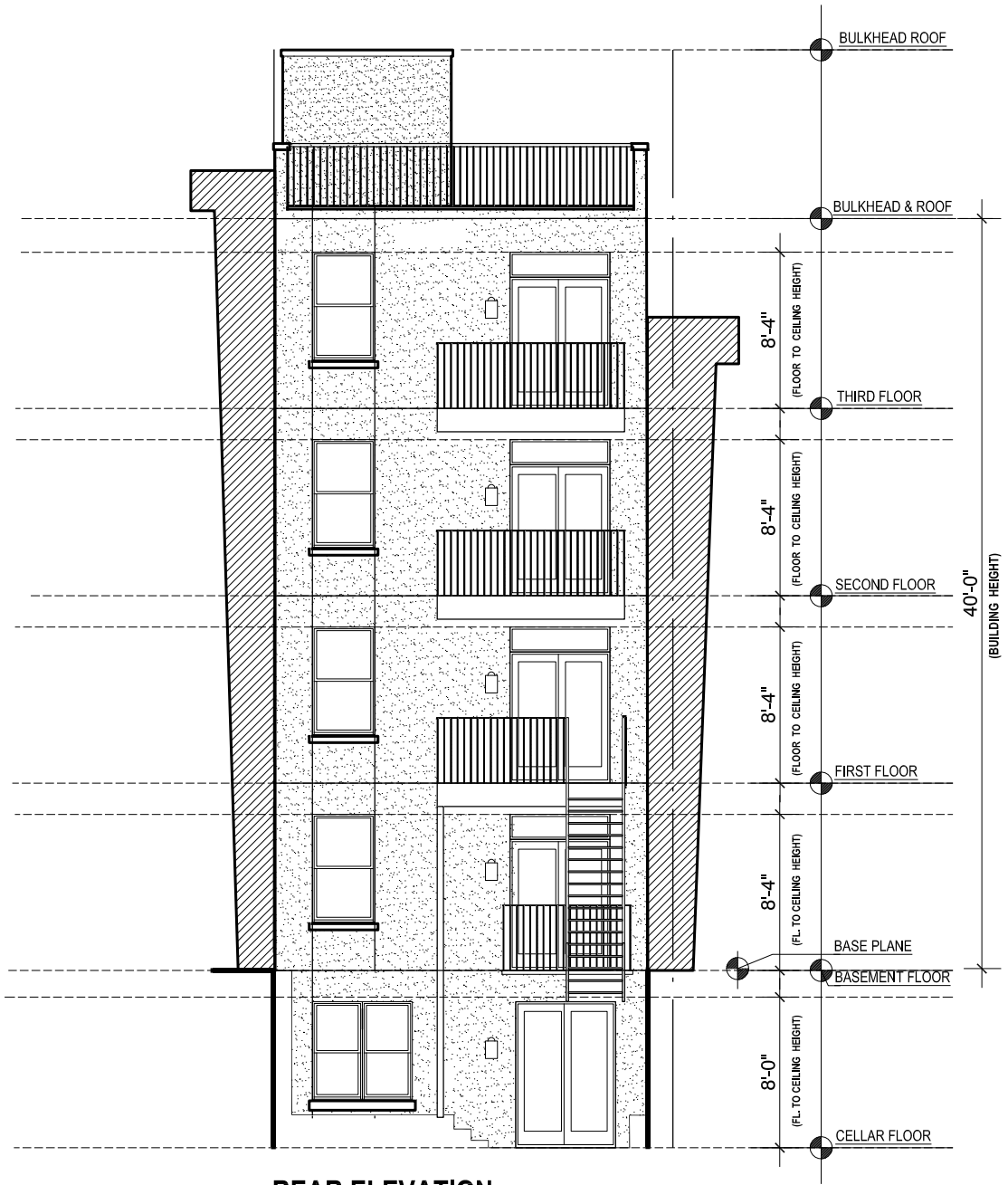


FRONT ELEVATION

150 LUQUER STREET, BROOKLYN, NY

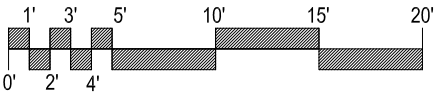


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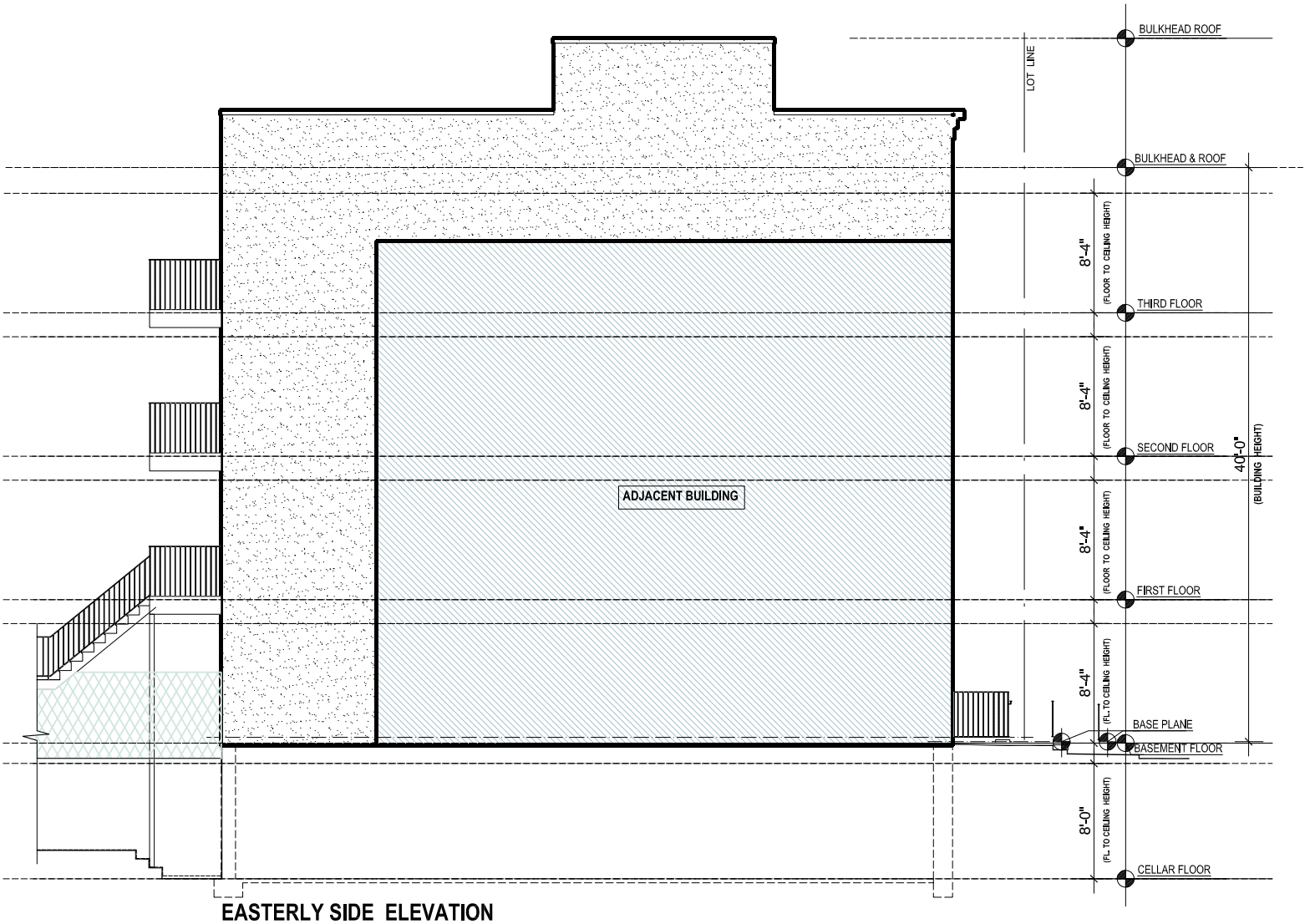


REAR ELEVATION

150 LUQUER STREET, BROOKLYN, NY

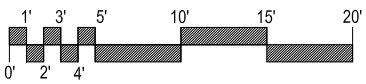


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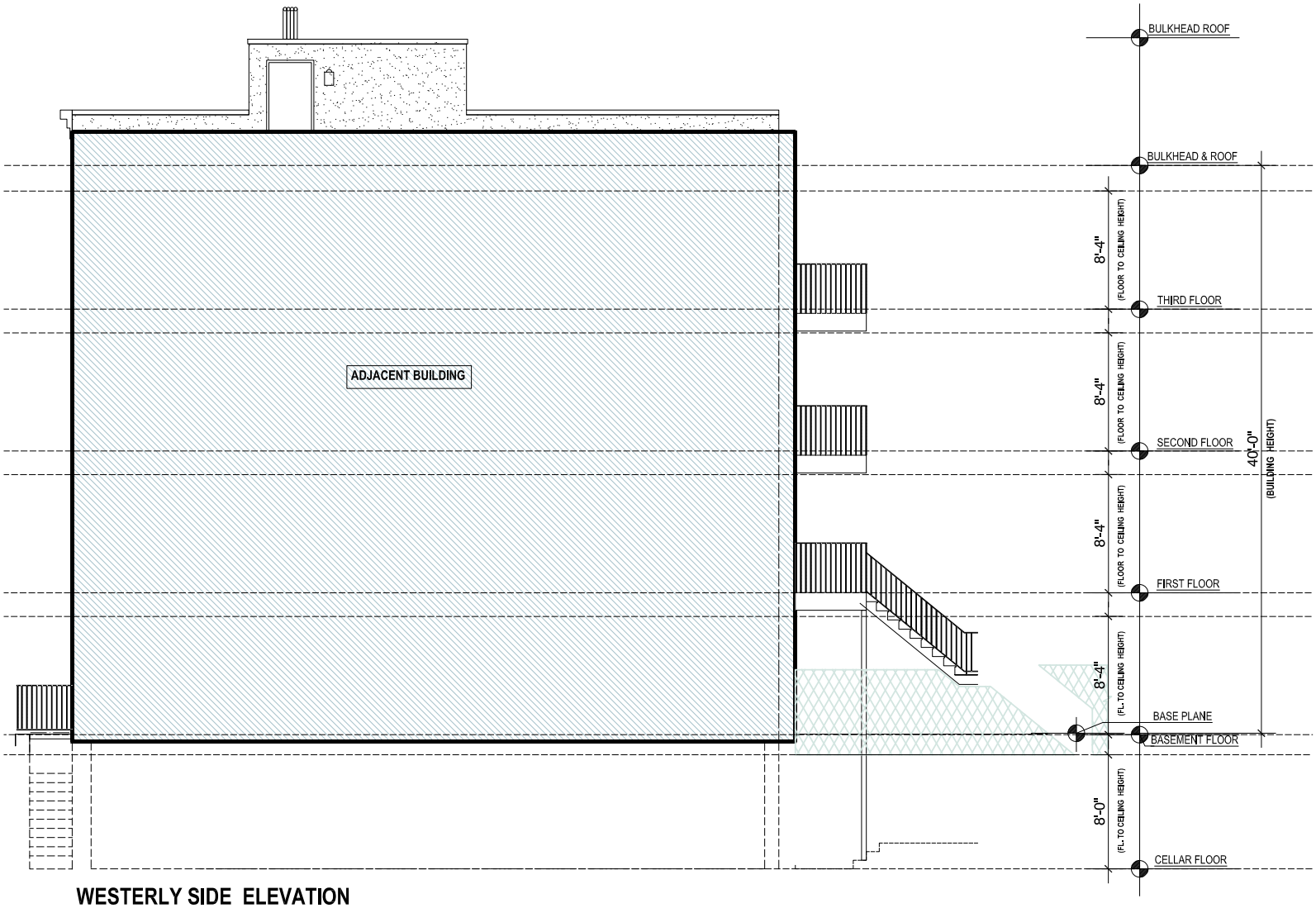


EASTERLY SIDE ELEVATION

150 LUQUER STREET, BROOKLYN, NY

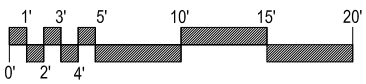


(REVISED: 11-10-2021)



WESTERLY SIDE ELEVATION

150 LUQUER STREET, BROOKLYN, NY



(REVISED: 11-10-2021)

FORM OF PURCHASE AGREEMENT

THE FRANCESCA CONDOMINIUM
150 Luquer Street
Brooklyn, NY 11231

THIS PURCHASE AGREEMENT, (hereinafter called this "Agreement"), made as of the _____ day of _____, 20__, between Sponsor, Purchaser and Escrow Agent, as defined below.

Unit No.: _____
Common Interest: _____%

Sponsor: 150 Luquer, LLC
2042 West 4th Street
Brooklyn, NY 11223

Sponsor's Attorney Mikhail Litt, Esq.
TSYNGAUZ & ASSOCIATES, P.C.
114 Mulberry Street, 1st fl.
New York, NY 10013
ph. (212) 337-9770; fax (212) 337-9773; e-mail mlitt@nytlaw.com

Purchaser: _____
_____
_____

Soc. Sec. No. _____
_____
_____

Manner in which title to be taken: _____

Purchaser's Attorney _____
_____
_____
_____
_____

Brokers: _____
_____

For good and valuable consideration, receipt of which is hereby acknowledged, Sponsor, Purchaser and Escrow Agent agree as follows:

1. THE PLAN

Sponsor has promulgated a condominium offering plan, (as amended to date hereinafter called the "Plan"), for The Francesca Condominium, having an address at 150 Luquer Street, Brooklyn, NY 11231, (hereinafter called the "Building"), pursuant to which the Building and the land upon which the Building is situated, (hereinafter called the "Land"), (the Building and the Land are collectively hereinafter called the "Property"), will be submitted pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York, (hereinafter called the "Condominium Act").

Purchaser acknowledges having received and read a copy of the Plan and all amendments thereto, if any, filed prior to the date hereof with the Department of Law of the State of New York, including, without limitation the plans and specifications for the Unit and the Building, the Schedules, the Declaration, By-Laws and Rules and Regulations contained therein, at least three (3) business days prior to Purchaser's signing of this Agreement.

The Plan, including, the plans and specifications for the Unit and the Building, the Schedules, the Declaration, By-Laws and Rules and Regulations contained therein as well as all amendments to the Plan duly filed by Sponsor are incorporated herein by reference and made a part hereof with the same force and effect as if set forth at length.

2. UNIT

Upon and subject to the terms and conditions set forth herein, Sponsor agrees to sell and convey, and Purchaser agrees to purchase, the Unit as designated above, together with its undivided interest in the Common Elements appurtenant to the Unit, (the Unit and its undivided interest are collectively hereinafter called the "Unit").

3. PURCHASER'S RIGHT TO RESCIND THIS AGREEMENT

If (i) the actual date of closing of title to the first Unit, or (ii) the projected date of closing of title to the first Unit occurs later than twelve (12) months after the projected date for the first closing, Sponsor will offer Purchaser a right of rescission until the midnight of the fifteenth day following receipt of Sponsor's offer to rescind. If the Plan is amended to provide for a later projected date for the first closing, and the first closing occurs more than twelve (12) months beyond that amended, later date, Sponsor will also offer Purchaser a right of rescission until the midnight of the fifteenth day following receipt of Sponsor's offer to rescind. Purchaser or Purchaser's attorney must either [i] personally deliver a written notice of rescission to Sponsor's attorney prior to the midnight of said fifteenth day, [ii] mail the notice of rescission by certified or registered mail, return receipt requested, to Sponsor's attorney, so that mailing is post-marked by post-office prior to the midnight of said fifteenth day, or [iii] send the notice of rescission to Sponsor's attorney by an email set forth in the Purchase Agreement, prior to the midnight of said fifteenth day.

In the event however, Sponsor cannot convey title to the Unit on or before twenty four (24) months from the date of this Agreement, Sponsor will offer Purchaser a right of rescission until the midnight of the fifteenth day following receipt of Sponsor's offer to rescind. Purchaser or Purchaser's attorney must either [i] personally deliver a written notice of rescission to Sponsor's attorney prior to the midnight of said fifteenth day, [ii] mail the notice of rescission by certified or registered mail, return receipt requested, to Sponsor's attorney, so that mailing is post-marked by post-office prior to the midnight of said fifteenth day, or [iii] send the notice of rescission to Sponsor's attorney by an email set forth in the Purchase Agreement, prior to the midnight of said fifteenth day.

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

If there is a material amendment to the Plan that adversely affects Purchaser, Sponsor will offer Purchaser a right of rescission until the midnight of the fifteenth day following service of the amendment. Purchaser or Purchaser's attorney must either [i] personally deliver a written notice of rescission to Sponsor's attorney prior to the midnight of said fifteenth day, [ii] mail the notice of rescission by certified or registered mail, return receipt requested, to Sponsor's attorney, so that mailing is post-marked by post-office prior to the midnight of said fifteenth day, or [iii] send the notice of rescission to Sponsor's attorney by an email set forth in the Purchase Agreement, prior to the midnight of said fifteenth day.

If this Agreement is rescinded by Purchaser pursuant to this Section 3, neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan, except that the Deposit, the Advance and all other monies paid on account of the Purchase Price shall be refunded to Purchaser within ten (10) days after receipt of written notice of rescission.

4. PURCHASE PRICE

4.1 Purchaser shall pay to Sponsor the sum of _____ Dollars ($_____), (hereinafter called the "Purchase Price"), payable as follows:

(a) _____ Dollars ($_____) as a downpayment under this Agreement, (hereinafter called the "Deposit"), upon Purchaser's signing and delivering this Agreement, by a check subject to collection;

(b) _____ Dollars ($_____) as an advance for upgrades, extras, special or custom work in the Unit ordered by Purchaser, (hereinafter called the "Advance"), upon Purchaser's signing and delivering this Agreement, by a check, subject to collection, if any;

(c) _____ Dollars ($_____), (hereinafter called the "Balance of the Purchase Price"), at the Closing hereinafter defined, by a certified or bank check.

4.2 All checks shall represent United States currency, be drawn on or issued by a United States Bank or trust company which is a member of the New York Clearing House Association and shall be unendorsed. The Deposit and the Advance, if any, shall be made payable to the direct order of "TSYNGAUZ & ASSOCIATES, P.C., as Escrow Agent". The Balance of the Purchase Price shall be made payable to the direct order of "150 Luquer, LLC" (or such other party as Sponsor directs to Purchaser, in writing, at least one (1) business day prior to the Closing).

5. DEPOSIT TO BE HELD IN ESCROW ACCOUNT

5.1 The law firm of TSYNGAUZ & ASSOCIATES, P.C., having an address at 114 Mulberry Street, 1st fl., New York, NY 10013 and telephone number (212) 337-9770, shall serve as escrow agent, (hereinafter called "Escrow Agent"), for Sponsor and Purchaser.

5.2 Escrow Agent has established the escrow account at Capital One, N.A., having an address at 6521 18th Avenue, Brooklyn, NY 11204, a bank authorized to do business in the State of New York. The escrow account is entitled "TSYNGAUZ & ASSOCIATES, P.C., Escrow Account, IOLA", (hereinafter called the "Escrow Account"). The Escrow Account is federally insured by the FDIC at the maximum amount of $250,000.00 per deposit. Any deposit in excess of $250,000.00 will not be insured.

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

5.4 Escrow Agent has designated Yevgeny Tsyngauz and Mikhail Litt to serve as signatories. All designated signatories are admitted to practice law in the State of New York. Neither Escrow Agent nor any authorized signatories on the account are Sponsor, Selling Agent, Managing Agent (as those terms defined in the Plan), or any principal thereof, or has any beneficial interest in any of the foregoing.

5.5. Escrow Agent and all authorized signatories hereby submit to the jurisdiction of the State of New York and its Courts for any cause of action arising out of this Agreement or otherwise concerning the maintenance of release of the Deposit and the Advance, if any, from the Escrow Account.

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

5.7 Within five (5) business days after this Agreement has been tendered to Escrow Agent along with the Deposit and the Advance, if any, Escrow Agent shall sign this Agreement and place the Deposit and the Advance, if any, into the Escrow Account. Within ten (10) business days of the placing the Deposit and the Advance, if any, in the Escrow Account, Escrow Agent shall provide written notice to Purchaser and Sponsor, confirming the deposit and disclosing the account number. The Advance, if any, shall be initially deposited into the Escrow Account, and released in accordance with the terms of this Agreement.

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

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

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

5.11 Escrow Agent shall release the Deposit if so directed:

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

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

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

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

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

The Department of Law may perform random reviews and audits of any records involving the Escrow Account to determine compliance with all applicable statutes and regulations. Escrow Agent shall make available to the Department of Law, upon request, all books and records of the Escrow Agent relating to the funds deposited and disbursed hereunder.

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

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

5.14 A fiduciary relationship shall exist between Escrow Agent and Purchaser, and Escrow Agent acknowledges its fiduciary and statutory obligations pursuant to Sections 352(e)(2-b) and 352(h) of the General Business Law of the State of New York.

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

5.16 Sponsor agrees that it shall not interfere with Escrow Agent's performance of its fiduciary duties and statutory obligations as set forth in Sections 352-(e)(2-b) and 352-(h) of the

General Business Law of the State of New York and applicable regulations of the Department of Law.

5.17 Prior to release of the Deposit, Escrow Agent's fees and disbursements shall neither be paid by Sponsor from the Deposit nor deducted from the Deposit by any financial institution under any circumstance.

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

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

5.20 Upon dissolution of the law firm which was Escrow Agent, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the Department of Law of such transfer.

5.21 Sponsor agrees that Sponsor and its agents, including Selling Agent, shall deliver the Deposit and the Advance, if any, received by them to Escrow Agent within two (2) business days of tender of the Deposit and the Advance, if any, by Purchaser.

5.22 Sponsor shall have the right to cancel designation of Escrow Agent to act in said capacity by written notice given by Sponsor to Escrow Agent. The cancellation shall take effect only upon the filing of an amendment to the Plan with the Department of Law providing for a successor escrow agent that meets the requirements set forth in applicable regulations of the Department of Law. Purchaser shall be deemed to have consent to such cancellation.

5.23 Escrow Agent shall have the right to resign. The resignation of Escrow Agent shall not take effect until Escrow Agent is replaced by a successor escrow agent that meets the requirements set forth in applicable regulations of the Department of Law, and notice is given to Purchaser of the identity of the successor escrow agent, the bank in the State of New York where the Deposit is being held, and the account number therefor.

5.24 Upon termination of the duties of Escrow Agent as described in paragraph 5.22 or 5.23 above, Escrow Agent shall deliver the Deposit held by Escrow Agent and any other documents maintained by Escrow Agent relating to the Deposit to the successor escrow agent.

6. CLOSING DATE AND PLACE

6.1 The Closing shall be held at the offices of Sponsor's attorney, as defined above, or such other place in the City and State of New York as Sponsor may designate and:

Strike Inapplicable:

(__) on such date and hour as Sponsor may designate on not less than thirty (30) days' prior written notice, (hereinafter called the "Initial Closing Notice").

(__) on _____, at _____

If Sponsor consents to close at any other location as an accommodation to Purchaser, Purchaser shall pay to Sponsor's attorney at the Closing an extra fee as set forth in the Plan. After the Initial Closing Notice, Sponsor may, from time to time, adjourn and reschedule the date and hour for the Closing on not less than five (5) business days' notice to Purchaser, which new closing notice shall fix a new date, hour and place for the Closing and which date shall not be earlier than the date set forth in the Initial Closing Notice.

Only the Initial Closing Notice shall require thirty (30) day prior written notice. Notwithstanding anything to the contrary, if a firm closing date is set forth in this Agreement, and such date is within thirty (30) days of the execution of this Agreement, Purchaser shall be deemed to have waived thirty (30) day notice requirement. These notice provisions may be modified or waived by an agreement signed by Sponsor and Purchaser.

6.2 The term "Closing" shall mean the date on which the deed to the Unit is delivered to Purchaser upon payment of the Balance of the Purchase Price.

7. CLOSING DOCUMENTS

7.1 At the Closing, Sponsor shall deliver to Purchaser the following:

(a) bargain and sale deed with covenants against grantor's acts substantially in the form set forth in Part II of the Plan conveying to Purchaser title to the Unit free and clear of all liens, encumbrances and title exceptions other than Permitted Exceptions set forth in Exhibit A to this Agreement. The deed shall be executed and acknowledged by Sponsor and Purchaser in proper statutory form for recording;

(b) a statement by the Condominium or its managing agent that the common charges and any assessments then due and payable the Condominium have paid to the date of the Closing;

(c) New York City Real Property Transfer Tax Return (NYC-RPT), prepared, executed and acknowledged by Sponsor in proper statutory form for submission;

(d) Combined Real Property Transfer Tax Return, Credit Line Mortgage Certificate, and Certification of Exemption from Payment of Estimated

Personal Income Tax (TP-584), prepared and executed by Sponsor in proper statutory form for submission;

(e) Real Property Transfer Report (RP-5217NYC), prepared and executed by Sponsor in proper statutory form for submission;

(f) affidavit that a single station smoke detecting alarm device is installed pursuant to Section 378(5) of the Executive Law of the State of New York, prepared, executed and acknowledged by Sponsor in proper statutory form for submission;

(g) certification that Sponsor is not a foreign person in compliance with Section 1445 of the Internal Revenue Code, as amended, or any successor provision or regulation promulgated thereunder, prepared, executed and acknowledged by Sponsor;

(h) such affidavits and/or evidence as the title company, (hereinafter called the "Title Company") from which Purchaser has ordered a title insurance report and which is authorized to do business in the State of New York shall reasonably require in order to omit from its title insurance policy all exceptions for judgments, bankruptcies or other returns against Sponsor and persons or entities whose names are similar to Sponsor's name;

(i) all keys to the doors of, and mailbox for, the Unit;

(j) the assignment by Sponsor to Purchaser of the right to proceed under any existing assignable warranties actually received by Sponsor, its agents, affiliates, employees or contractors, covering appliances, equipment or fixtures installed in the Unit. Neither Sponsor nor its principals, managers, members, agents, designees or affiliates make any representation as to which, if any, of the warranties will continue to remain in force upon the Closing. If any warrantor is unable to perform under its warranty due to inability, unwillingness or any other reason, neither Sponsor nor its principals, managers, members, agents, designees or affiliates shall under any circumstances be considered a successor warrantor. Neither Sponsor nor its principals, managers, members, agents, designees or affiliates shall have any obligations or responsibilities with respect to such warranties, or the work or item warranted, even if the warrantor goes out of business, declares bankruptcy or simply fails to fulfill the conditions of the warranty. Recourse is only to the warrantor and not to Sponsor, its principals, managers, members, agents, designees or affiliates.

7.2 At the Closing, Purchaser shall deliver to Sponsor the following:

(a) power of attorney in the form set forth in Part II of the Plan. The power of attorney shall be executed and acknowledged by Purchaser in proper statutory form for recording;

(b) New York City Real Property Transfer Tax Return (NYC-RPT), executed and acknowledged by Purchaser in proper statutory form for submission;

(c) Combined Real Property Transfer Tax Return, Credit Line Mortgage Certificate, and Certification of Exemption from Payment of Estimated

Personal Income Tax (TP-584), executed by Purchaser in proper statutory form for submission;

(d) Real Property Transfer Report (RP-5217NYC), executed by Purchaser in proper statutory form for submission;

(e) affidavit that a single station smoke detecting alarm device is installed pursuant to Section 378(5) of Executive Law of the State of New York, executed and acknowledged by Purchaser in proper statutory form for submission;

(f) affidavit in lieu of registration pursuant to the Multiple Dwelling Law of the State of New York, each in proper form for submission, executed and acknowledged by Purchaser in proper statutory form for submission;

(g) such affidavits and/or evidence as the Title Company shall reasonably require;

(h) checks in payment of the Balance of the Purchase Price;

(i) checks in payment of all closing adjustments and closing costs required to be paid by Purchaser as set forth in the Plan or in this Agreement, including, without limitation, checks in payment of all applicable New York City and New York State real property transfer taxes.

7.3 The executed deed, power of attorney and all transfer tax forms shall be delivered to the Title Company for recording in the Office of the City Register, which recording shall be at Purchaser's expense. After being recorded the deed shall be returned to Purchaser and the power of attorney shall be returned to the Condominium.

7.4 Purchaser's payment of the Balance of the Purchase Price and acceptance of the deed to the Unit shall constitute Purchaser's recognition that Sponsor has satisfactorily performed those obligations stated in the Plan and this Agreement to be performed by Sponsor prior to the Closing. However, nothing herein contained shall excuse Sponsor from performing those obligations, if any, expressly stated herein or in the Plan to be performed subsequent to the Closing, and nothing herein shall be in derogation of Purchaser’s rights under Article 23-A of the General Business Law of the State of New York, the Plan, and applicable regulations of the Department of Law.

8. STATUS OF TITLE

8.1 At the Closing, Sponsor shall convey to Purchaser, and Purchaser shall accept such fee title to the Unit as the Title Company will approve and insure without additional premium to Purchaser, provided that the only liens and encumbrances affecting title shall be those set forth in the deed and Schedule A, annexed hereto and made a part hereof and those expressly agreed to by Purchaser. Any lien and encumbrance or condition which is not set forth in the deed or Schedule A shall not be an objection to title if:

(a) the instrument required to remove it of record is delivered at or prior the Closing to the Title Company, together with the attendant recording or filing fee, if any, or

(b) the Title Company is or would be willing, in a policy issued by it to Purchaser, to insure Purchaser that it will not be collected out of the Unit if it is a lien, or will not be enforced against the Unit if it is not a lien.

Sponsor shall not be obligated to cause the Title Company to omit any exceptions if the Title Company is willing to insure, without additional premium, Purchaser's title with such exceptions.

8.2 Sponsor shall be entitled to adjourn the Closing to remove or correct any defect in title which is not set forth in the deed or Schedule A. However, if such defect existed at least ten (10) days prior to the Closing, and Purchaser or Purchaser's attorney failed to send Sponsor's attorney written notice of such defect in title at least ten (10) days prior to the Closing, then, for purposes of Section 13 below, Purchaser shall be deemed at fault for not having sent timely notice, and the Closing adjournment to allow Sponsor to correct or remove such title defect shall be considered as being at the request of Purchaser.

8.3 If, subsequent to the Closing, Purchaser claims that Sponsor did not convey title to the Unit in accordance with the Plan, Purchaser must first seek recovery against the Title Company before proceeding against Sponsor. Sponsor and Purchaser agree that Sponsor's liability will be limited to any loss or damage not covered by the Title Company. If Purchaser did not obtain the title insurance at the Closing, for purposes of this subparagraph, the amount and coverage which Purchaser could have obtained from the Title Company shall be deducted from the loss or damage collectable against Sponsor. Nothing contained in this subparagraph shall be construed to waive any of Purchaser's rights or abrogate any of Sponsor’s obligations under the Plan or Article 23-A of the General Business Law of the State of New York.

9. CLOSING ADJUSTMENTS

9.1 The following adjustments shall be made as of the midnight of the day preceding the Closing with respect to the Unit:

(a) real estate taxes and assessments, if any, on the basis of the period for which assessed;

(b) common charges and assessments for the month in which the Closing occurs; and

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

9.2 In the event that the Units have not been separately assessed for real estate tax purposes prior to the closing of title to the first Unit, Sponsor shall place in escrow in the name of the Board of Managers an amount equal to the real estate taxes attributable to the Unsold Units, which will be levied against them for the six (6) month period following the first closing, or until the Units are separately assessed, whichever is sooner, and will collect at each Unit closing the estimated amount of taxes attributable to such Unit for the balance of the six (6) month period. The Board of Managers shall pay the real estate taxes from the escrow account

when taxes are due and payable, and Sponsor shall be entitled to reimbursement from Unit Owners to the extent of the actual assessment. If the Unit has not been separately assessed for real estate taxes as of the Closing for the then current tax period, the adjustment will be based upon the assessment for the Property and the percentage interest in the Common Elements appurtenant to the Unit. Installments for tax assessments due after delivery of the deed, if any, shall be paid by Purchaser and shall not be considered a defect in title.

9.3 Purchaser agrees that, if Sponsor obtains a refund for real property taxes paid, or there is a deficiency in the taxes, Purchaser and Sponsor will apportion the refund/deficiency (as well as the costs and/or fees for obtaining the refund or credit) based on the percentage of time for which the refund or credit is obtained during which each party hereto owned the Unit. The provisions of this Section 9.3 shall survive the Closing.

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

(a) the Closing apportionments described in Section 9.1 of this Agreement will be made as of the midnight of the day preceding the originally scheduled Closing, regardless of when the actual Closing occurs, and

(b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under this Agreement and the Plan, an amount equal to 0.03% of the Purchase Price for each day starting from and including the originally scheduled Closing to and including the day before the actual Closing. The interest rate charged will not exceed New York State maximum limits.

If, through no fault of Purchaser, Sponsor postpones the originally scheduled Closing, these provisions shall apply to the rescheduled Closing if Purchaser fails for any reason to close title to the Unit on the rescheduled Closing.

9.5 Adjustments and apportionments shall be calculated on the basis of the actual number of days in the period for which payments were made or are due, as the case may be.

9.6 Any errors or omissions calculating apportionments at the Closing shall be corrected, and any payment shall be made to the proper party promptly after discovery. This provision shall survive the Closing.

10. MORTGAGE TAX CREDIT

In the event a mortgage recording tax credit becomes available pursuant to Section 339-ee(2) of the Real Property Law of the State of New York, it is specifically understood that such credit shall inure to the benefit of Sponsor. Accordingly, at the Closing, Purchaser obtaining a financing secured by the Unit will be required to pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount.

11. CLOSING COSTS

In addition to those costs and adjustments described in Sections 9 and 10 herein, Purchaser shall be required to pay the other closing costs which are Purchaser's responsibility as more particularly described in "Unit Closing Costs and Adjustments" Section of the Plan, including the New York City real property transfer tax and the New York State real property transfer tax. All such closing costs shall be paid by Purchaser at the Closing, by Purchaser's unendorsed personal certified check or by official bank check, in either event drawn on or issued by a United States Bank or trust company which is a member of the New York Clearing House Association. No personal check shall exceed $500.00.

12. AGREEMENT NOT A LIEN OR ENCUMBRANCE

No lien or encumbrance shall arise against the Building or the Unit as a result of this Agreement or any monies deposited hereunder. In furtherance and not in limitation of the provisions of the preceding sentence, Purchaser agrees that the provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgage heretofore or hereafter made, including, but not limited to, any construction or building loan mortgage, and any advances heretofore or hereafter made thereon and any payments or expenses made or incurred or which hereafter may be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent thereof, without the execution of any further legal documents by Purchaser. This subordination shall apply in all cases, regardless of the timing of, or cause for, the making of advances of money or the incurring of expenses.

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

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

The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit and its undivided interest in the Common Elements, shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of Purchaser's other obligations hereunder or be the basis of any claim against, or liability of, Sponsor, provided that any such mortgages are subordinated to the Declaration.

13. DEFAULT BY PURCHASER

13.1 The following shall constitute "Events of Default" hereunder:

(a) Purchaser's failure to pay the Balance of the Purchase Price, or any closing adjustment or closing costs required to be paid by Purchaser as set forth in

the Plan or in this Agreement, or the dishonor of any check given by Purchaser to Sponsor; or

(b) Purchaser's failure to pay, perform or observe any of Purchaser's other obligations under this Agreement or the Plan; or

(c) if Purchaser is permitted to become the tenant or occupant of the Unit, Purchaser's failure to pay occupancy fees or to otherwise comply with some other terms of interim lease; or

(d) Purchaser's assignment of any of Purchaser's property for the benefit of creditors, or Purchaser's filing a voluntary petition in bankruptcy; or

(e) if a non-bankruptcy trustee or receiver is appointed over Purchaser or Purchaser's property, or an involuntary petition in bankruptcy is filed against Purchaser; or

(f) if a judgment or tax lien is filed against Purchaser, and Purchaser does not pay or bond the judgment or lien; or

(g) Purchaser's assignment or transfer of this Agreement without the prior written consent of Sponsor; or

(h) Purchaser's listing the Unit for resale or rental with any broker or advertising or otherwise offering, promoting or publicizing the availability of the Unit for sale or rental without Sponsor's prior written consent; or

(i) Purchaser’s refusal to execute and deliver the power of attorney to Sponsor; or

(j) an Event of Default by Purchaser beyond any applicable grace period under a Purchase Agreement between Purchaser and Sponsor for another Unit in the Building.

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

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

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

13.3 Except in connection with the exercise of the Purchaser's right to specific performance, Purchaser hereby waives any right or privilege to place a lis pendens upon the Unit and, accordingly, notwithstanding anything contained herein to the contrary, Purchaser shall be liable for all damages, including, without limitation, treble damages, relating to the Purchaser's failure to comply with the terms of this Section 13.3. This Section 13.3 shall survive the termination of this Agreement.

14. AGREEMENT SUBJECT TO PLAN BEING EFFECTIVE

The performance by Sponsor of its obligations under this Agreement is contingent upon the Plan having been declared effective in accordance with the terms and provisions of the Plan. The Plan may be withdrawn or abandoned by Sponsor only under certain conditions and at certain times, as set forth in the Plan. If the Plan is abandoned or if, after being declared effective, the Plan is not consummated for any reason and Purchaser is not in default under this Agreement beyond any applicable grace period, this Agreement shall be deemed cancelled and the Deposit, the Advance and all other monies paid on account of the Purchase Price shall be returned to Purchaser within five (5) days of the acceptance of the abandonment amendment. Upon such return, neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan.

15. SPONSOR'S INABILITY TO CONVEY THE UNIT

If Sponsor is unable to deliver title to the Unit to Purchaser in accordance with the provisions of this Agreement and the Plan, Sponsor shall not be obligated to bring any action or proceeding or otherwise incur any cost or expense of any nature whatsoever in excess of its obligations set forth in the Plan in order to cure such inability. If Sponsor is unable to deliver title to the Unit to Purchaser in accordance with the provisions of this Agreement and the Plan, this Agreement shall be deemed cancelled and the Deposit, the Advance and all other monies paid on account of the Purchase Price shall be returned to Purchaser within five (5) days of Sponsor's notification to Purchaser that it cannot convey title. Upon such return, neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan.

16. FIXTURES, APPLIANCES AND PERSONAL PROPERTY

Only those fixtures, appliances and items of personal property, which are described in the Plan as being included in the Unit, are included in this sale. No portion of the Purchase Price shall be attributable to such items.

17. CONSTRUCTION OF THE BUILDING AND THE UNIT

17.1 The construction of the Building and the Unit, including the materials, equipment and fixtures to be installed therein, shall be substantially in accordance with the Plan and the plans and specifications, subject to the right of Sponsor to amend the Plan and the plans and specification in order to substitute materials, equipment or fixtures of equal or better quality,

provided that the approval of any governmental authorities having jurisdiction is first obtained (if required). The issuance of a permanent certificate of occupancy for the Building shall be deemed presumptive evidence that the Building and the Unit have been fully completed in accordance with the Plan and the plans and specifications. However, nothing herein contained shall excuse Sponsor from its obligation to correct any defects in construction in accordance with the conditions set forth in “Rights and Obligations of Sponsor” Section of the Plan.

17.2 The construction of the Building and the Unit and the correction of any defects in the construction thereof to the extent required under the Plan are the sole responsibility of Sponsor. Purchaser acknowledges and agrees that Sponsor will not be liable for, and will have no obligation to correct, certain variations from the Plan and plans and specifications as indicated in “Rights and Obligations of Sponsor” Section of the Plan and will only be responsible to correct any construction defects to the extent, and on the terms and conditions, set forth in such Section.

17.3 The Closing shall occur only after, or concurrently with, compliance with the prerequisites set forth under "Terms of Sale” Section of the Plan. As a result, if all such prerequisites are met, Purchaser shall be obligated to close and complete payment of the entire Balance of the Purchase Price, without credit or set-off and without provision for escrow, notwithstanding any construction items noted on Purchaser's Inspection Statement (as hereinafter defined) remaining for Sponsor to complete and/or correct in accordance with its obligation under the Plan, and notwithstanding the incomplete construction and/or decoration of any other portions of the Building or the Unit.

17.4 The actual date for the first closing is not guaranteed or warranted, and may be earlier or later depending on the progress of construction and compliance with the other prerequisites recited in "Terms of Sale” Section of the Plan. Purchaser acknowledges that construction of the Building may be delayed by acts of God, inclement weather conditions, restrictions imposed by any governmental agency, labor strikes, material shortages, late delivery of material or equipment, unavailability of trades, and other events beyond Sponsor's reasonable control. Purchaser further acknowledges that the Units in the Building will be completed at varying times over a period that could extend well beyond the first closing. The order in which these Units will be completed is in the discretion of Sponsor. Purchaser acknowledges that except as otherwise provided in the Plan, Purchaser shall not be excused from paying the entire Balance of the Purchase Price, without credit or set-off and without provision for escrow, and shall have no claim against Sponsor for damages or losses, in the event that the first closing occurs substantially later than the projected date or the time to complete or to close title to the Unit is delayed or is postponed by Sponsor.

18. INSPECTION OF THE UNIT

18.1 Upon receipt of the Initial Closing Notice, Purchaser shall arrange an appointment with a representative of Sponsor to inspect the Unit within seven (7) days prior to the Closing. Purchaser or Purchaser's duly authorized agent shall attend such inspection and shall complete, date and sign the Inspection Statement in the form set forth as Schedule B to this Agreement and deliver same to Sponsor's representative at the conclusion of the inspection. Failure of Purchaser either to arrange such appointment or to inspect the Unit within seven (7) days prior to the

Closing or to so sign and deliver the completed Inspection Statement shall not excuse Purchaser from paying the Balance of the Purchase Price when due and shall constitute Purchaser's full acceptance of the Unit as is. However, nothing herein shall relieve Sponsor of its obligations as set forth in "Rights and Obligations of Sponsor" Section of the Plan.

18.2 Any work set forth on the Inspection Statement shall be completed by Sponsor in a reasonable period of time following the Closing and shall not be grounds for delaying the Closing. Purchaser will be required to provide Sponsor with reasonable access to the Unit subsequent to the Closing in order to complete punch-list work. Sponsor has no obligation under the Plan to deposit any monies in escrow at the Closing as a result of any punch-list items.

19. DAMAGE TO THE UNIT

If between the date of this Agreement and the Closing the Unit is damaged by fire or other casualty, the following shall apply:

19.1 Risk of loss from fire or other casualty remains with Sponsor until legal title to the Unit has been conveyed to Purchaser, unless Purchaser, with the prior written consent of Sponsor, takes possession of the Unit before the Closing pursuant to the Interim Lease. In such a case, Purchaser, who takes possession of the Unit prior to the Closing pursuant to the Interim Lease, will assume risk of loss not covered by insurance.

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

19.2 In the event Sponsor notifies Purchaser that it does not elect to repair or restore the Unit (which election shall be made within sixty (60) days of the damage to the Unit), or, if the Declaration has been recorded prior thereto and the Unit Owners do not resolve to make such repairs or restoration pursuant to the By-Laws, this Agreement shall be deemed cancelled and the Deposit, the Advance and all other monies paid on account of the Purchase Price, including any deposits made for upgrades, extras, special or custom work ordered by Purchaser, shall be returned to Purchaser within ten (10) days of Sponsor's notification to Purchaser that it does not elect to repair or restore the Unit or Unit Owners' notification that they do not intend to repair or restore the Unit pursuant to the By-Laws, whichever is sooner. Upon such return, neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan.

20. NO REPRESENTATIONS

Purchaser acknowledges that Purchaser has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties, statements or estimates of any nature whatsoever, whether written or oral, made by Sponsor, Selling Agent or otherwise, including, but not limited to, any relating to the description or physical condition of the Building or the Unit, or the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the services to be provided to Unit Owners, the estimated Common Charges allocable to the Unit, the estimated proportionate real estate taxes on the Unit, the right to any income tax deduction for any real estate taxes or mortgage interest paid by Purchaser, or any other data, except as herein or in the Plan specifically represented. Purchaser has relied solely on Purchaser's own judgment and investigation in deciding to enter into this Agreement and purchase the Unit. No person has been authorized to make any representations on behalf of Sponsor except as herein or in the Plan specifically set forth. No oral representations or statements shall be considered a part of this Agreement. Sponsor makes no representation or warranty as to the work, materials, appliances, equipment or fixtures in the Unit, the Common Elements or any other part of the Property other than as set forth herein or in the Plan.

Except as otherwise set forth in the Plan, Purchaser agrees that Purchaser shall not be relieved of any Purchaser's obligations hereunder by reason of any immaterial or insubstantial inaccuracy or error.

The provisions of this Section 20 shall survive the Closing.

21. PROHIBITION AGAINST ADVERTISING

Prior to the Closing, Purchaser agrees not to list the Unit for resale or rental with any broker or to advertise or otherwise offer, promote or publicize the availability of the Unit for sale or lease, without Sponsor's prior written consent, which consent may not be unreasonably withheld or delayed. Any listing of the Unit or form of advertising, promotion or publicizing of the Unit by Purchaser prior to the Closing shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in this Agreement.

22. BROKER

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

23. AGREEMENT MAY NOT BE ASSIGNED

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

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

24. BINDING EFFECT

The submission of this Agreement to Purchaser does not create a binding obligation on the part of Sponsor. This Agreement shall not be binding on Sponsor until a fully executed counterpart hereof has been sent out to Purchaser or Purchaser’s attorney.

Within thirty (30) days after delivery by Purchaser of an executed copy of this Agreement, together with the Deposit and the Advance, if any, Sponsor shall either:

(a) accept this Agreement and cause to be returned to Purchaser the fully executed counterpart thereof, or
(b) reject this Agreement offer and refund the Deposit and the Advance, if any, tendered.

If Sponsor takes no action within said thirty (30) day period, this Agreement shall be deemed null and void. Upon refund of the Deposit and the Advance, if any, to Purchaser, neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan.

Prior to Sponsor's countersigning and returning this Agreement to Purchaser, and at any time thereafter, Purchaser agrees upon request to provide Sponsor with written information about Purchaser's employment, financial and rental/ownership history. Such information obtained prior to countersignature may be used to determine Purchaser's qualification to purchase and own the Unit, but does not constitute a reservation or binding obligation on either the applicant or Sponsor.

Sponsor has the right, without incurring any liability, to reject this Agreement without cause or explanation to Purchaser.

Notwithstanding anything to the contrary, this Agreement may not be rejected due to Purchaser's sex, race, creed, color, national origin, ancestry, disability, marital status, or other grounds proscribed by law.

25. NOTICES

25.1 Any notice, election, demand, request, letter, consent or other communication to Purchaser, hereunder or under the Plan, shall be in writing and either delivered in person or sent, postage prepaid, by registered or certified mail return receipt requested or by Federal Express or other reputable overnight courier, with receipt confirmed or via facsimile with a confirmation letter, to Purchaser's attorney at the address given at the beginning of this Agreement.

Any notice, election, demand, request, letter, consent or other communication to Sponsor, hereunder or under the Plan, shall be in writing and either delivered in person or sent, postage prepaid, by registered or certified mail return receipt requested or by Federal Express or other reputable overnight courier, with receipt confirmed or via facsimile with a confirmation letter, to Sponsor's attorney at the address given at the beginning of this Agreement.

Either party may hereafter designate to the other in writing a change in the address to which notices are to be sent.

Except as otherwise expressly provided herein, a notice shall be deemed given when personal delivery or delivery by overnight courier is effected, or in the case of mailing, three (3) business days after the date of mailing, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address.

25.2 Any notice given by the other party's attorney shall be deemed to be notice from such party itself. Any notice given to the other party's attorney shall be deemed to be notice to such other party.

25.3 The parties hereunder authorize their attorneys to modify this Agreement on behalf of the parties and such modification shall be have the same force and effect as if given by the parties.

25.4. A delay in the actual delivery of the notice to Purchaser may affect the time period allotted to Purchaser to respond in instances in which Purchaser is required to respond within a specified time period.

26. JOINT PURCHASERS

The term "Purchaser" shall be read as "Purchasers" if more than one person are Purchasers, in which case their obligations shall be joint and several.

27. FORCE MAJEURE

Sponsor shall be excused from performing any obligation or undertaking provided for in this Agreement for so long as such performance is prevented, delayed or hindered by an act of God, fire, flood, explosion, war, riot, sabotage, inability to procure or general shortage of energy, labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strike, lockout, action of labor unions, or any other cause (whether similar or dissimilar to the

foregoing) not within the reasonable control of Sponsor. Sponsor's time to perform such obligations or undertaking shall be tolled for the length of the period during which such performance was excused.

Purchaser's time to perform any obligation or undertaking provided for in this Agreement shall be tolled for the length of the period during which such performance was prevented, delayed or hindered by an act of God, fire, flood, explosion, war, riot, sabotage, inability to procure or general shortage of energy, labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strike, lockout, action of labor unions, or any other cause (whether similar or dissimilar to the foregoing) not within the reasonable control of Purchaser. Sponsor cannot limit any rights which Purchaser may have pursuant to Article 23A of the General Business Law, NYCRR regulations, and the Plan, except as determined in a final decision or order by a court of competent jurisdiction or any governmental agency or by executive order.

28. FURTHER ASSURANCES

Either party shall execute, acknowledge and deliver to the other party such instruments, and take such other actions, in addition to the instruments and actions specifically provided for herein, as such other party may reasonably request in order to effectuate the provisions of this Agreement or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

29. AGREEMENT CONTINGENT UPON FINANCING

(a) The obligation of Purchaser to purchase under this Agreement is conditioned upon issuance, on or before forty five (45) days after a fully executed copy of this Agreement is given to Purchaser or Purchaser's attorney in the manner set forth in Section 25 or 29(j), (hereinafter called the "Commitment Date"), of a written commitment from an institutional lender, (hereinafter called the "Institutional Lender"), pursuant to which the Institutional Lender agrees to make a first mortgage loan, other than a VA, FHA or other governmentally insured loan, to Purchaser, at Purchaser's sole cost and expense, in the amount of $ _____ for a term of at least thirty (30) years (or such lesser sum or shorter term as Purchaser shall be willing to accept) at the prevailing fixed or adjustable rate of interest and on other customary commitment terms, (hereinafter called the "Commitment"). To the extent a Commitment is conditioned on Institutional Lender's approval of an appraisal, the sale of Purchaser's current home, payment of any outstanding debt, no material adverse change in Purchaser's financial condition or any other customary conditions, Purchaser accepts the risk that such conditions may not be met.

Under New York law, when a mortgage commitment is not fulfilled through no fault of a purchaser, performance is excused. Sponsor may not condition purchaser's obligations upon obtaining a commitment. Therefore, if the purchaser acts in good faith and the lender revokes the loan commitment after the contingency period expires, performance is excused, and the sponsor must grant to such purchaser a right of rescission and a reasonable period of time to exercise such right. If the financing commitment lapses or expires prior to closing, and the

purchaser has made a good faith effort to extend the commitment, sponsor must grant to such purchaser a right of rescission and a reasonable period of time to exercise the right.

(b) Purchaser shall (i) make prompt application to the Institutional Lender, for such mortgage loan within five (5) days after the fully executed copy of this Agreement is given to Purchaser or Purchaser's attorney in the manner set forth in Section 25 or 29(j), (ii) furnish to the Institutional Lender accurate and complete information regarding Purchaser and members of Purchaser's family, as required, (iii) pay all fees, points and charges required in connection with such application and loan, (iv) pursue such application with diligence, and (v) cooperate in good faith with the Institutional Lender. Purchaser shall accept a Commitment meeting the terms set forth in Section 29(a) and shall comply with all requirements of such Commitment (or any other commitment accepted by Purchaser). IF PURCHASER FAILS TO COMPLY WITH THESE OBLIGATIONS AND REQUIREMENTS, PURCHASER SHALL BE DEEMED TO HAVE WAIVED PURCHASER'S RIGHT TO CANCEL THIS AGREEMENT AND TO RECEIVE A REFUND OF THE DEPOSIT BY REASON OF THE CONTINGENCY CONTAINED IN THIS SECTION 29. Purchaser shall furnish Sponsor with a copy of the Commitment promptly after receipt thereof.

(c) If a Commitment was issued but it lapsed or expired prior to the Closing, Purchaser shall make a good faith effort to extend the Commitment and pay all required costs, fees and expenses to extend the Commitment up to the Closing. In no event whatsoever will Sponsor be liable for any costs, fees or expenses relating to the extension of the Commitment, even if the lapse or expiration of the Commitment resulted from a delay in the closing caused by Sponsor. If a Commitment was issued but its terms were not materially and adversely changed prior to the closing, Purchaser shall nevertheless be required to purchase a Unit.

Notwithstanding anything to the contrary stated anywhere in this Agreement, if a Commitment was issued but it lapsed or expired prior to the Closing, and Purchaser has made a good faith effort the extend the Commitment, but the Institutional Lender nevertheless refused or failed to extend the Commitment, Purchaser will have a right of rescission until the midnight of the fifteenth day following notice from the Institutional Lender of its failure or refusal to extend the Commitment. Purchaser or Purchaser's attorney must either [i] personally deliver a written notice of rescission to Sponsor's attorney prior to the midnight of said fifteenth day, [ii] mail the notice of rescission by certified or registered mail, return receipt requested, to Sponsor's attorney, so that mailing is post-marked by post-office prior to the midnight of said fifteenth day, or [iii] send the notice of rescission to Sponsor's attorney by an email set forth in the Purchase Agreement, prior to the midnight of said fifteenth day. If Purchaser fails to give timely notice of cancellation, then Purchaser will be deemed to have waived Purchaser's right to cancel this Agreement and to receive a refund of the Deposit by reason of the contingency.

Notwithstanding anything to the contrary stated anywhere in this Agreement, if Purchaser acts in good faith and the Institutional Lender revokes a Commitment after the Commitment Date, Purchaser will have a right of rescission until the midnight of the fifteenth day following notice from the Institutional Lender of its revocation of the Commitment. Purchaser or Purchaser's attorney must either [i] personally deliver a written notice of rescission to Sponsor's attorney prior to the midnight of said fifteenth day, [ii] mail the notice of rescission by certified

or registered mail, return receipt requested, to Sponsor's attorney, so that mailing is post-marked by post-office prior to the midnight of said fifteenth day, or [iii] send the notice of rescission to Sponsor's attorney by an email set forth in the Purchase Agreement, prior to the midnight of said fifteenth day. If Purchaser fails to give timely notice of cancellation, then Purchaser will be deemed to have waived Purchaser's right to cancel this Agreement and to receive a refund of the Deposit by reason of the contingency.

(d) If the Institutional Lender denies such application in writing prior to the Commitment Date, Purchaser will have a right of rescission until the midnight of the fifteenth day following the Commitment Date, provided that Purchaser has complied with all his obligations under this Section 29. Purchaser or Purchaser's attorney must either [i] personally deliver a written notice of rescission to Sponsor's attorney prior to the midnight of said fifteenth day, [ii] mail the notice of rescission by certified or registered mail, return receipt requested, to Sponsor's attorney, so that mailing is post-marked by post-office prior to the midnight of said fifteenth day, or [iii] send the notice of rescission to Sponsor's attorney by an email set forth in the Purchase Agreement, prior to the midnight of said fifteenth day.

(e) If no Commitment is issued by the Institutional Lender on or before the Commitment Date, then, unless Purchaser has accepted a written commitment from the Institutional Lender that does not conform to the terms set forth in Section 29(a), Purchaser will have a right of rescission until the midnight of the fifteenth day following the Commitment Date, provided that Purchaser has complied with all his obligations under this Section 29. Purchaser or Purchaser's attorney must either [i] personally deliver a written notice of rescission to Sponsor's attorney prior to the midnight of said fifteenth day, [ii] mail the notice of rescission by certified or registered mail, return receipt requested, to Sponsor's attorney, so that mailing is post-marked by post-office prior to the midnight of said fifteenth day, or [iii] send the notice of rescission to Sponsor's attorney by an email set forth in the Purchase Agreement, prior to the midnight of said fifteenth day.

(f) If this Agreement is canceled by Purchaser pursuant to Sections 29(c), (d) or (e), neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan, except that the Deposit shall be promptly refunded to Purchaser and except as set forth in Section 22.

(g) If Purchaser fails to give timely notice of cancellation pursuant to Sections 29(c), (d) or (e) or if Purchaser accepts a written commitment from the Institutional Lender that does not conform to the terms set forth in Section 29(a), then Purchaser shall be deemed to have waived Purchaser's right to cancel this Agreement and to receive a refund of the Deposit by reason of the contingency contained in this Section 29.

(h) If Sponsor has not received a copy of a Commitment from the Institutional Lender accepted by Purchaser by the Commitment Date, Sponsor may cancel this Agreement by giving notice to Purchaser within five (5) business days after the Commitment Date, which cancellation shall become effective unless Purchaser delivers a copy of such Commitment to Sponsor within five (5) business days after the Commitment Date. After such cancellation, neither party shall

have any further rights against, or obligations or liabilities to, the other by reason of this Agreement, except that the Deposit shall be promptly refunded to Purchaser (provided Purchaser has complied with all of his obligations under this Section 29) and except as set forth in Section 22.

(i) The attorneys for the parties are hereby authorized to give and receive on behalf of their clients all notices and deliveries under this Section 29.

(j) For purposes of Sections 29(a) and (b), Purchaser shall be deemed to have been given a fully executed copy of this Agreement, when personal delivery or delivery by overnight courier is effected, or in the case of ordinary or regular mailing, three (3) business days after the date of mailing.

(k) For purposes of this Agreement, the term "Institutional Lender" shall mean any bank, savings bank, private banker, trust company, savings and loan association, credit union or similar banking institution whether organized under the laws of this state, the United States or any other state; foreign banking corporation licensed by the Superintendent of Banks of New York or regulated by the Comptroller of the Currency to transact business in New York State; insurance company duly organized or licensed to do business in New York State; mortgage banker licensed pursuant to Article 12-D of the Banking Law; and any instrumentality created by the United States or any state with the power to make mortgage loans.

30. COSTS OF ENFORCING AND DEFENDING AGREEMENT

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

31. SEVERABILITY

If any provision of this Agreement or the Plan is invalid or unenforceable as against any person or under certain circumstances, the remainder of this Agreement or the Plan and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of this Agreement or the Plan, except as otherwise herein or therein provided, shall be valid and enforced to the fullest extent permitted by law.

32. STRICT COMPLIANCE

Any failure by either party to insist upon the strict performance by the other of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and each party, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by the other party of any and all of the provisions of this Agreement to be performed by such party.

33. GOVERNING LAW

The provisions of this Agreement shall be governed by and construed in accordance with the internal laws of the State of New York applicable to agreements made and to be performed wholly in the State of New York, without regard to principles of conflicts of law.

34. WAIVER OF JURY TRIAL

Except as prohibited by law, the parties shall, and they hereby do, expressly waive trial by jury in any litigation arising out of, or connected with, or relating to, this Agreement or the relationship created hereby or in the Plan. With respect to any matter for which a jury trial cannot be waived, the parties agree not to assert any such claim as a counterclaim in, nor move to consolidate such claim with, any action or proceeding in which a jury trial is waived.

35. LIMITATION OF HOUSING MERCHANT IMPLIED WARRANTY.

THE HOUSING MERCHANT IMPLIED WARRANTY (ARTICLE 36-B OF THE GENERAL BUSINESS LAW OF THE STATE OF NEW YORK OTHERWISE APPLICABLE TO THIS UNIT HAS BEEN LIMITED BY THE SPONSOR TO THE TERMS OF THE LIMITED WARRANTY ANNEXED HERETO AS EXHIBIT C.

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

The Sponsor's obligation, regardless of any limitations in the warranty, is to construct the Building and the Unit in accordance with all applicable laws, codes, plans and specifications, and in accordance with all representations and obligations set forth in the Plan.

36. SMOKING POLICY OF THE CONDOMINIUM. Inhaling, exhaling, burning or carrying any lighted or heated cigar, cigarette, little cigar, pipe, water pipe or hookah, herbal cigarette, non-tobacco smoking product (e.g., marijuana or non-tobacco shisha), or any similar form of lighted object or device designed for people to use to inhale smoke, and are not permitted:

[i] inside of the Units;
[ii] anywhere inside of the Building;
[iii] outdoor Common Elements which is front yard; and
[iv] outdoor Limited Common Areas within 15 feet of entrances, exits, windows, and air intake units in the Building.

37. ENTIRE AGREEMENT

This Agreement, together with the Plan, supersedes any and all understandings and agreements between the parties and constitutes the entire agreement between them with respect to the subject matter hereof.

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

38. CERTAIN REFERENCES

A reference in this Agreement to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural, and vice versa, unless the context otherwise requires. The terms "herein," "hereof or "hereunder" or similar terms used in this Agreement refer to this entire Agreement and not to the particular provision in which the term is used, unless the context otherwise requires. Unless otherwise stated, all references herein to Articles, Sections, subsections or other provisions are references to Articles, Sections, subsections or other provisions of this Agreement.

39. CAPTIONS

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

40. SUCCESSORS AND ASSIGNS

The provisions of this Agreement shall be binding on Sponsor, Escrow Agent and their respective successors and assigns, and upon Purchaser and Purchaser’s permitted successors and assigns.

41. NO ORAL CHANGES

This Agreement cannot be changed or terminated orally. Any changes or additional provisions must be set forth in a rider attached hereto or in a separate written agreement signed by the parties hereto or by an amendment to the Plan.

42. PERFORMANCE

Where this Agreement by its terms requires the payment of money or the performance of a condition on a Saturday, Sunday or public holiday, such payment may be made or condition performed on the next business day succeeding such Saturday, Sunday or such public holiday, with the same force and effect as if made or performed in accordance with the terms of this Agreement.

43. COUNTERPARTS

This Agreement may be executed in any number of counterparts. Each such counterpart shall for all purposes be deemed an original. All such counterparts shall together constitute but one and the same Agreement. A PDF, facsimile or electronic signature shall be deemed an original.

IN WITNESS WHEREOF, the parties have duly executed this Agreement the day and year first above written.

Purchaser(s):

_____

_____

Sponsor
150 Luquer, LLC

_____
By:

Escrow Agent
TSYNGAUZ & ASSOCIATES, P.C.

_____
By: Yevgeny Tsyngauz/Mikhail Litt

Exhibit A - Permitted Exceptions

(a) Zoning laws and regulations and landmark, historic or wetlands designations which are not violated by the Unit and which are not violated by the Common Elements to the extent that access to or use of the Unit would be materially and adversely affected.

(b) Consents for the erection of any structure or structures on, under or above any street or streets on which the Building may abut.

(c) The terms, burdens, covenants, restrictions, conditions, easements and rules and regulations set forth in the Declaration, By-Laws and rules and regulations of the Condominium, the Power of Attorney to the Board of Managers of the Condominium and the Floor Plans of the Condominium, all as may be amended from time to time.

(d) Rights of utility companies to lay, maintain, install and repair pipes, lines, poles, conduits, cable boxes and related equipment on, over and under the Building and Common Elements, provided that none of such rights imposes any monetary obligation on the owner of the Unit or materially interferes with the use of or access to the Unit.

(e) Encroachments of stoops, areas, cellar steps, trim, cornices, lintels, window sills, awnings, canopies, ledges, fences, hedges, copings and retaining walls projecting from the Building over any street or highway or over any adjoining property and encroachments of similar elements projecting from adjoining property over the Common Elements.

(f) Any state of facts which an accurate survey or personal inspection of the Building, Common Elements or Unit would disclose, provided that such facts do not render title unmarketable.

(g) The lien of any unpaid common charge, real estate tax, water charge, sewer rent or vault charge, provided the same are paid or apportioned at the Closing.

(h) The lien of any unpaid assessments to the extent of installments thereof payable after the closing.

(i) Liens, encumbrances and title conditions affecting the Common Elements, which do not materially and adversely affect the rights of the Unit Owner to use and enjoy the Common Elements.

(j) Notes or notices of violations of law or governmental orders, ordinances or requirements affecting the Building or the Common Elements (other than the Unit), which the other Unit Owner or the Board of Managers of the Condominium are obligated to correct.

(k) Standard exceptions contained in the form of fee title insurance policy then issued by the title insurance company insuring the Owner’s title to the Unit.

(l) Zoning Lot Description as recorded in CRFN 2019000241997.

(m) Zoning Lot Certification as recorded in CRFN 2019000241998.

Exhibit B – Inspection Statement

Date: _____

150 Luquer, LLC
2042 West 4th Street
Brooklyn, NY 11223

Re: Unit No. _____, (hereinafter called the "Unit") in
The Francesca Condominium
150 Luquer Street, Brooklyn, NY 11231

Ladies and Gentlemen:

1. On the date hereof, the undersigned, _____, Purchasers of the Unit, (hereinafter collectively called "Purchaser"), inspected the Unit and have found the Unit to be in good condition, except as otherwise noted below:

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

2. Purchaser acknowledges that to prevent pilferage, certain items such as medicine cabinet doors, shower heads, toilet seats, kitchen cabinets, vanity knobs, plumbing fixtures, electrical trims and mechanical chimes will be installed just prior to the date Purchaser moves into the Unit. Purchaser agrees to sign-off each item requiring adjustment, or repairs, if any, as they are completed.

3. In the event Purchaser performs work in the Unit of any kind affecting any of the areas or items listed above after the closing, Sponsor will be relieved of any and all obligations related to the items listed herein.

_____
Purchaser

_____
Purchaser

Exhibit C – Limited Warranty

NAME OF PURCHASERS:	_____
ADDRESS OF PURCHASERS:	_____
	_____
ADDRESS OF UNIT WARRANTED:	150 Luquer Street Unit _____ Brooklyn, NY 11231
WARRANTY DATE:	_____
NAME OF SPONSOR:	150 Luquer, LLC
ADDRESS OF SPONSOR:	2042 West 4th Street Brooklyn, NY 11223
SPONSOR'S LIMIT OF TOTAL LIABILITY:	75% of the Purchase Price

This Limited Warranty excludes all consequential and incidental damages, except as required by the law of the State of New York.

1. To Whom Given. This Limited Warranty is extended to Purchaser named on page 1, while Purchaser owns the Unit. It does not extend to subsequent owners of the Unit or other persons.

2. By Whom Made. This Limited Warranty is made exclusively by Sponsor, whose name and address appear on page 1.

3. Final Inspection of the Unit. Before Purchaser moves into the Unit or accepts the deed, Sponsor will set up an appointment for final inspection of the Unit with Purchaser. The purpose of this final inspection is to discover any defects or flaws of a visible or obvious nature, such as mars, chips, dents, cracks, or scratches, that may have occurred during the final stages of finishing the Unit, or any unfinished work caused by back-orders beyond Sponsor's control. The Sponsor may also point out other defects known to have occurred during the construction process and that remain uncorrected at the time of the inspection.

All defects or flaws found on final inspection of the Unit will be itemized on an Inspection Statement, which will include a schedule for each item that will be corrected. The Inspection Statement will be signed by Purchasers before occupancy of the Unit or transfer of the deed.

When Purchaser moves into the Unit or accepts the deed, Sponsor's responsibility is limited to:

(a) completion of items shown on the Inspection Statement, as provided in the Inspection Statement, and
(b) performance of warranty obligations under the provisions of this Limited Warranty, as listed below.

The purpose of the Limited Warranty is to identify Sponsor's responsibilities for construction defects of a latent or hidden kind that would have been found or disclosed on the final inspection of the Unit.

4. Limited Warranty. This Limited Warranty excludes all other warranties on the construction and sale of the Unit and its components, both express and implied. There are no warranties, which extend beyond the face hereof.

5. Warranty Coverages and Periods. The Warranty Period for all coverages begins on the Warranty Date shown on page 1. This Warranty Date is the date that Purchaser or member of Purchaser's family takes title to the Unit or any person begins residential occupancy of the Unit, whichever date is earlier. It ends at the expiration of the coverages shown below:

FIRST YEAR BASIC COVERAGE: For one year from the Warranty Date, the Unit will be free from latent defects that constitute:

(a) defective workmanship performed by Sponsor, an agent of Sponsor or subcontractor of Sponsor;
(b) defective materials provided by Sponsor, an agent of Sponsor or subcontractor of Sponsor; or
(c) defective design, provided by an architect, landscape architect, engineer, surveyor, or other design professional engaged solely by Sponsor.

Workmanship, materials, and design will be considered to be defective if they fail to meet or exceed the relevant standards and specifications of the Building Code of the City of New York.

TWO YEAR MAJOR SYSTEM COVERAGE: For two years from the Warranty Date, the Plumbing, Electrical, Heating, Cooling and Ventilation Systems of the Unit which have been installed by Sponsor are warranted to be free from latent defects that constitute defective installation by Sponsor.

Installation will be considered to be defective if Sponsor's workmanship upon the installation fails to meet the relevant standards and specifications of the Building Code of the City of New York or if it fails to meet the accepted standards, if any.

The Plumbing System means: gas supply lines and fittings; water supply, waste and vent pipes and their fittings; water, gas and sewer service piping, and their extensions to the tie-in of a public utility connection.

The Electrical System means: all wiring, electrical boxes, switches, outlets and connections up to the public utility connection.

The Heating, Cooling and Ventilation System means: all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.

All systems are exclusive of appliances, fixtures and items of equipment.

SIX YEAR MAJOR STRUCTURAL DEFECT COVERAGE: For six years from the Warranty Date, the Unit will be free from latent defects that are Major Structural Defects, as defined below, and that constitute:

(a) defective workmanship performed by Sponsor, an agent of Sponsor or subcontractor of Sponsor;
(b) defective materials provided by Sponsor, an agent of Sponsor or subcontractor of Sponsor; or
(c) defective design, provided by an architect, landscape architect, engineer, surveyor, or other design professional engaged solely by Sponsor.

Workmanship, materials, and design will be considered to be defective if they fail to meet the relevant standards and specifications of the Building Code of the City of New York or if they fail to meet the accepted standards, if any.

A Major Structural Defect is a defect resulting in actual physical damage to the following load-bearing portions of the Unit caused by failure of such load-bearing portions which affects their load-bearing functions to the extent that the Unit becomes unsafe, unsanitary or otherwise unlivable; foundation systems and footings, beams, girders, lintels, columns, walls and partitions, floor systems, and roof framing systems.

Damage to the following non-load bearing portions of the Unit do not constitute a Material Defect for the Material Defect coverage: roofing and sheathing; drywall and plaster; exterior siding; brick, stone and stucco veneer; floor covering material; wall tile and other wall coverings; non-load bearing walls and partitions; concrete floors in attached garages and basements that are built separately from foundation walls or other structural elements of the Unit; electrical, plumbing, heating, cooling and ventilation systems; appliances, fixtures and items of equipment; paint; doors and windows; trim; cabinets; hardware; insulation.

6. Exclusions from All Coverages. The following are excluded from the Basic Coverage, Major System Coverage, and Major Structural Defect Coverage:

(a) Loss or damage caused by workmanship performed by any person other than (i) Sponsor, (ii) an agent of Sponsor, or (iii) a subcontractor of Sponsor.

(b) Loss or damage caused by defective materials supplied by any person other than (i) Sponsor, (ii) an agent of Sponsor, or (iii) a subcontractor of Sponsor.

(c) Loss or damage caused by defective design provided by any person other than a design professional retained exclusively by Sponsor.

(d) Patent defects including defects shown on the Inspection Statement and defects, which an examination of the Unit prior to acceptance of the deed or occupancy of the Unit ought to have revealed.

(e) Defects in outbuildings including but not limited to detached garages and detached carports (except outbuildings which contain the plumbing, electrical, heating, cooling or ventilation systems serving the Unit); site located swimming pools and other recreational facilities; driveways; walkways; patios; boundary walls; retaining walls; bulkheads; fences; landscaping (including sodding, seeding, shrubs, trees and plantings); off-site improvements or any other improvements not a part of the Unit itself.

(f) After the first year Basic Coverage, concrete floors of basements and concrete floors of attached garages that are built separately from foundation walls or other structural elements of the Unit.

(g) Damage to real property, which is not part of the Unit covered by this Limited Warranty, and which is not included in the purchase price of the Unit.

(h) Any damage to the extent that it is caused or made worse by:

  (i) negligence, improper maintenance, or improper operation by anyone other than Sponsor, an agent of Sponsor or a subcontractor of Sponsor; or

  (ii) failure by Purchaser or anyone other than Sponsor, an agent of Sponsor or a subcontractor of Sponsor, to comply with the warranty requirements of manufacturers or suppliers of appliances, fixtures or items of equipment; or

  (iii) failure of Purchaser to give notice to Sponsor of any defects or damage within a reasonable time; or

  (iv) changes in the grading of the ground by anyone other than Sponsor, its employees, agents or subcontractors; or

(v) changes, alterations or additions made to the Unit by anyone after the Warranty Date shown on page 1; or

(vi) dampness or condensation due to failure of Purchaser or occupant to maintain adequate ventilation.

(i) Any condition, which does not result in actual physical damage to the Unit.

(j) Loss or damage caused by or resulting from accidents, riot and civil commotion, fire, explosion, smoke, water escape, falling objects, aircraft, vehicles, Acts of God, lightning, windstorm, hail, flood, mud-slide, earthquake, volcanic eruption, wind-driven water, and not reasonably foreseeable changes in the underground water table.

(k) Loss or damage caused by seepage of water unless such loss or damage is the direct result of a construction defect.

(l) Any damage caused by soil movement for which compensation is provided by legislation or which is covered by other insurance.

(m) Any damage which the Unit owner has not taken timely action to minimize.

(n) Normal wear and tear and normal deterioration.

(o) Insect damage.

(p) Bodily injury or damage to personal property.

(q) Failure of Sponsor to complete construction of the Unit.

(r) Loss or damage, which arises while the Unit is being used primarily for nonresidential purposes.

(s) Loss or damage due to abnormal loading on floors by the Unit Owner, which exceeds design loads as mandated by the Building Code of the City of New York;

(t) Costs of shelter, transportation, food, moving, storage or other incidental expenses related to relocation during repair.

(u) All consequential and incidental damages, except as required by the law of the State of New York.

7. Warranty.

If a defect occurs in an item covered by this Limited Warranty, Sponsor will repair, replace or pay Purchaser the reasonable cost of repairing or replacing the defective items within a reasonable time after Sponsor's inspection or testing discloses the problem. The choice among repair, replacement or payment is solely that of Sponsor.

In no event will Sponsor's total liability for deficiencies under this Limited Warranty exceed Sponsor's Limit of Total Liability, shown on page 1.

Repair, replacement or payment of reasonable cost for any Major Structural Defect is further limited to:

(1) the repair of damage to the load-bearing portions of the Unit themselves which is necessary to restore their load-bearing function; and

(2) the repair of those items of the Unit damaged by the Major Structural Defect which made the Unit unsafe, unsanitary or otherwise unlivable.

When Sponsor finishes repairing or replacing the defect or pays the reasonable cost of doing so, a full release of all legal obligations with respect to the defect must be signed and delivered to Sponsor.

8. Step by Step Claims Procedures.

(a) Written notice of any warranty claim must be made on the attached ``Notice of Warranty Claim Form" and must be received by Sponsor, identified on page 1, no later than the first business day after warranty coverage on that item expires. If this Notice of Warranty Claim Form is not properly completed and received by Sponsor by that deadline, Sponsor will have no duty to respond to any complaint or demand, and any or all claims may be rejected. NOTICE OF WARRANTY CLAIM IS NECESSARY TO PROTECT RIGHTS TO WARRANTY PERFORMANCE UNDER THIS LIMITED WARRANTY.

(b) No steps taken by Sponsor, Purchaser or any other person to inspect, test or correct defects will extend any time period under this Limited Warranty. The Sponsor's response to any complaint or request, other than a timely and properly completed Notice of Warranty Claim, will not impair, prejudice or otherwise affect any right of Sponsor, including but not limited to Sponsor's right to receive a timely and properly completed Notice of Warranty Claim.

(c) In response to a Notice of Warranty Claim, or any other complaint or request of Purchaser, Sponsor and Sponsor's agents will have the right to inspect and test the portion of the Unit to which the claim, complaint or request relates. The Purchaser and occupants of the Unit must provide reasonable access to Sponsor and Sponsor's agents during normal business hours to complete inspection, testing and repair or replacement.

(d) The Sponsor will complete inspection and testing within a reasonable time under the circumstances, not to exceed 30 days after receipt of a timely and properly completed Notice of Warranty Claim Form. Upon completion of inspection and testing, Sponsor will determine whether to accept or reject the claim. If Sponsor rejects the claim, Sponsor will give written notice of that decision to the claimant at the address shown on the Notice of Claim Form. If Sponsor accepts the claim, Sponsor will take corrective action within a reasonable time under the circumstances and, upon completion, will give written notice of completion to the claimant at the address shown on the Notice of Claim Form. The Sponsor will use good faith efforts to process and handle claims in a timely manner, but all time periods for repair or replacement of defects necessarily are subject to weather conditions, Acts of God, availability of materials, and other events beyond Sponsor's control.

9. Legal Actions.

(a) No claim or cause of action under this Limited Warranty may be commenced or asserted in any suit, action, or other legal proceeding against Sponsor in any Court or forum unless notice of the claim or cause of action has been received by Sponsor in a timely and properly completed Notice of Warranty Claim Form as provided in paragraph 8 above.

(b) No suit, action and proceeding against Sponsor under this Limited Warranty may be commenced in any Court or forum after the later of: (i) the date of expiration of the applicable warranty coverage under paragraph 5 of this Limited Warranty, or (ii) 60 calendar days after the Warrantor has given written notice of rejection of claim or completion of corrective action as provided in clause 8(d) above.

10. General Provisions.

(a) This Limited Warranty may not be changed or amended in any way.

(b) This Limited Warranty is to be binding upon Sponsor and Purchaser, their heirs, executives, administrators, successors and assigns.

(c) Should any provision of the Limited Warranty be deemed unenforceable by a court of competent jurisdiction, the determination will not affect the enforceability of the remaining provisions.

(d) Use of one gender in this Limited Warranty includes all other genders, and use of the plural includes the singular, as may be appropriate.

(e) This Limited Warranty is to be governed in accordance with the laws of the State of New York.

Signatures of Sponsor and Purchaser are optional, as they will have signed the contract of sale, and the warranty will be incorporated in the contract.

Notice of Warranty Claim Form

Dear Unit Owner:

To ask Sponsor to correct defects in your Unit that you think are covered by the Limited Warranty of Sponsor, you must complete this form and deliver it to Sponsor. This is necessary to protect your rights to guarantee performance under the Limited Warranty. Even if you believe that Sponsor is aware of the problem, fill out this form and deliver it to Sponsor.

The information you will need to fill out the form will be on page 1 of the Limited Warranty. However, if you do not know the answers to any questions, write ``Don't Know." Please do not leave any item blank.

NAME OF PURCHASERS: _____
ADDRESS OF PURCHASERS: _____
_____
ADDRESS OF UNIT WARRANTED: 150 Luquer Street, Unit _____
Brooklyn, NY 11231
WARRANTY DATE: _____

Describe the defects, which you think are covered by the Limited Warranty. Be sure to include when each defect first occurred or when you first noticed it. Use additional sheets, as necessary, to fully describe the problem:

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____
Purchaser

_____
Purchaser

FORM OF INTERIM LEASE

THE FRANCESCA CONDOMINIUM
150 Luquer Street
Brooklyn, NY 11231

THIS INTERIM LEASE, (hereinafter called this "Interim Lease"), made as of the _____ day of _____, 20__, between Sponsor and Purchaser, as defined below.

Unit No.: _____
Common Interest: _____%

Sponsor: 150 Luquer, LLC
2042 West 4th Street
Brooklyn, NY 11223

Purchaser: _____
_____
_____

Date of
Purchase Agreement: _____

Purchaser desires to have possession of the Unit prior to the Closing, and the parties have agreed to same upon the following terms and conditions:

1. POSSESSION. Purchaser shall be entitled to possession as of _____.

2. CONDITION OF PREMISES. Purchaser accepts in all respect the Unit in the condition that now exists and will promptly close the purchase of the Unit as provided in the above-mentioned Purchase Agreement.

3. RISK OF LOSS. Once Purchaser takes possession of the Unit, Purchaser shall assume risk of loss from fire or other casualty not covered by insurance.

4. OCCUPANCY FEES. Purchaser shall pay Sponsor the sum of $_____ per month in advance commencing on the above possession date, through and including the date of the Closing. Any excess prepaid sums shall be refunded at the Closing or upon Purchaser vacating the Unit as provided herein.

5. UTILITIES. Purchaser shall be responsible for all utilities as of the date of possession until the Closing or return of possession to Sponsor.

6. INSURANCE. Purchaser shall obtain liability insurance coverage and fire insurance to protect Purchaser's personal belongings as of the date of possession.

7. ALTERATION OF UNIT. If Purchaser vacates the Unit without completing the purchase of same, Purchaser shall return the Unit in substantially the same condition in which it was delivered to Purchaser by Sponsor. Purchaser shall be liable for any damages or repairs, ordinary wear and tear excepted, caused by Purchaser during this occupancy of the Unit. Purchaser shall not make any repairs, additions, alterations or improvements without the express written consent of Sponsor, which under no circumstances shall result in any cost or charge to Sponsor even if the above-mentioned Purchase Agreement is terminated.

8. PERSONAL USE. Purchaser shall not rent or allow use of the Unit except as a residence for the immediate family of Purchaser.

9. DEFAULT. If at any time Purchaser defaults under the above-mentioned Purchase Agreement or this Interim Lease and fails to cure said default within thirty (30) days after receipt of written notice to cure, Sponsor may give written notice to vacate the Unit within (30) days after receipt of written notice of termination of this Interim Lease. Upon receipt of said termination notice, Purchaser shall vacate the Unit within thirty (30) days after receipt of said termination notice and return possession of the Unit, free of any occupants, to Sponsor. Sponsor will continue to retain all of its other rights under the above-mentioned Purchase Agreement and this Interim Lease.

An uncured default under the Purchase Agreement will be a default under this Interim Lease. An uncured default under this Interim Lease will be a default under the Purchase Agreement. Before Sponsor may utilize the default under this Interim Lease to declare a default under the Purchase Agreement, Sponsor must either obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the lessee unless the lessee has vacated the Unit.

10. RETURN OF POSSESSION. If the above-mentioned Purchase Agreement is no longer in effect for any reason, Purchaser shall, within thirty (30) days thereafter, vacate the Unit and return possession of the Unit, free of any occupants, to Sponsor.

For all the purposes of this Interim Lease, even though Purchaser may vacate the Unit, Purchaser shall be deemed to remain in possession until (1) Purchaser delivers the Unit in substantially the same condition as now exists, (2) delivers all keys to Sponsor and (3) removes all property of Purchaser from the Unit.

11. PENALTIES.

(a) if Purchaser fails to vacate the Unit and return possession to Sponsor in accordance with this Interim Lease, then Purchaser shall become immediately obligated to pay Sponsor the sum of $500.00 per day of liquidated damages for each day, or part of each day, that Purchaser continues in possession thereafter.

(b) If legal action becomes necessary for Sponsor to retake possession or recover damages because of Purchaser's breach, Sponsor shall also be entitled to recover reasonable legal fees and disbursements.

(c) If Purchaser defaults under the above-mentioned Purchase Agreement or this Interim Lease, Seller shall have the right to retain the Deposit under the above-mentioned Purchase Agreement and actual costs incurred by Sponsor for any upgrades, extras, special or custom work in the Unit ordered by Purchaser, as and for liquidated damages.

12. NO LANDLORD-TENANT RELATIONSHIP. This Interim Lease is intended only to give Purchaser the right of possession pending the Closing, and is not intended to establish a Landlord-Tenant relationship.

13. NOTICES. Section 25 of the above-mentioned Purchase Agreement is incorporated herein in its entirety.

14. INCORPORATION. This Interim Lease is in all respects subject to the Purchase Agreement and the Plan. Capitized terms used but not defined in this Agreement shall have the meanings given to them in the Purchase Agreement and Plan.

15. SMOKING POLICY OF THE CONDOMINIUM. Inhaling, exhaling, burning or carrying any lighted or heated cigar, cigarette, little cigar, pipe, water pipe or hookah, herbal cigarette, non-tobacco smoking product (e.g., marijuana or non-tobacco shisha), or any similar form of lighted object or device designed for people to use to inhale smoke, and are not permitted:

[i] inside of the Units;
[ii] anywhere inside of the Building;
[iii] outdoor Common Elements which is front yard; and
[iv] outdoor Limited Common Areas within 15 feet of entrances, exits, windows, and air intake units in the Building.

IN WITNESS WHEREOF, the parties have duly executed this Agreement the day and year first above written.

Purchaser(s):

_____

_____

Sponsor
150 Luquer, LLC

_____
By:

FORM OF POWER OF ATTORNEY

The undersigned, _____, the owner of the Condominium Unit _____, (hereinafter called the "Unit"), in the condominium known as The Francesca Condominium, having an address at 150 Luquer Street, Brooklyn, NY 11231, (hereinafter called the "Building"), said Unit being known as and by the street number 150 Luquer Street, Unit No. _____, Brooklyn, NY 11231, and designated as Unit No. _____, in that certain declaration dated the _____ day of _____, 20__, made by 150 Luquer, LLC, (hereafter called "Sponsor"), under Article 9-B of the Real Property Law of the State of New York, (hereinafter called the "Condominium Act"), establishing the plan for the condominium ownership of the Building and the land upon which the Building is situated, (hereinafter called the "Land), (the Building and the Land are collectively hereinafter called the "Property"), recorded in the Office of the Register of the City of New York on the _____ day of _____, 20__ in CRFN _____, (hereinafter called the "Declaration"), and also designated as Tax Lot No. _____ in Block 377 on the Tax Map of the Real Property Assessment Department of the City of New York and on the floor plans of the Building, certified by Henry Radusky, R.A., on the _____ day of _____, 20__, and filed simultaneously with the Declaration in the Office of the Register of the City of New York in CRFN _____ as Map No. _____, (hereinafter called the "Floor Plans"), do hereby nominate, constitute and appoint the persons who may from time to time constitute the Board of Managers of The Francesca Condominium, jointly, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, to acquire, in their own name, as members of the Board of Managers, or in the name of its designee, corporate or otherwise on behalf of all Owners of Units in the Property, in accordance with their Common Interests, any Unit whose Owner desires to abandon or sell the same, the undivided interest in the Common Elements appurtenant thereto, the interest of such Unit Owner in any other Units theretofore acquired by the Board of Managers or its designee, corporate or otherwise on behalf of all Unit Owners, or in the proceeds of the sale or lease thereof, if any, and the rights and privileges appurtenant thereto, the interest of such Unit Owner in all other assets of the Condominium as defined in the Declaration or any Unit, which shall be the subject of a foreclosure or other judicial sale, or to lease any Unit whose Owner desires to rent the same, at such price or on such rental, as the case may be, and on such terms as said attorneys-in-fact shall, in their sole discretion, deem proper, and thereafter to convey, sell, lease, sublease, mortgage or otherwise deal with any such Units so acquired by them (but not to vote the votes appurtenant thereto), on such terms as said attorneys-in-fact may determine, granting to such attorneys-in-fact the power to do all things in the said premises which the undersigned could do if the undersigned were personally present.

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

The undersigned do further hereby nominate, constitute and appoint the persons who may from time to time constitute the Board of Managers of The Francesca Condominium, jointly, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, to amend from time to time the Declaration, the By-Laws and the Rules and Regulations of the Condominium, or any of said documents, when such amendment (1) shall be required to reflect any changes in Unsold Units and/or the reapportionment of the Common

Interests of the affected Unsold Units resulting therefrom made by Sponsor or Sponsor-designee in accordance with Article 16 of the Declaration or (2) shall be required by (a) an institutional lender to make a mortgage loan secured by a mortgage on any Unit, (b) any governmental agency having regulatory jurisdiction over the Condominium, or (c) any title insurance company selected by Sponsor to insure title to any Unit, provided, however, that any amendment made pursuant to the terms of this paragraph shall not (i) change the Common Interest of the undersigned's Unit, (ii) require a material, physical modification to the undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an institutional lender covering the undersigned's Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) or the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment. The acts of a majority of such persons shall constitute the acts of said attorneys-in-fact. The terms, covenants and conditions contained in, and the powers granted pursuant to this paragraph shall remain in full force and effect until such time as Sponsor or Sponsor-designee shall cease to own any Units in the Condominium.

This Power of Attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned, has executed this Power of Attorney this _____ day of _____, 20__.

_____
Purchaser

_____
Purchaser

STATE OF NEW YORK)
) ss:
COUNTY OF)

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

_____
Notary Public

FORM OF UNIT DEED

THIS INDENTURE made the _____ day of _____, 20__, between 150 Luquer, LLC, having an address at 2042 West 4th Street, Brooklyn, NY 11223, (hereinafter called the "Grantor"), and _____, having an address at _____, (hereinafter called the "Grantee"),

W I T N E S S E T H:

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

The Condominium Unit _____, (hereinafter called the "Unit"), in the condominium known as The Francesca Condominium, having an address at 150 Luquer Street, Brooklyn, NY 11231, (hereinafter called the "Building"), said Unit being known as and by the street number 150 Luquer Street, Unit No. _____, Brooklyn, NY 11231, and designated as Unit No. _____, in that certain declaration dated the _____ day of _____, 20__, made by the Grantor under Article 9-B of the Real Property Law of the State of New York, (hereinafter called the "Condominium Act"), establishing the plan for the condominium ownership of the Building and the land upon which the Building is situated, which land is described in Schedule A annexed hereto and made a part hereof, (hereinafter called the Land), (the Building and the Land are collectively hereinafter called the "Property"), recorded in the Office of the Register of the City of New York on the _____ day of _____, 20__ in CRFN _____, (hereinafter called the "Declaration"), and also designated as Tax Lot No. _____ in Block 377 on the Tax Map of the Real Property Assessment Department of the City of New York and on the floor plans of the Building, certified by Henry Radusky, R.A., on the _____ day of _____, 20__, and filed simultaneously with the Declaration in the Office of the Register of the City of New York in CRFN _____ as Map No. _____, (hereinafter called the "Floor Plans").

TOGETHER with an undivided _____% interest in the Common Elements of the Property described in the Declaration, (hereinafter called the "Common Elements");

TOGETHER with an easement for the continuance of all encroachments by the Unit on any adjoining Units or Common Elements now existing as a result of construction of the Building, or which may come into existence hereafter as a result of settling of the Building, or as a result of repair or restoration of the Building, or the Unit, after damage by fire or other casualty, or after taking in condemnation or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements made by or with the consent of the Board of Managers, so that any such encroachments may remain so long as the Building shall stand;

TOGETHER with an easement in common with the Owners of other Units to use any pipes, wires, ducts, cables, conduits, public utility lines, and other Common Elements located in any of the other Units or elsewhere on the Property, and serving the Unit;

TOGETHER with the appurtenances and all the estate and rights of the Grantor in and to the Unit;

TOGETHER with and **SUBJECT TO** all easements of necessity in favor of the Unit or in favor of other Units or the Common Elements;

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

SUBJECT ALSO TO an easement in favor of the other Units to use the pipes, wires, ducts, conduits, cables, public utility lines and other Common Elements located in the Unit or elsewhere on the Property and serving such other Units;

SUBJECT ALSO TO the permitted exceptions set forth in Exhibit A annexed hereto and made a part hereof;

TOGETHER with and **SUBJECT TO** covenants, easements, rights of way, consents, restrictions and encumbrances created by the Declaration;

SUBJECT TO the provisions of the Declaration, By-Laws, and Floor Plans of the Condominium recorded simultaneously with and as part of the Declaration, as the same may be amended from time to time by instruments recorded in the Office of the Register of the City of New York, which provisions, together with any amendments thereto, shall constitute covenants running with the land and shall bind any person having at any time any interest or estate in the Unit, as though such provisions were recited and stipulated at length herein;

EXCEPT as otherwise specifically permitted by the Board of Managers of the Condominium or provided in the Declaration or in the By-Laws, the Unit is intended for residential use only;

AND the Grantor covenants that the Grantor has not done or suffered anything whereby the said premises have been encumbered in any way whatsoever, except as aforesaid;

TO HAVE AND TO HOLD the same unto the Grantee, and the heirs or successors and assigns of the Grantee, forever.

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to the provisions of the Condominium Act, or if any provision that is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of Article 17 of the Declaration shall control.

The Grantor, in compliance with Section 13 of the Lien Law of the State of New York, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the improvements and will apply the same first to the payment of the cost of the improvements before using any part of the same for any other purpose.

This conveyance is made in the regular course of business actually conducted by the Grantor herein.

The term “Grantee” shall be read as “Grantees” whenever the sense of this deed so requires.

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

150 Luquer, LLC

_____

By:

_____

Grantee

_____

Grantee

STATE OF NEW YORK)
) ss:
COUNTY OF)

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

_____
Notary Public

STATE OF NEW YORK)
) ss:
COUNTY OF)

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

_____
Notary Public

Exhibit A - Permitted Exceptions

(a) Zoning laws and regulations and landmark, historic or wetlands designations which are not violated by the Unit and which are not violated by the Common Elements to the extent that access to or use of the Unit would be materially and adversely affected.

(b) Consents for the erection of any structure or structures on, under or above any street or streets on which the Building may abut.

(c) The terms, burdens, covenants, restrictions, conditions, easements and rules and regulations set forth in the Declaration, By-Laws and rules and regulations of the Condominium, the Power of Attorney to the Board of Managers of the Condominium and the Floor Plans of the Condominium, all as may be amended from time to time.

(d) Rights of utility companies to lay, maintain, install and repair pipes, lines, poles, conduits, cable boxes and related equipment on, over and under the Building and Common Elements, provided that none of such rights imposes any monetary obligation on the owner of the Unit or materially interferes with the use of or access to the Unit.

(e) Encroachments of stoops, areas, cellar steps, trim, cornices, lintels, window sills, awnings, canopies, ledges, fences, hedges, copings and retaining walls projecting from the Building over any street or highway or over any adjoining property and encroachments of similar elements projecting from adjoining property over the Common Elements.

(f) Any state of facts which an accurate survey or personal inspection of the Building, Common Elements or Unit would disclose, provided that such facts do not render title unmarketable.

(g) The lien of any unpaid common charge, real estate tax, water charge, sewer rent or vault charge, provided the same are paid or apportioned at the Closing.

(h) The lien of any unpaid assessments to the extent of installments thereof payable after the closing.

(i) Liens, encumbrances and title conditions affecting the Common Elements, which do not materially and adversely affect the rights of the Unit Owner to use and enjoy the Common Elements.

(j) Notes or notices of violations of law or governmental orders, ordinances or requirements affecting the Building or the Common Elements (other than the Unit), which the other Unit Owner or the Board of Managers of the Condominium are obligated to correct.

(k) Standard exceptions contained in the form of fee title insurance policy then issued by the title insurance company insuring the Owner’s title to the Unit.

(l) Zoning Lot Description as recorded in CRFN 2019000241997.

(m) Zoning Lot Certification as recorded in CRFN 2019000241998.

DECLARATION

Establishing the Plan for the Condominium Ownership, Pursuant to Article 9-B of the Real Property Law of the State of New York, of

THE FRANCESCA CONDOMINIUM

150 Luquer Street
Brooklyn, NY 11231

Declarant:

150 Luquer, LLC
2042 West 4th Street
Brooklyn, NY 11223

Date of Declaration: _____

Record & return to:

Yevgeny Tsyngauz, Esq.
TSYNGAUZ & ASSOCIATES, P.C.
114 Mulberry Street, 1st fl.
New York, NY 10013

The land affected by the within instrument lies

In Block 377, f/k/a Lot 18
n/k/a Lots: _____

DECLARATION
Establishing the Plan for the Condominium Ownership, Pursuant to Article 9-B of the Real Property Law of the State of New York, of THE FRANCESCA CONDOMINIUM

150 Luquer, LLC, having an address at 2042 West 4th Street, Brooklyn, NY 11223, (hereinafter called "Sponsor") does hereby declare:

1. SUBMISSION OF PROPERTY. Sponsor hereby submits the land, described on Schedule A annexed hereto and made a part hereof, (hereinafter called the "Land"), together with the building and improvements thereon erected, (hereinafter called the "Building"), (the Building and the Land are collectively hereinafter called the "Property"), to the provisions of Article 9-B of the Real Property Law of the State of New York, (hereinafter called the "Condominium Act").

Sponsor owns the Property in fee simple absolute.

2. NAME OF CONDOMINIUM. This condominium shall be known as "The Francesca Condominium", (hereinafter called the "Condominium").

The Board of Managers of the Condominium is hereinafter called the Board of Managers.

3. AREA OF LAND. The Land has an area of approximately 2,000.00 square feet.

4. DESCRIPTION OF BUILDING. The Building consists of three (3) floors, a basement and a cellar. There are four (4) residential units, (hereinafter called the "Units" or "Unit"), in the Building.

5. UNITS. (a) Schedule B annexed hereto and made a part hereof sets forth the following data with respect to each Unit necessary for the proper identification thereof: Unit designation; tax lot number; location; permitted usage; percentage of interest in the Common Elements; number of bedrooms and bathrooms; approximate area of appurtenant Limited Common Elements and approximate area of the Unit.

(b) The location of each Unit is more clearly designated on the floor plans, as hereinafter defined, and reference should be made thereto for the statement of the location of each Unit. As shown on the floor plans of the Building, (hereinafter called the "Floor Plans"), certified by Henry Radusky, R.A., and intended to be filed in the Office of the Register of the City of New York simultaneously with the recording of this Declaration, the horizontal physical dimensions of each Unit consist of the floor area enclosed by the outside face of the exterior walls of the Building and the non-unit side of the walls and partitions (dividing the Units from corridors, stairs and mechanical spaces). The dimensions shall be to the centerline of a partition when a partition divides two (2) Units.

The Limited Common Elements are not included in the dimensions.

(c) No Unit may be subdivided.

6. COMMON ELEMENTS AND LIMITED COMMON ELEMENTS.

A. The Common Elements mean and include:

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

B. The Limited Common Elements mean and include the rear yard, areaway, balcony and stair, storage spaces, and balconies appurtenant to the Units in the Building as shown on Schedule B annexed hereto and made a part hereof.

7. USE OF THE BUILDING, THE UNITS, THE COMMON ELEMENTS AND THE LIMITED COMMON ELEMENTS. The Building shall be used solely for the purposes for which the Units may be used.

Each Unit may be used as a residence only.

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

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

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

The storage spaces may only be used for the storage of personal effects of Unit Owners. In no event shall any (a) valuable items, (b) animals, (c) food or other perishable items, (d) hazardous substances, (e) flammable, combustible, explosive or other dangerous items, (f) items which have an objectionable odor or which may spoil or decay, or (g) items which may impose a health or safety threat or cause dirt or other sanitary problems or create a nuisance, be stored therein. A storage space may not be legally used for any residential uses including bedroom, dining room, or any other use considered to be a habitable space as defined by the New York City Building Code. The use of a storage space as a living or sleeping space may result in a building code violation being issued against the Building and the imposition of fines against the Building. The Unit Owner, who caused the violation, will be obligated to remove it and pay all fines associated with the violation.

8. DETERMINATION OF PERCENTAGES IN COMMON ELEMENTS. The percentage of Common Interest allocated to each Unit is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit. The aggregate percentage of Common Interest is 100%.

9. ENCROACHMENTS. If any portion of the Common Elements now encroaches upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or if any encroachment shall occur hereafter as a result of (a) settling or shifting of the Building, or (b) alteration or repair to the Common Elements made by or with the consent of the Board of Managers, or (c) as a result of repair or restoration of the Building or a

Unit after damage by fire or other casualty, or (d) as a result of condemnation or eminent domain proceedings, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the Building shall stand.

10. EASEMENTS.

A. Each Unit Owner shall have an easement in common with the Owners of all other Units to use all pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements located in any of the other Units and serving his or her Unit. Each Unit shall be subject to an easement in favor of the Owners of all other Units to use the pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements serving such other Units and located in such Unit. The Board of Managers shall have a right of access to each Unit, all Common Elements and any Limited Common Elements appurtenant thereto to inspect the same, to remove violations therefrom and/or to maintain, repair or replace the Common Elements contained therein or elsewhere in the Building.

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

(a) construction, installation and development thereon, and for the construction and installation, ingress to and egress from, and use of (including the right to connect with) all pipes, conduits, ducts, cables, wires, storm drainage facilities, water, sewer and other utility lines for the benefit of the Property, and

(b) construction and installation, ingress to and egress from and the right to use (in common with Unit Owners) all storm drainage facilities, water, sewer and other utility lines, pipes, conduits, flues, ducts, wires and cables, and

(c) ingress to and egress from all land areas of the Property and the use of said land areas (in common with Unit Owners) for any lawful purpose.

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

(a) shall have an easement to erect, maintain, repair and replace from time to time one or more signs on the Building and elsewhere on the Property for the purposes of advertising the sale of Units and the leasing of space in any Unit as well as an easement in and access to Units and Common Elements consistent with the purposes of the condominium offering plan for the Property, as same may be amended, and Sponsor's rights and obligations thereunder, including, without limitation, the right to develop, renovate, maintain, repair, refurbish, offer, sell and lease Units and Common Elements and

(b) reserve the right to establish, grant and create easements for any additional underground electric transformer, amplifier, gas, cable television, telephone, water, storm drainage, sewer or other utility lines and

appurtenances in, under and through the Property, including, without limitation, an easement or easements for the benefit of any property adjacent to the Property, to relocate any existing utility easements in any portion of the Property and to dedicate any or all of such facilities to any governmental body, public benefit corporation or utility company if Sponsor, Sponsor-designees, successors, assigns, invitees, licensees, contractors, employees and tenants shall deem it necessary or desirable for the proper operation and maintenance of the Property or any portion thereof, or for the general health or welfare of any Unit Owner, or the residents of any property adjacent to the Property, or users of any recreation facilities, if any, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of the Units for private residential use. Any utility company or public benefit corporation furnishing services to the Property, and the employees and agents of any such company or corporation, shall have the right of access to any Unit, to the Common Elements or the Limited Common Elements in furtherance of such easements, provided such right of access is exercised in such a manner as not unreasonably to interfere with the use of the Units, and provided that affected Unit Owners are given at least seven (7) day prior written notice of such access.

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

D. Users of any easement granted by subparagraphs B and C of this Article 10 shall have the responsibility of repairing any damage resulting therefrom.

11. POWER OF ATTORNEY TO BOARD OF MANAGERS. Each Unit Owner shall grant to the persons who shall from time to time constitute the Board of Managers, an irrevocable power of attorney, coupled with an interest, to acquire title to any Unit whose owner desires to surrender the same, or which may be the subject of a foreclosure or other judicial sale, in the name of the Board of Managers or its designee, corporate or otherwise on behalf of all Unit Owners, and to convey, sell, lease, mortgage (but not to vote the votes appurtenant thereto) or otherwise deal with any such Units so acquired.

12. ACQUISITION OF UNITS BY BOARD OF MANAGERS. In the event any Unit Owner shall surrender his or her Unit, together with: (i) the undivided interest in the Common Elements, general and limited, appurtenant thereto; (ii) the interest of such Unit Owner in any other Units acquired by the Board of Managers or its designee, corporate or otherwise on behalf of all Unit Owners or the proceeds of the sale or lease thereof, if any; and (iii) the interest of such Unit Owner in any other assets of the Condominium, (hereinafter called the "Appurtenant Interests"), pursuant to the provisions of Section 339-x of the Real Property Law of the State of New York, or in the event the Board of Managers shall purchase at a foreclosure or other judicial sale, a Unit, together with the Appurtenant Interests, title to any such Unit, together with the Appurtenant Interests, shall be held by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common

Interests. The lease covering any Unit leased by the Board of Managers or its designee, corporate or otherwise shall be held by the Board of Managers or its designee, corporate or otherwise on behalf of all Unit Owners, in proportion to their respective Common Interests.

13. PERSON TO RECEIVE SERVICE. For the period during which Sponsor is in control of the Board of Managers, 150 Luquer, LLC, having an address at 2042 West 4th Street, Brooklyn, NY 11223, is hereby designated to receive notice of process in any action, which may be brought against the Condominium. After Sponsor relinquishes control of the Board of Managers notice of process in any action, which may be brought against the Condominium, shall be served on the President of the Condominium at the office of the Condominium, having an address at 150 Luquer Street, Brooklyn, NY 11231.

14. UNITS SUBJECT TO DECLARATION, BY-LAWS, AND RULES AND REGULATIONS. All present and future Owners, tenants, subtenants and occupants of Units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into of a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such Owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the Land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof.

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

(a) no amendment which shall change the percentage of Common Interests allocated to any Unit or Units may be made without the written consent of such Owner(s); no amendment which shall increase the percentage of Common Interests allocated to any Unit or Units may be made without the written consent of the mortgagees of such Unit, or Units, if any;

(b) no amendment, modification, addition or deletion of or to the Declaration will be effective in any respect against Sponsor, its designee, or any Unsold Unit until Sponsor or such designee shall consent thereto in writing;

(c) no amendment of a material adverse nature to mortgagees shall be made unless agreed to by mortgagees that represent at least 51% of the votes of Units that are subject to mortgages.

A mortgagee shall be deemed to have consented to any amendment, which requires the consent of such mortgagee when the mortgagee fails to submit a response to any written proposal

for an amendment within sixty (60) days after it receives proper notice of the proposal, provided that the notice was delivered by certified or registered mail, with a "return receipt" requested.

Sponsor hereby reserves to itself and its designees the right to amend the Declaration at any time without the requirement of a vote and without the approval or consent of any Unit Owners or mortgagees for the sole purpose of filing the Floor Plans required by Section 339-p of the Real Property Law of the State of New York for any portion or portions of the Building and appurtenances which are incomplete at the time the Declaration is recorded and the filing along with said amendment to the Declaration and the Floor Plans, the verified statement of a registered architect or licensed professional engineer certifying that the plans being filed simultaneously with such amendment, fully and fairly depict the layout, location, Unit designations and approximate dimensions of the particular Unit or Units as built, as provided in said Section 339-p. No such amendment shall be effective until recorded in the Office of the Register of the City of New York.

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

(a) make alterations, additions, or improvements, structural and non-structural, ordinary and extraordinary, interior and exterior, in, to and upon the Unit;

(b) change the layout or number of rooms in the Unit;

(c) change the size and/or number of such Units by subdividing a Unit, combining separate Units (including those resulting from any subdivision or otherwise) into one or more Units, altering the boundary walls between any Unit or otherwise; and

(d) reapportion among such Unit(s) affected by such change in size or number, subdivision, combination or alteration, their appurtenant interests in the Common Elements; provided, however, that Sponsor or Sponsor-designees shall comply with all rules, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom.

In accordance with law, the Common Elements appurtenant to each Unit as expressed in this Declaration shall have a permanent character and shall not be altered without the consent of all Unit Owners affected. Written consents will be obtained from Unit Owners, if any, who are adversely affected as a result of the above changes. Contract vendees, if any, pursuant to Purchase Agreements with Sponsor or Sponsor-designees for a Unit adversely affected as a result of the above changes, if they have not consented to such changes, will be given the right to rescind their Purchase Agreements and receive a refund of any deposit or downpayment. The above changes, if made, will be disclosed in an amendment to the condominium offering plan for the Property. The provisions of this Article 16 may not be added to, amended or deleted without the prior written consent of Sponsor or Sponsor-designees.

Unit Owners in the Condominium hold title to their respective Units subject to the benefits, rights, privileges, easements, burdens, covenants, and restrictions as described herein, in the By-Laws of the Condominium and any agreement of record recorded prior or subsequent to this Declaration.

17. INVALIDITY.

A. If any provision of this Declaration or of the By-Laws is invalid under, or would cause this Declaration or the By-Laws to be insufficient to submit the Property to the provisions of the Condominium Act, such provision shall be deemed deleted from this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act, but shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under the other applicable law to the extent permitted under such applicable law with the same force and effect as if, immediately after the recording of this Declaration or the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land. If any provision that is necessary to cause this Declaration or the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as a part of this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act.

B. Subject to the terms of paragraph A of this Article 17, if this Declaration or the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the provisions of the Declaration or the By-Laws shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable law to the extent permitted under such applicable law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land.

18. TERMINATION OF CONDOMINIUM. The Condominium may be terminated by casualty loss, condemnation or eminent domain in accordance with the provisions of the By-Laws, or by withdrawing the Property from the provisions of the Condominium Act, if authorized by an affirmative vote of Unit Owners who own not less than 80% in number and in Common Interest of the Units. Sponsor or Sponsor-designees will not vote its interests appurtenant to any Unsold Units for such withdrawal unless at least 80% in number and in Common Interests of all other Unit Owners have elected for such withdrawal, in which event Sponsor may choose to vote in favor of or against such withdrawal. In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all the Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid off out of

his or her share of such net proceeds all liens on his or her Unit, in the order of priority of such liens.

Notwithstanding anything stated anywhere to the contrary, any action to terminate the legal status of the Condominium after substantial destruction or condemnation occurs or for other reasons must be agreed to by mortgagees that represent at least 51% of the votes of the Unit estates that are subject to mortgages. A mortgagee shall be deemed to have consented to any action, which requires the consent of such mortgagee when the mortgagee fails to submit a response to any written proposal for an action within sixty (60) days after it receives proper notice of the proposal, provided that the notice was delivered by certified or registered mail, with a "return receipt" requested.

19. COMMON EXPENSES. Common Expenses of the Condominium mean and include all expenses of operation of the Property and all sums designated Common Expenses by or pursuant to the provisions of the Condominium Act, this Declaration or the By-Laws.

20. DEFINITION OF "SPONSOR-DESIGNEE". The term "Sponsor-designee" as used in this Declaration shall mean any person or entity designated by Sponsor to acquire title to a Unit. A "Sponsor-designee" shall have the right to designate a person or entity to succeed to its rights and any such designee shall also be deemed a "Sponsor-designee".

21. WAIVER. No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

22. CAPTIONS. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration nor the intent of any provision thereof.

23. GENDER. The use of the masculine gender in this Declaration shall be deemed to refer to the feminine gender and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

IN WITNESS WHEREOF, Sponsor has duly executed this Declaration the _____ day of _____, 20__.

150 Luquer, LLC

_____

By:

STATE OF NEW YORK)
) ss:
COUNTY OF)

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

_____
Notary Public

SCHEDULE A
TO THE DECLARATION

THE FRANCESCA CONDOMINIUM
150 Luquer Street
Brooklyn, NY 11231
Block: 377, Lots:

Legal Description of Land

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, bounded and described as follows:

BEGINNING at a point on the southerly side of Luquer Street, distance 232 feet 4 inches westerly from the southwesterly corner of Court Street and Luquer Street;

RUNNING THENCE southerly and parallel with Court Street, 100 feet;

THENCE westerly and parallel with Luquer Street, 20 feet;

THENCE northerly and again parallel with Court Street, 100 feet to Luquer Street;

THENCE along the southerly side of Luquer Street in an easterly direction, 20 feet to the point or place of BEGINNING.

SCHEDULE B
TO THE DECLARATION

The Francesca Condominium
150 Luquer Street
Brooklyn, NY 11231
Block: 377, Lots:

Description of Units

						Sq. ft. of Limited Common Elements					
Unit No.	**Tax Lot No.**	**Floor Location**	**Usage**	**Bdrs/ Bths**	**Sq. ft. of Units**	Rear Yard	Areaway	Balcony and Stair	Storage Space	Balcony	**% of Common Interest**
1		Cellar/Basement	Residential	2/2.5	**1,460.00**	None	357.00	None	None	None	**29.25**
2		First	Residential	2/2	**935.00**	460.00	None	97.00	40.00	None	**24.25**
3		Second	Residential	2/2	**935.00**	None	None	None	39.00	50.00	**23.25**
4		Third	Residential	2/2	**930.00**	None	None	None	40.00	50.00	**23.25**
TOTALS:					**4,260.00**						**100.00**

SCHEDULE C
TO THE DECLARATION

BY-LAWS OF

THE FRANCESCA CONDOMINIUM

150 Luquer Street
Brooklyn, NY 11231

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ARTICLE I
PLAN OF UNIT OWNERSHIP

Section 1. Unit Ownership. The land situated in the Borough of Brooklyn, City and State of New York, (hereinafter called the "Land"), together with the building and improvements thereon erected, (hereinafter called the "Building"), (the Building and the Land are collectively hereinafter called the "Property"), has been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York, (hereinafter called the "Condominium Act"), by the Declaration recorded in the Office of the Register of the City of New York, simultaneously herewith. The Condominium thereby shall hereinafter be known as The Francesca Condominium.

Section 2. Applicability of By-Laws. The provisions of these By-Laws are applicable to the Property of the Condominium and to the use and occupancy thereof. The term "Property" as used herein shall include the Land, the Building and all other improvements thereon (including the Units, the Common Elements and Limited Common Elements), owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all of which are intended to be submitted to the provisions of the Condominium Act.

Section 3. Application. All present and future owners, mortgagees, lessees and occupants of Units, and any other persons who may use the facilities of the Property in any manner are subject to these By-Laws, the Rules and Regulations attached hereto as Schedule A and the provisions of the Declaration.

The acceptance of a deed or conveyance or the entering into of a lease for a Unit or the act of occupying a Unit shall constitute an agreement that these By-Laws, the Rules and Regulations attached hereto and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

Section 4. Office. The office of the Condominium and of the Board of Managers shall be located at the Property.

ARTICLE II
BOARD OF MANAGERS

Section 1. Number, Qualification and Term. The affairs of the Condominium shall be governed by a Board of Managers. The number of Managers, which shall constitute the whole Board of Managers, shall be three (3). Until succeeded by the Managers elected at the first meeting of Unit Owners called for such purpose, Managers need not be Unit Owners.

Thereafter, all Managers, other than representatives of Sponsor, shall be individuals over 18 years of age who is either a Unit Owner or his or her spouse or a domestic partner residing in the Unit, or a partner in a partnership, if the partnership is a Unit Owner, or a principal of a corporation, association, trust or other legal entity that may legally own real property in the State

of New York, if such entity is a Unit Owner. The Managers shall be elected by the Unit Owners at their annual meetings. There shall always be an odd number of Managers.

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

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

After the expiration of initial sponsor voting control period, a majority of the Board of Managers must be owner-occupants or members of an owner-occupant's household who are unrelated to Sponsor and its principals.

Section 2. Powers and Duties. The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things except as by law or by the Declaration or by these By-Laws may not be delegated to the Board of Managers by the Unit Owners. Such powers and duties of the Board of Managers shall include, but shall not be limited to, the following:

(a) contracting for necessary services for the operation, care, upkeep and maintenance of the Common Elements;
(b) determining the Common Expenses and Common Charges required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Property;
(c) collecting the Common Charges and expenses of the Condominium from the Unit Owners;
(d) employing and dismissing the personnel necessary for the maintenance and operation of the Common Elements;
(e) adopting and amending the Rules and Regulations covering the details of the operation and use of the Property subject to the right of the Unit Owners to overrule the Board (See Article VI, Section 16);
(f) opening bank accounts on behalf of the Condominium and designating the signatories required therefor;
(g) purchasing or otherwise acquiring, in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners, Units offered surrendered by their Owners to the Board of Managers;
(h) purchasing Units at foreclosure or other judicial sale in the name of the Board of Managers or its designee, corporate or otherwise on behalf of all Unit Owners;
(i) acquiring in the name of the Board of Managers or its designee, corporate or otherwise on behalf of all Unit Owners, rights and interests in real and personal property for use in connection with the ownership and operation of the Property as a condominium, as described in the Declaration and these By-Laws;

(j) selling, leasing, mortgaging (but not voting the votes appurtenant thereto), or otherwise dealing with Units acquired by the Board of Managers or its designee, corporate or otherwise on behalf of all Unit Owners;

(k) organizing corporations to act as designees of the Board of Managers in acquiring title to or leasing of Units on behalf of all Unit Owners;

(l) obtaining and reviewing insurance for the Property, including the Units, pursuant to the provisions of Article VI, Section 2 hereof;

(m) making repairs, additions and improvements to or alterations of the Property and repairs to and restoration of the Property in accordance with the other provisions of these By-Laws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings;

(n) negotiating and settling all claims and actions relating to the Condominium;

(o) borrowing money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the Common Elements, provided, however, that

(a) the consent of a majority of all Unit Owners shall be required for the borrowing of any sum in excess of $50,000 and

(b) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the written consent of the Unit Owner.

If any sum borrowed by the Board of Managers on behalf of the Condominium, pursuant to the authority contained in this paragraph (o), is not repaid by the Board, a Unit Owner who pays to the creditor such proportion thereof as his or her interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements, shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor shall have filed or shall have the right to file against the Unit Owner's Unit;

(p) levying fines against Unit Owners for violations of the Rules and Regulations governing the operation and use of the Property and levying late payment charges against Unit Owners for late payment of their Common Charges;

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

(a) increase the number, or change the type, of employees provided for in Schedule B;

(b) make any addition, alteration or improvement to the Common Elements or to any Unit;

(c) assess any Common Charge for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, except that Sponsor will consent to replacements to the contingency fund provided for in Schedule B of the condominium offering plan for the Property to the extent that the aggregate amount of such fund does not exceed 10% of the budgeted expenses of the Condominium; or

(d) borrow money on behalf of the Condominium (except where necessary to perform work required by applicable law or regulations, or remedy violations or a mortgagee's work order(s) to the extent that existing reserves are insufficient).

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

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

(a) amend the Declaration, the By-Laws or the Rules and Regulations attached hereto so as to limit in any way or eliminate rights of Sponsor or Sponsor-designee under the Declaration, the By-Laws or the Rules and Regulations attached hereto; or

(b) interfere with the offer and sale or leasing of Units or the operation of general, sales or leasing offices at the Property or interfere with actions necessary for construction, renovation, repair or correction at the Property, as required by Sponsor or Sponsor-designee.

Sponsor or Sponsor-designee shall have the right to withhold its consent to any of the foregoing actions. However, notwithstanding the provisions of this Section 2(q), Sponsor or Sponsor-designee shall not withhold its consent, or use its veto power:

(a) to the making of capital repairs or replacements to the Common Elements or assessment of any Common Charge for expenses required to comply with applicable law or regulations;

(b) to remedy any notice of violation;

(c) to remedy any work order by an insurer; or

(d) to preserve the safety of the Building or the safety and health of its occupants.

Sponsor or Sponsor-designee may not exercise veto power over expenses in Schedule B.

(r) establishing the reserve fund, which will be used only for capital expenditures. The amount of the reserve fund will be equal to 10% of the projected annual budget of the Condominium, including the reserve amount.

Section 3. Managing Agent and Manager. The Board of Managers may employ for the Condominium a managing agent and/or a manager, at a compensation established by the Board of Managers, to perform such duties and services as the Board of Managers shall

authorize. The Board of Managers may delegate to the managing agent or manager, all of the powers granted to the Board of Managers by these By-Laws other than the powers set forth in subdivisions (b), (e), (f), (g), (h), (i), (j), (k), (n), (o) and (p) of Section 2 of this Article II.

Section 4. First Board of Managers. The first Board of Managers shall consist of persons designated by Sponsor, who shall hold office and exercise all powers of the Board of Managers until the first meeting of Unit Owners called for the purpose of electing Managers. Any or all of said Managers shall be subject to replacement in the event of resignation or death in the manner set forth in Section 6 of this Article.

Section 5. Removal of Members of the Board of Managers. At any regular or special meeting of Unit Owners, any one or more of the members of the Board of Managers may be removed without cause by the affirmative vote of Unit Owners whose aggregate Common Interest exceeds 50% of the Common Interest of the Condominium, and a successor may then and there or thereafter be elected to fill the vacancy thus created.

At any regular or special meeting of the members of the Board of Managers, any one or more of the members of the Board of Managers may be removed for cause by the affirmative vote of the remaining members of the Board of Managers, and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any member of the Board of Managers whose removal has been proposed for cause shall be given an opportunity to be heard at the meeting.

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

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

Section 6. Vacancies. Vacancies on the Board of Managers caused by any reason, other than the removal of a member thereof by a vote of the Unit Owners, shall be filled by a vote of the majority of the remaining members at a special meeting of the Board of Managers held for that purpose, promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Managers until a successor is elected and qualified at the next annual meeting of the Unit Owners. If all members of the Board of Managers die or resign, any Unit Owner may call a special meeting of Unit Owners as provided herein, and Managers for the unexpired term may be elected at such special meeting in the manner provided for their election at the annual meeting. Notwithstanding the foregoing, vacancies of members designated by Sponsor or Sponsor-designee shall be filled only by a person designated by Sponsor or Sponsor-designee.

Section 7. Organization Meeting. The first meeting of the members of the Board of Managers following the annual meeting of the Unit Owners shall be held within ten (10) days thereafter, at such time and place as shall be fixed by a majority of the members of the Board of Managers, elected at the meeting at which they shall have been elected, and no notice shall be necessary to the newly elected members of the Board of Managers in order to legally constitute such meeting, providing a majority of the whole Board of Managers shall be present thereat.

Section 8. Regular Meetings. Regular meetings of the Board of Managers may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Managers, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Managers shall be given to each member of the Board of Managers, by mail, at least five (5) business days prior to the day named for such meeting. The business to be transacted at any regular meeting of the Board of Managers need not be specified in the notice of such meeting.

Section 9. Special Meetings. Special meetings of the Board of Managers may be called by the President on three (3) business days' notice to each member of the Board of Managers. Notice of special meetings shall be given by mail or personal delivery to each member of the Board of Managers and shall state the time, place and purpose of the meeting. Special meetings of the Board of Managers shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) members of the Board of Managers.

Section 10. Waiver of Notice. Any member of the Board of Managers may at any time waive notice of any meeting of the Board of Managers in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Managers at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board of Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 11. Quorum of Board of Managers. At all meetings of the Board of Managers, a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board of Managers present at a meeting at which a quorum is present shall constitute the decision of the Board of Managers. If, at any meeting of the Board of Managers, there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time, without notice other than the announcement at the meeting, until a quorum shall be present. At any such adjourned meeting at which a quorum is present, any business, which might have been transacted at the meeting originally called, may be transacted without further notice. Any action required or permitted to be taken by the Board of Managers or any committee thereof may be taken without a meeting if all members of the Board consent in writing to the adoption of a resolution authorizing such action, and the writing or writings are filed with the minutes of the proceedings of the Board or the committee.

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

Section 12. Fidelity Bonds. The Board of Managers may obtain fidelity bonds in the amount of $50,000.00 or more for all officers and employees of the Condominium handling or responsible for Condominium funds and for the managing agent. The premiums on such bonds, if obtained, shall constitute a Common Expense.

Section 13. Compensation. No member of the Board of Managers shall receive any salary or compensation from the Condominium for his or her services as Manager.

Section 14. Liability of the Board of Managers. The members of the Board of Managers shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall severally indemnify and hold harmless each of the members of the Board of Managers against any liability or claims except those arising out of the bad faith or willful misconduct of the members of the Board of Managers. A Unit Owner's liability is limited to such proportionate share of the total liability as the Common Interests of such Unit Owner bear to the aggregate Common Interest of all Unit Owners and such Unit Owner's interest in his or her Unit's and its appurtenant Common Interest, unless otherwise provided by law. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium within the scope of their authority. It is possible that the original Board of Managers may contract with Sponsor and affiliated corporations without fear of being charged with self-dealing, however the Board shall at all times uphold its fiduciary duty to the Unit Owners, notwithstanding anything to the contrary. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers or out of the aforesaid indemnity in favor of the members of the Board of Managers shall be limited to such proportion of the total liability thereunder as his or her interest in the Common Elements bears to the interests of all the Unit Owners in the Common Elements. Every agreement made by the Board of Managers or by the managing agent or by the manager, on behalf of the Condominium, shall provide that the members of the Board of Managers, or the managing agent, or the manager, as the case may be, are acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his or her interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

Section 15. Executive Committee. The Board of Managers may, by resolution duly adopted, appoint an Executive Committee to consist of three (3) members of the Board of Managers, at least one of whom shall be a member designated by Sponsor or Sponsor-designee, so long as Sponsor or Sponsor-designee has the right to designate a member of the Board. Such Executive Committee shall have and may exercise all the powers of the Board of Managers in the management of the business and affairs of the Condominium during the intervals between the meetings of the Board of Managers insofar as may be permitted by law, except that the Executive Committee may not exercise any of the powers set forth in subdivisions (b), (e), (g), (h), (i) and (o) of Section 2 of Article II.

Section 16. Other Committees. The Board of Managers may, by resolution, create such other committees as it shall deem appropriate and such committees shall have such powers and

authority as the Board of Managers shall vest therein. The members of any such committee, at least one of whom shall be designated by Sponsor or Sponsor-designee, so long as Sponsor or Sponsor-designee has the right to designate a member of the Board, shall be appointed by the President of the Condominium. The members of any such committee need not be a member of the Board of Managers, but must be eligible to be elected to the Board of Managers. Such committee shall not have power to do any act, which the Executive Committee may not do under Section 15 of Article II.

ARTICLE III
UNIT OWNERS

Section 1. Annual Meetings.

A. Within thirty (30) days after the closing of title to Units whose aggregate Common Interest equals more than 50%, or three (3) years after the first closing, whichever is sooner, Sponsor shall call a special Unit Owners meeting for the purpose of electing a Board of Managers. At such meeting, the Board of Managers shall resign and a new Board shall be elected by the Unit Owners. Thereafter, annual meetings shall be held on or about the anniversary of such date each succeeding year. At such meetings, there shall be elected by ballot of the Unit Owners a Board of Managers in accordance with the requirements of Article II of these By-Laws. The Unit Owners may also transact such other business of the Condominium as may properly come before them.

B. Sponsor or Sponsor-designee will retain voting control of the Board of Managers for three (3) years after the closing of title to the first Unit or whenever the Unsold Units constitute, less than 50% of the Common Interests, whichever is sooner. Sponsor or Sponsor-designee, during the time there are Unsold Units, will have the right to, and intends to, vote the percentage of Common Interests allocated to such Units, but subsequent to its relinquishing voting control of the Board of Managers Sponsor or Sponsor-designee will not use such vote to elect a particular individual to the Board of Managers, which would, by the election of such individual, give Sponsor or Sponsor-designee voting control of the Board. So long as Sponsor or Sponsor-designee will continue to own Unsold Units Sponsor or Sponsor-designee will have the right to elect one (1) member of the Board of Managers. The Unit Owners may transact such other business at such meetings as may properly come before them.

Section 2. Place of Meetings. Meetings of the Unit Owners shall be held at the principal office of the Condominium or at such other suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the Unit Owners as directed by the Board of Managers or upon a petition signed by a majority of the Unit Owners as defined in Section 9 of this Article III having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice for such meeting.

Section 4. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting of the Unit Owners, at least ten (10) days but not more than thirty (30) days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record, at the building or at such other address as such Unit Owner shall have designated by notice in writing to the Secretary. The mailing of a notice of meeting in the manner provided for in this Section shall be considered service of notice.

Section 5. Adjournment of Meetings. If any meeting of Unit Owners cannot be held because a quorum is not present, a majority of the Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting from time to time, without notice other than the announcement at the meeting, until a quorum shall be present. No such adjourned meeting shall be held earlier than 48 hours from the time the prior meeting was called.

Section 6. Order of Business. The order of business at all meetings of the Unit Owners shall be as follows:

(a) call to order;
(b) roll call and presentation and examination of proxies;
(c) presentation of proof of due calling of meeting;
(d) reading of minutes of previous meeting;
(e) reports of officers;
(f) report of Board of Managers;
(g) reports of committees;
(h) appointment of inspectors of election (when so required);
(i) election of members of the Board of Managers (when so required);
(j) unfinished business;
(k) new business;
(l) adjournment.

Section 7. Title to Units. Title to Units may be taken in the name of an individual or in the names of two (2) or more persons, as joint tenants, tenants-in-common, tenants by the entirety or in the name of a corporation or partnership, or in the name of a fiduciary or trust, estate, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity permitted to own real property in the State of New York. The term "Unit Owner" as used in these By-Laws shall include any person, group of persons, association or entity taking title as set forth in this Section. The above shall not constitute consent of any activity not permitted under existing certificates of occupancy, zoning requirements or other applicable law or regulation.

Section 8. Voting. The Owner or Owners of each Unit, or some person designated by such Owner or Owners to act as proxy on their behalf, who need not be an Owner, shall be entitled to cast the votes appurtenant to such Unit at all meetings of Unit Owners. The designation of any such proxy shall be made in writing but need not be acknowledged or witnessed and shall be filed with the Secretary at or previous to the time of the meeting and shall be revocable at any time by written notice to the Secretary by the Owner or Owners so

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

Section 9. Majority of Unit Owners. As used in these By-Laws the term "majority of Unit Owners" shall mean those Unit Owners having greater than 50% of the total authorized votes of all Unit Owners present in person or by proxy and voting at any meeting of the Unit Owners, determined in accordance with the provisions of Section 8 of this Article III.

Section 10. Quorum. Except as otherwise provided for in these By-Laws, the presence in person or by proxy of a majority of Unit Owners shall constitute a quorum at all meetings of the Unit Owners.

Section 11. Majority Vote. The vote of a majority of Unit Owners at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes except where, in the Declaration or these By-Laws or by law, a higher percentage vote is required.

Section 12. Action Without Meeting. Any action required or permitted to be taken by the Unit Owners may be taken without a meeting if the number of Unit Owners required by the Declaration, these By-Laws or applicable law, consent in writing to the adoption of a resolution authorizing such action and the writing or writings are filed with the records of the Condominium.

ARTICLE IV
OFFICERS

Section 1. Designation. The principal officers of the Condominium shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Managers. The Board of Managers may appoint an Assistant Treasurer, an Assistant Secretary, and such other officers as in its judgment may be necessary. The President and Vice President, but no other officers, each must be both a member of the Board of Managers and either a Unit Owner, the principal or officer of a Unit Owner, or the spouse of a Unit Owner.

Section 2. Election of Officers. The officers of the Condominium shall be elected annually by the Board of Managers at the organization meeting of each new Board of Managers and shall hold office at the pleasure of the Board of Managers and until their successors are elected.

Section 3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Managers, any officer may be removed, either with or without cause, and his or her successor may be elected at any regular meeting of the Board of Managers, or at any special meeting of the Board of Managers called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Condominium. He shall preside at all meetings of the Unit Owners and of the Board of Managers. He shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York, including but not limited to, the power to appoint members of committees created by the Board of Managers from among the Unit Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium.

Section 5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Managers shall appoint some other member of the Board of Managers to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Managers or by the President.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Board of Managers; he shall have charge of such books and papers as the Board of Managers may direct; and he shall in general perform all the duties incident to the office of secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 7. Treasurer. The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. He shall be responsible for the deposit of all moneys and other valuable effects in the name of the Board of Managers, or the managing agent, in such depositories as may from time to time be designated by the Board of Managers, and he shall, in general, perform all the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 8. Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any two (2) officers of the Condominium or by such other person or persons as may be designated by the Board of Managers.

Section 9. Compensation of Officers. No officer shall receive any salary or compensation from the Condominium for his or her services as officer.

Section 10. Liability of Officers. The officers of the Condominium shall have the same rights and liabilities as the members of the Board of Managers under Article II Section 14 of these By-Laws.

ARTICLE V
NOTICES

Section 1. Definition. Whenever, under the provisions of the Declaration or of these By-Laws, notice is required to be given to the Board of Managers, any manager, Unit Owner or mortgagee, it shall not be construed to mean personal notice; but such notice may be given in writing, by mail, by depositing the same in a post office or letter box, in a postpaid sealed wrapper, addressed to the Board of Managers, any manager, Unit Owner or mortgagee at such address as appears on the books of the Condominium. Members of the Board of Managers may be given notice in writing personally delivered to them.

Section 2. Service of Notice Waiver. Whenever any notice is required to be given under the provisions of the Declaration or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

Section 3. Service on Mortgagee. The Board of Managers shall give the mortgagee and guarantor of the mortgage on any Unit in the condominium timely written notice of:

(a) any condemnation or casualty loss that affects either a material portion of the condominium or the Unit securing its mortgage;
(b) any sixty (60) day delinquency in the payment of assessments or charges owed by the owner of any Unit on which it holds the mortgage;
(c) a lapse, cancellation, or material modification of any insurance policy maintained by the homeowners' association; and
(d) any proposed action that requires the consent of a specified percentage of mortgagees.

ARTICLE VI
OPERATION OF THE PROPERTY

Section 1. Determination of Common Expenses and Fixing of Common Charges. The Board of Managers shall from time to time, at least annually, prepare a budget for the Condominium, determine the amount of Common Charges payable by the Unit Owners to meet the Common Expenses of the Condominium and allocate and assess such Common Charges among the Unit Owners according to their respective Common Interests. The Board of Managers, in apportioning expenses for insurance on the Building may take into consideration

higher premium rates on some units than on others. The Common Expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Managers pursuant to the provisions of Section 2 of this Article VI and the fees and disbursements of the Insurance Trustee, if any.

The Common Expenses shall also include such amounts as the Board of Managers may deem proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Condominium for a general operating reserve, and for a reserve fund for capital expenditures only, to make up any deficit in the Common Expenses for any prior year.

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

The Board of Managers shall also, where necessary, impose an assessment or additional Common Charge in order to meet any unanticipated Common Expense. The Board of Managers shall advise all Unit Owners, promptly, in writing, of the amount of Common Charges payable by each of them, respectively, as determined by the Board of Managers, as aforesaid, and shall furnish copies of each budget on which such charges are based, to all Unit Owners and to their mortgagees, if so required.

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

Section 2. Insurance. The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance:

(a) fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring the Building containing the Units (including all of the Units and the fixtures initially installed therein by Sponsor or by prior construction and any other property usual to the servicing and general occupancy, but not including improvements, furniture, furnishings or other personal property supplied or installed by Unit Owners), together with all service machinery and equipment contained therein and covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees as their interests may appear, in an amount to be determined by the Board of Managers but in no event to be less than eighty 80% of the full replacement cost of the Building, including the above noted items, but exclusive of footings and foundations, as approved by a fire insurance company or a qualified insurance broker; each of said policies shall contain a Condominium Property Endorsement and a New York standard mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such

mortgagee as its interest may appear, subject however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee, if any, as herein provided;

(b) worker's compensation insurance if the Condominium has employees; and

(c) such other insurance as the Board of Managers may determine.

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

All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro-rata liability of the insured as a result of any insurance carried by Unit Owners or of invalidity arising from any acts of the insured or any Unit Owners, and the individual Unit Owners as well as the Condominium shall be primary insureds to the extent as their interests shall also appear. Such policies may not be cancelled or substantially modified without at least ten (10) days prior written notice to all of the insureds, including all mortgagees of Units. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of Units at least ten (10) days prior to expiration of the then current policies if so requested in writing by them.

The Board of Managers shall also be required to obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Board of Managers may from time to time determine, covering each member of the Board of Managers, the managing agent, the manager and each Unit Owner. Such public liability coverage shall also cover cross-liability claims of one insured against another. Until the first meeting of the Board of Managers elected by the Unit Owners the public liability insurance will be in a limit of at least $1,000,000.00 covering all claims for bodily injury with respect to any one occurrence.

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

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

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

Section 3. Repair or Reconstruction After Fire or Other Casualty. In the event of a fire or other casualty which damages or destroys less than 75% of the Building containing the Units, the Board of Managers shall arrange for the prompt repair and restoration of the Building containing the Units (including any damaged Units, and any kitchen and bathroom fixtures and floor coverings initially installed therein by Sponsor, but not including any wall, ceiling or floor decorations or coverings or other improvements, furniture, furnishings, fixtures, appliances or equipment installed in the Units by the Unit Owners), and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies in appropriate progress payments for distribution to the contractors engaged in such repairs and restoration. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a Common Expense and the Board of Managers may assess all the Unit Owners for such deficit as part of the Common Charges.

If 75% or more of the Building containing the Units is destroyed or substantially damaged and Unit Owners whose percentage of Common Interest totals 75% in the aggregate of the total Common Interest do not duly and promptly resolve to proceed with repair or restoration, the Property shall be subject to an action for partition at the suit of any Unit Owner or lienor, as if owned in common, in which event the net proceeds of sale, together with the net proceeds of insurance policies (or if there shall have been a repair or restoration pursuant to the first paragraph of this Section 3, and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration, then the excess of such insurance proceeds) shall be divided by the Board of Managers or the Insurance Trustee, as the case may be, among all the Unit Owners in proportion to their respective Common Interest, after first paying out of the share of each Unit Owner the amount of any unpaid liens on his or her Unit, in the order of the priority of such liens.

Whenever in this Section the words “promptly repair” are used it shall mean repairs are to begin not more than sixty (60) days from the date the Insurance Trustee notified the Board of Managers and the Unit Owner or Unit Owners that it shall hold proceeds of insurance funds sufficient to pay the estimated costs of such work; or not more than ninety (90) days after the Insurance Trustee notified said Board of Managers and Unit Owner or Unit Owners that such funds are insufficient to pay said estimated costs and advising them of the amount of the required completion bond, if necessary. If there is no Insurance Trustee, then the aforementioned sixty (60) and ninety (90) day periods shall be from the date of notification by an insurance adjuster retained by the Board of Managers. Wherever the words, “promptly resolve” are used it shall mean not more than sixty (60) days from the date of receipt of said insurance funds.

Section 4. Payment of Common Charges. All Unit Owners shall be obligated to pay the Common Charges assessed by the Board of Managers pursuant to the provisions of Section 1 of this Article VI at such time or times as the Board of Managers shall determine.

No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against his or her Unit subsequent to a sale, transfer or other conveyance by him (made in accordance with the provisions of Section 1 of Article VIII of these By-Laws) of such Unit, together with the Appurtenant Interests, as defined in Section 1 of Article VIII hereof. In addition, any Unit Owner may, subject to the terms and conditions specified in these By-Laws,

provided that his or her Unit is free and clear of liens and encumbrances, other than permissible mortgages and the statutory lien for unpaid Common Charges, convey his or her Unit, together with the "Appurtenant Interests" to the Board of Managers or its designee, corporate or otherwise on behalf of all other Unit Owners, and in such event be exempt from Common Charges thereafter assessed. Purchaser of a Unit shall be liable for the payment of Common Charges assessed and unpaid against such Unit prior to the acquisition by him of such Unit.

However, any first mortgagee who obtains title to a condominium Unit pursuant to the remedies in the mortgage or through foreclosure will not be liable for more than six (6) months of the Unit's unpaid regularly budgeted common charges accrued before acquisition of the title to the Unit by the mortgagee. Any first mortgagee who obtains title to a condominium Unit pursuant to the remedies in the mortgage or through foreclosure will be liable for any fees or costs related to the collection of the unpaid common charges.

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

Section 6. Default in Payment of Common Charges or Assessments. In the event of default by any Unit Owner in paying to the Board of Managers the Common Charges or any assessment as determined by the Board of Managers, such Unit Owner shall be obligated to pay interest at the highest legal rate on such Common Charges or assessments from the due date thereof, together with all expenses, including late fees charged by the Board of Managers and attorneys' fees incurred by the Board of Managers in any proceeding brought to collect such unpaid Common Charges or assessments. The Board of Managers shall have the right and duty to attempt to recover such Common Charges or assessments, together with interest thereon, and the expenses of the proceeding, including attorneys' fees, in an action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit granted by Section 339-z of the Real Property Law of the State of New York, in the manner provided in Section 339-aa of the Real Property Law of the State of New York. A Unit Owner defaulting in the payment of Common Charges or assessments shall not be permitted to vote at any regular or special meeting of Unit Owners.

SPONSOR SHALL CAUSE THE BOARD OF DIRECTORS TO FILE A LIEN AS PROVIDED FOR IN SECTION 339-aa OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK ON UNITS IN WHICH SPONSOR IS MORE THAN THIRTY (30) DAYS IN ARREARS OF COMMON CHARGES WHILE IT IS IN CONTROL OF THE BOARD OF MANAGERS.

Section 7. Foreclosure of Liens for Unpaid Common Charges. In any action brought by the Board of Managers to foreclose a lien on a Unit because of unpaid Common Charges, the Unit Owner shall be required to pay a reasonable rental for the use of his or her Unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of all Unit Owners, shall have the power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage, convey or otherwise deal with the same (but not to vote the votes appurtenant to). A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing the same.

Section 8. Statement of Common Charges and Assessments. The Board of Managers, managing agent or manager shall promptly provide any Unit Owner so requesting the same in writing, with a written statement of all unpaid Common Charges due from such Unit Owner.

Section 9. Abatement and Enjoinment of Violations by Unit Owners. The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-law contained herein, or the breach of any provision of the Declaration, shall give the Board of Managers the right, in addition to any other right set forth in these By-Laws:

(a) upon reasonable notice to the Unit Owner, to enter the Unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof (provided, however, that no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Property of the Condominium or for the safety of residents of the Condominium or other persons or required to avoid the suspension of any necessary service to the Condominium); or

(b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach; and

(c) in any event, to charge the Unit Owner with the cost of reasonable legal and other fees and costs incurred in enjoining, abating or remedying such violation, which costs and fees shall be deemed a Common Charge against the Unit Owner.

Section 10. Maintenance and Repairs.

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

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

(a) by the Board of Managers as a Common Expense, if such Limited Common Element involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, all necessary waterproofing of the Limited Common Elements except as set forth below, and the repair of any leaks that are not caused by the acts or omissions of the Unit Owner, having direct and exclusive access thereto), or

(b) the Unit Owner having direct and exclusive access thereto at his or her sole cost and expense, if involving non-structural ordinary maintenance, repairs or replacements, including but not limited to painting, decorating and/or maintenance, waterproofing, repair and/or replacement of decking, tile or railings and/or means of terrace or balcony access constructed or installed by or at the request of the Unit Owner, or as a result of the Unit Owner's negligence, misuse or neglect.

Section 11. Restrictions on Use of the Units, the Common Elements and the Limited Common Elements. In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of the Property shall be restricted to and shall be in accordance with the following provisions:

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

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

(a) to maintain general, sales or leasing offices in one or more or elsewhere on the Property, to use one or more Units as models and for other promotional purposes and to erect and maintain signs on the Property;

(b) to have its employees, contractors and sales agents present on the Property;

(c) to do all things necessary or appropriate, including the use of the Common Elements, to sell or lease Units and to complete construction of the Building or Units and to comply with its obligations.

B. The Common Elements and the Limited Common Elements may only be used for the furnishing of the services and facilities for which they are reasonably suited and which are incidental to the use and occupancy of Units. However, the Common Elements and the Limited

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

C. The storage spaces may only be used for the storage of personal effects of Unit Owners. In no event shall any (a) valuable items, (b) animals, (c) food or other perishable items, (d) hazardous substances, (e) flammable, combustible, explosive or other dangerous items, (f) items which have an objectionable odor or which may spoil or decay, or (g) items which may impose a health or safety threat or cause dirt or other sanitary problems or create a nuisance, be stored therein. A storage space may not be legally used for any residential uses including bedroom, dining room, or any other use considered to be a habitable space as defined by the New York City Building Code. The use of a storage space as a living or sleeping space may result in a building code violation being issued against the Building and the imposition of fines against the Building. The Unit Owner, who caused the violation, will be obligated to remove it and pay all fines associated with the violation.

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

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

F. No portion of a Unit other than the entire Unit, including any Limited Common Elements appurtenant thereto, may be rented.

Section 12. Additions, Alterations or Improvements by the Board of Managers. Subject to the provisions of Section 2 of Article II of these By-Laws, whenever in the judgment of the Board of Managers the Common Elements shall require additions, alterations or improvements (but not maintenance) costing in excess of $50,000.00, and the making of such additions, alterations or improvements shall have been approved by a majority of the Unit Owners, the Board of Managers shall proceed with such additions, alterations or improvements and shall assess all Unit Owners for the cost thereof as a Common Expense. Any additions, alterations or improvements costing $50,000.00 or less may be made by the Board of Managers without approval of the Unit Owners and the cost thereof shall constitute part of the Common Expenses.

Section 13. Additions, Alterations or Improvements by Unit Owners. Except as provided below, no Unit Owner shall make any addition, alteration or improvement in or to his

or her Unit which is structural or which affects the exterior of the Building or the value of other Units, without the prior written consent thereto of the Board of Managers which consent shall not be unreasonably withheld. Any requests for consent to make additions, alterations or improvement in a Unit which is structural in nature, or affects the exterior of the Building of the value of other Unit, must be made via certified mail with return receipt. The Board of Managers must grant or deny such consent within thirty (30) days of receiving a request for such consent. If such request is neither granted nor denied within forty five (45) days of receipt of the notice, such request shall be deemed granted. In connection with the approval of any addition, alteration or improvement by a Unit Owner as required herein, the Board of Managers may require that such Unit Owner enter into a written agreement, reasonably satisfactory to the Board of Managers, regarding such work. Such agreement may include, but shall not be limited to, provisions for adequate insurance, indemnification of the Condominium and the Board of Managers, submission of all plans and specifications to the Board of Managers, and restrictions on the hours during which the work may be done. Any application to any department of the City of New York or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any Unit shall be executed by the Board of Managers only, without however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom.

In the event the Board of Managers grants its consent to any addition, alteration or improvement to be made by a Unit Owner in accordance with the provisions of this Section 13, such consent shall be deemed to provide that any such work shall be at the Unit Owner's sole cost and expense, that work shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances, that all work shall be done by reputable contractors with adequate liability, property damage and worker's compensation insurance (certificates of which shall be delivered to the Board of Managers prior to the commencement of construction), that any additions, alterations or improvements, shall be maintained in their entirety by said Unit Owner who shall also be responsible for any repairs, including structural repairs, to such area in any event, and to the Unit and any Common Elements where such repairs become necessary, due to additional stresses caused by such addition, alteration, or improvement, or due to improper design or construction of such addition, alteration, or improvement, and such approval shall further provide that the Unit Owner shall reimburse the Board of Managers for any out-of-pocket expenses incurred by the Board of Managers in connection with the granting of such approval and for any services provided in connection with such addition, alteration, or improvement; such expenses may include, but shall not be limited to, any fees of an attorney and/or fees of an architect consulted in connection with any request by a Unit Owner for approval of such work.

The provisions of this Section 13, which require the consent of the Board of Managers in connection with an addition, alteration or improvement in or to a Unit, which is structural or which affects the exterior of the Building or the value of other Units shall not apply to Units owned by Sponsor or Sponsor-designee. Sponsor or Sponsor-designee shall not need such consent. All other provisions of this Section 13 shall apply to all Units. For example, with respect to such addition, alteration or improvement to a Sponsor-owned Unit, such work shall be at the sole cost and expense of Sponsor or Sponsor-designee, and shall be done in accordance

with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances. All work must be done by reputable contractors with adequate liability, property damage and Workers Compensation insurance (certificates of which shall be delivered to the Board of Managers prior to the commencement of construction). Any such additions, alterations or improvements, shall be maintained in their entirety by Sponsor or Sponsor-designee, as the case may be, who shall also be responsible for any repairs, including structural repairs, to such area in any event, and to the Unit and any Common Elements where such repairs become necessary, due to additional stresses caused by any addition, alteration, or improvement, or due to improper design or construction of the structural addition, alteration, or improvement. Additionally, Sponsor or Sponsor-designee, as the case may be, shall reimburse the Board of Managers any reasonable out-of-pocket expenses incurred by the Board of Managers for any services provided in connection with such addition, alteration, or improvement.

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

Section 14. Use of Common Elements and Facilities. A Unit Owner shall not place or cause to be placed in the lobby, public halls, stairways or other common areas or common facilities, any furniture, packages or objects of any kind. The public halls and stairways shall be used for no purpose other than for normal transit through them. Sponsor and Sponsor-designee shall have the right to use the Common Elements, without the vote or consent of the Board of Managers, other Unit Owners or the holders of Unit mortgages, for the purposes set forth in Section 11 of this Article VI.

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

Section 16. Rules of Conduct. Rules and regulations concerning the use of the Units and the Common Elements may be promulgated and amended by the Board of Managers. The vote of a majority of Unit Owners at a meeting may overrule the Board. Copies of such Rules

and Regulations shall be furnished by the Board of Managers to each Unit Owner prior to the time when the same shall become effective. Initial Rules and Regulations, which shall be effective until amended by the Board of Managers are annexed hereto and made a part hereof as Schedule A. Notwithstanding this provision, for as long as Sponsor or Sponsor-designee remains the Owner of one or more Units, the Rules and Regulations of the Condominium may not be amended or modified in any way so as to adversely affect Sponsor or Sponsor-designee without Sponsor's prior written consent.

Section 17. Water Charges and Sewer Rents. Water shall be supplied to all of the Units and the Common Elements through one building meter and, the Board of Managers shall pay, as a Common Expense, all charges for water consumed by the Units together with all related sewer rents arising therefrom, promptly after the bills for the same shall have been rendered. In the event of a proposed sale of a Unit by the Owner thereof, the Board of Managers, on request of the selling Unit Owner, shall execute and deliver to Purchaser of such Unit or to Purchaser's title insurance company, a letter agreeing to pay all charges for water and sewer rents affecting the Unit as of the date of closing of title to such Unit, promptly after such charges shall have been billed.

Section 18. Utilities. Except for telephone, cable and air-conditioning service, gas and electricity in each Unit all utilities shall be paid for by the Condominium as a Common Expense.

Section 19. Vault Charges. All license fees and all periodic taxes and charges for street vaults or other protrusions, if any, beyond the lot line shall be paid by the Board of Managers as a Common Expense.

ARTICLE VII
MORTGAGES

Section 1. Notice to the Board of Managers. A Unit Owner who mortgages his or her Unit shall notify the Board of Managers of the name and address of his or her mortgagee and shall file a conformed copy of the note and mortgage with the Board of Managers; the Board of Managers shall maintain such information in a book entitled “Mortgages of Units.”

Section 2. Notice of Unpaid Common Charges. The Board of Managers shall promptly notify any mortgagee of a Unit of such Unit Owner's default, including non-payment of Common Charges, in the obligations of such Unit Owner under the Declaration, By-Laws, Rules and Regulations, as the same are amended from time to time, or in any order of the Board of Managers issued with respect thereto.

Section 3. Notice of Default. The Board of Managers, when giving notice to a Unit Owner of a default in paying Common Charges or other default, shall send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has heretofore been furnished to the Board of Managers.

Section 4. Examination of Books. Each Unit Owner and each mortgagee of a Unit shall be permitted to examine the books of account of the Condominium, during business days, at reasonable times, upon reasonable notice to the manager, managing agent or Board of Managers.

ARTICLE VIII
SALES, LEASES, GIFTS AND MORTGAGES OF UNITS

Section 1. Sales and Leases. Each Unit Owner has the right to sell or lease his or her Unit without any restrictions, unless specifically set forth herein.

Section 2. No Severance of Ownership. No Unit Owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to his or her Unit without including therein the Appurtenant Interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit to which such interest or interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the Appurtenant Interests of all Units.

Section 3. Financing of Purchase of Units by the Board of Managers. Acquisition of Units by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, may be made from the working capital and Common Charges in the possession of the Board of Managers, or, if such funds are insufficient, the Board of Managers may levy an assessment against each Unit Owner, other than the offering Unit Owner, in proportion to his or her ownership in the Common Elements, as a Common Charge, which assessment shall be enforceable in the same manner as provided in Section 6 and 7 of Article VI, or, the Board of Managers, in its discretion, may borrow money to finance the acquisition of such Unit, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the Unit, together with the Appurtenant Interests, so to be acquired or leased by the Board of Managers.

Section 4. Gifts and Devises, etc. Each Unit Owner has the right to convey or transfer his or her Unit by gift or to devise his or her Unit by will, or pass the same by intestacy, without any restrictions, unless specifically set forth herein.

Section 5. Waiver of Right of Partition with Respect to Such Units as are Acquired by the Board of Managers or its designee, on Behalf of All Unit Owners as Tenants in Common. In the event that a Unit shall be acquired by the Board of Managers or its designee, corporate or otherwise on behalf of all Unit Owners as tenants in common, all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Unit.

Section 6. Payment of Common Charges and Assessments. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his or her Unit unless and until

he or she shall have paid in full to the Board of Managers all unpaid Common Charges and assessments theretofore assessed by the Board of Managers against his or her Unit and until he or she shall have satisfied all unpaid liens against such Unit, except permitted mortgages.

Section 7. Mortgage of Units. Each Unit Owner has the right to mortgage his or her Unit without any restrictions, unless specifically set forth herein.

Prior to or simultaneously with the closing of any mortgage, the Unit Owner must satisfy all arrearages for unpaid Common Charges or assessments and discharge any liens therefor.

ARTICLE IX
CONDEMNATION

Section 1. Condemnation. In the event of a taking in condemnation or by eminent domain of part or all of the Common Elements, the award made for such taking shall be payable to the Board of Managers, if such award amounts to $50,000.00 or less, and to the Insurance Trustee, if any, if such award amounts to more than $50,000.00. If 75% or more of the Unit Owners duly and promptly approve the repair and restoration of such Common Elements, the Board of Managers or the Insurance Trustee, as the case may be, shall arrange for the repair and restoration of such Common Elements, and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event that 75% or more of the Unit Owners do not duly and promptly approve the repair and restoration of such Common Elements, the Board of Managers shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds where there is no repair or restoration of the damage, as provided in Section 3 of Article VI of these By-Laws. As used in this Section, the words "promptly approve" shall mean not more than sixty (60) days from the date of such taking.

ARTICLE X
RECORDS

Section 1. Records and Audits. The Board of Managers or the managing agent or manager shall keep detailed records of the actions of the Board of Managers and the managing agent or manager, minutes of the meetings of the Board of Managers, minutes of the meetings of the Unit Owners, and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each Unit which, among other things, shall contain the amount of each assessment of Common Charges against such Unit, the date when due, the amounts paid thereon, and the balance remaining unpaid. In addition, it is the obligation of the Board of Managers of the Condominium to give to all Unit Owners annually, the following:

(a) the financial statement of the Condominium prepared by a certified public accountant or, public accountant within one hundred fifty (150) days after the end of each calendar year for the prior fiscal year;
(b) prior notice of the annual Unit Owner's meeting;
(c) a copy of the proposed annual budget, if any, of the Condominium.

ARTICLE XI
MISCELLANEOUS

Section 1. Invalidity. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

Section 2. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws, or the intent of any provision thereof.

Section 3. Gender. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 4. Waiver. No restriction, condition, obligation or provision contained in these By-Laws, shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 5. Insurance Trustee. The Insurance Trustee, if selected, shall be a bank, trust company or savings and loan association in the State of New York, designated by the Board of Managers (with the approval of each of the holders of Unit first mortgages). In the event that the Insurance Trustee shall resign, the new Insurance Trustee shall also be a bank, trust company or savings and loan association in the State of New York, designated by the Board of Managers (with the approval of each of the holders of Unit first mortgages). The Board of Managers shall pay the fees and disbursements of any Insurance Trustee and such fees and disbursements shall constitute a Common Expense of the condominium.

Section 6. Definition of "Mortgagee". As used in these By-Laws, the term "mortgagee" or "holder of a first mortgage" shall include the holder of any construction loan mortgage, which shall be a lien on a Unit.

ARTICLE XII
AMENDMENTS TO THE BY-LAWS

Section 1. Amendment to By-Laws. These By-Laws may be modified or amended by the vote of 66 2/3% in number and in Common Interest of all Unit Owners at a meeting of Unit Owners duly held for such purpose.

No amendment of a material adverse nature to mortgagees shall be made unless agreed to by mortgagees that represent at least 51% of the votes of Units that are subject to mortgages. A mortgagee shall be deemed to have consented to any amendment, which requires the consent of such mortgagee when the mortgagee fails to submit a response to any written proposal for an amendment within sixty (60) days after it receives proper notice of the proposal, provided that the notice was delivered by certified or registered mail, with a "return receipt" requested.

However, for as long as Sponsor or Sponsor-designee remains the Owner of one or more Units, these By-Laws, including the Rules and Regulations of the Condominium attached hereto, may not be amended or modified in any way so as to adversely affect Sponsor or Sponsor-designee, in Sponsor's sole discretion, without Sponsor's prior written consent.

ARTICLE XIII
CONFLICTS

Section 1. Conflicts. These By-Laws are set forth to comply with the requirements of the Condominium Act. In case any of these By-Laws conflict with the provisions of the Condominium Act or of the Declaration, the provisions of the Condominium Act or of the Declaration, as the case may be, shall control.

ARTICLE XIV
ARBITRATION

Section 1. Procedure. Any matter arising out of the Condominium Documents, except for an action to foreclose a lien for unpaid common charges by the Board of Managers or an action seeking injunctive relief, shall be submitted for resolution by a panel of three (3) arbitrators in a proceeding held in the City of New York, which arbitrators shall be appointed as follows: One arbitrator shall be chosen by the Board of Managers, one arbitrator shall be chosen by the Unit Owner and the third arbitrator shall be chosen by the two aforementioned arbitrators. The decision of the arbitrators so chosen shall be given within thirty (30) days after his or her selection or appointment. The decision shall be enforceable in a court of law of competent jurisdiction.

Section 2. Variation by Agreement. The parties to any dispute required or permitted to be resolved by arbitration pursuant to the terms of the Condominium Documents may, by written agreement, vary any of the terms of Section 1 hereof with respect to the arbitration of such dispute or may agree to resolve their dispute in any manner, including, without limitation, the manner set forth in Section 3031 of the Civil Practice Law and Rules of the State of New York and known as "New York Simplified Procedure for Court Determination of Disputes."

Section 3. Binding Effect. The decision in any arbitration conducted pursuant to the terms of Sections 1 and 2 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction. Notwithstanding the foregoing, however, any arbitration held pursuant to the terms of the Condominium Documents with respect to a matter

that arose prior to the first annual meeting of all Unit Owners held pursuant to the terms of Section 3.1 hereof shall be non-binding.

Section 4. Costs and Expenses. (A) The fees, costs and expenses of the arbitrators shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of his or her counsel and expert witnesses. (B) All costs and expenses paid or incurred by the Board of Managers in connection with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses shall constitute Common Expenses.

SCHEDULE A
RULES AND REGULATIONS
OF
THE FRANCESCA CONDOMINIUM

1. Except as set forth above, no industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise, designed for profit, altruism, or otherwise, shall be conducted, maintained or permitted in any part of the Units or Common Elements or Limited Common Elements, nor shall any "For Sale," "For Rent" or "For Lease" signs or other window displays or advertising be maintained or permitted in any Unit therein or adjoining Limited Common Elements, nor shall any Unit be rented for transient, hotel or motel purposes. The right, however, is reserved by Sponsor, Sponsor-designee and the Board of Managers, or its agent, to place "For Sale," "For Rent" or "For Lease" or similar signs on any unsold or unoccupied Unit, and such right is hereby given to any mortgagee, who may become the owner of any Unit, to place such signs on any Unit owned by such mortgagee. Additionally, Sponsor and Sponsor-designee shall have the right, without any limitation whatsoever and without the vote or consent of the Board of Managers, other Unit Owners or the holders of Unit mortgages, to place "For Sale," "For Rent" or "For Lease" signs or similar signs on or in the vicinity of the Building. Sponsor or Sponsor-designee shall be responsible for installing and removing such signs.

2. Except as elsewhere provided, no exterior of any Unit or the windows or doors thereof or any other portions of the Common Elements or the Limited Common Elements shall be painted or decorated by any Owner or in any manner without the prior written consent of the Board of Managers.

3. No furniture, equipment, or other personal articles shall be placed in entrances, hallways, stairways, or other Common Elements.

4. No Unit Owner shall make or permit any noise or objectionable odor that will disturb or annoy the occupants of any of the Units in the Building or do or permit anything to be done therein which will interfere with the rights, comfort, or convenience of other Unit Owners.

5. Each Unit Owner shall keep his or her Unit in a good state of preservation and cleanliness. Nothing shall be hung or shaken from any doors or windows and no Unit Owner shall sweep or throw or permit to be swept or thrown, any dirt or other substances therefrom.

6. No exterior shades, awnings, window guards, ventilators, fans or air-conditioning devices shall be used on or about the Building or Common Elements except such as shall have been approved by the Board of Managers, or as required by law.

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

8. All garbage and refuse from the Building shall be deposited with care in plastic bags or other suitable receptacles intended for such purpose only at such times and in such manner as the Board of Managers may direct.

9. No Unit Owner shall engage any employee of the Condominium for any private business of the Unit Owner without the prior written consent of the Board of Managers.

10. No pigeons or other birds or animals shall be fed from the window sills, terraces, or other public portions of the Building, or on the sidewalk or street adjacent to the Building.

11. No radio or television aerial shall be attached to or hung from the exterior of the Building without the written approval of the Board of Managers. The Board of Managers, upon the request of any Unit Owner, shall allow the installation of any hook-up necessary to provide cable television service to the Units. All radio, television, or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements, or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television, or other electrical equipment.

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

13. The Board of Managers or the Managing Agent may retain a pass-key to each Unit. If any lock is altered or a new lock is installed, the Board of Managers or the Managing Agent shall be provided with a key thereto immediately upon such alteration or installation. If a Unit Owner is not personally present to open and permit an entry to his or her Unit at any time when an entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws, and has not furnished a key to the Board of Managers or the Managing Agent, then the Board of Managers, or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium or an officer of the Managing Agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Unit Owner's property).

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

15. No Unit Owner shall interfere in any manner with any portion of the heating, air-conditioning, or lighting apparatus, which are part of the Common Elements and not part of the Unit Owner's Unit.

16. Nothing shall be done or kept in any Unit or in the Common Elements that will increase the rate of insurance for the Building, or the contents thereof, without the prior written consent of the Board of Managers. No Unit Owner shall permit anything to be done or kept in his or her Unit or in the Limited Common Elements, which will result in the cancellation of

insurance on the Building, or the contents thereof, or that would be in violation of any law. No Unit Owner or any of his or her family members, agents, servants, employees, licensees, or visitors shall, at any time, bring into or keep in his or her Unit or Limited Common Elements any flammable, combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of such Unit.

17. Any damage to the Building or equipment caused by Unit Owners, their guests, tenants, or visitors shall be repaired at the expense of the said Unit Owner.

18. Complaints regarding the management of the Property or regarding the actions of other Unit Owners shall be made in writing to the Board of Managers.

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

20. Children shall not play in the public halls, cellar space, Building exists, Building entrances, stairways, roof or roof landings.

21. The agents of the Board of Managers or the Managing Agent, and any contractor or workmen authorized by the Board of Managers or the Managing Agent, may enter any room in the Building or Unit at any reasonable hour of the day, on at least three (3) days prior notice to the Unit Owner, for the purpose of inspecting such Unit for the presence of any vermin, insects, or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects, or other pests; however, such entry, inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Unit for its permitted purposes.

22. Unit Owners will not clean nor require, permit, suffer or allow any windows to be cleaned from the outside in violation of Section 202 of the Labor Law of the State of New York or the rules of the Board of Standards and Appeals or of any other board or body having or asserting jurisdiction thereof.

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

24. Refuse should not be placed on the sidewalk except on days of collection. Placing refuse on the sidewalk on days other than days of collection may result in a fine or

penalty being levied against the Building. In turn, the Board of Managers will seek compensation for said fine or penalty from the Unit Owner, who caused said fine or penalty.

25. Subject to provisions of the By-Laws, these Rules and Regulations may be added to or repealed at any time by the Board of Managers. Further, any consent or approval given under these Rules and Regulations may, in the discretion of the Board of Managers or the Managing Agent, be conditional in nature, or may be amended, modified, added to or repealed at any time by resolution of the Board of Managers.

26. The cellar of Unit 1, and the Limited Common Elements of the Units such as the rear yard, areaway, balcony and stair, storage spaces, and balconies are uninhabitable spaces. They may not be legally used for any residential uses including bedroom, dining room, or any other use considered to be a habitable space as defined by the New York City Building Code. Their use as a living or sleeping space may result in a building code violation being issued against the Building and the imposition of fines against the Building. The Unit Owner, who caused the violation, will be obligated to remove it and pay all fines associated with the violation.

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

28. Inhaling, exhaling, burning or carrying any lighted or heated cigar, cigarette, little cigar, pipe, water pipe or hookah, herbal cigarette, non-tobacco smoking product (e.g., marijuana or non-tobacco shisha), or any similar form of lighted object or device designed for people to use to inhale smoke, and are not permitted:

[i] inside of the Units;
[ii] anywhere inside of the Building;
[iii] outdoor Common Elements which is front yard; and
[iv] outdoor Limited Common Areas within 15 feet of entrances, exits, windows, and air intake units in the Building.

Section 339-kk of the Real Property Law of the State of New York

§339-kk. Rents

(a) For the purposes of this section, "non-occupying owner" shall mean a unit owner in a condominium association who does not occupy the dwelling unit.

(b) If a non-occupying owner rents any dwelling unit to a rental tenant and then fails to make payments due for common charges, assessments or late fees for such unit within sixty (60) days of the expiration of any grace period after they are due, upon notice in accordance with subdivision (c) of this section, all rental payments from the tenant shall be directly payable to the condominium association.

(c) If the common charges, assessments or late fees due for any unit have not been paid in full, within sixty (60) days after the expiration of any grace period of the earliest due date, the board of managers shall provide written notice to the tenant and the non-occupying owner providing that, commencing immediately and until such time as all payments for common charges, assessments or late fees are made current, all rental payments due subsequent to the issuance of such notice are to be made payable to the condominium association at the address listed on the notice. Where a majority of the board of managers has been elected by and from among the unit owners who are in occupancy, the board may elect not to require that rental payments be made payable to the condominium association. At such time as payments for common charges, assessments and late fees from the non-occupying owner are once again current, notice of such fact shall be given within three (3) business days to the rental tenant and non-occupying owner. Thereafter all rental payments shall be made payable to the non-occupying owner or a designated agent. A non-occupying owner who disputes the association's claim to rental payments pursuant to this section shall be entitled to present facts supporting such owner's position at the next scheduled meeting of the board of managers, which must be held within thirty (30) days of the date that such board receives notice that such owner seeks to dispute such claim.

(d) Nothing in this section shall limit any rights of unit owners or of the board of managers existing under any other law or agreement.

(e) Payment by a rental tenant to the condominium association made in connection with this section shall relieve that rental tenant from the obligation to pay such rent to the non-occupying owner and shall be an absolute defense in any non-payment proceeding commenced by such non-occupying owner against such tenant for such rent.

Article 36-B of the General Business Law of the Real Property Law of the State of New York

§ 777. Definitions

As used in this article, the following terms shall have the following meanings:

1. “Builder” means any person, corporation, partnership or other entity contracting with an owner for the construction or sale of a new home.

2. “Building code” means the uniform fire prevention and building code promulgated under section three hundred seventy-seven of the executive law, local building code standards approved by the uniform fire prevention and building code council under section three hundred seventy-nine of the executive law, and the building code of the city of New York, as defined in title twenty-seven of the administrative code of the city of New York.

3. “Constructed in a skillful manner” means that workmanship and materials meet or exceed the specific standards of the applicable building code. When the applicable building code does not provide a relevant specific standard, such term means that workmanship and materials meet or exceed the standards of locally accepted building practices.

4. “Material defect” means actual physical damage to the following load-bearing portions of the home caused by failure of such load-bearing portions which affects their load-bearing functions to the extent that the home becomes unsafe, unsanitary or otherwise unliveable: foundation systems and footings, beams, girders, lintels, columns, walls and partitions, floor systems, and roof framing systems.

5. “New home” or “home” means any single family house or for-sale unit in a multi-unit residential structure of five stories or less in which title to the individual units is transferred to owners under a condominium or cooperative regime. Such terms do not include dwellings constructed solely for lease, mobile homes as defined in section seven hundred twenty-one of this chapter, or any house or unit in which the builder has resided or leased continuously for three years or more following the date of completion of construction, as evidenced by a certificate of occupancy.

6. “Owner” means the first person to whom the home is sold and, during the unexpired portion of the warranty period, each successor in title to the home and any mortgagee in possession. Owner does not include the builder of the home or any firm under common control of the builder.

7. “Plumbing, electrical, heating, cooling and ventilation systems” shall mean:

a. in the case of plumbing systems: gas supply lines and fittings; water supply, waste and vent pipes and their fittings; septic tanks and their drain fields; water, gas and sewer service piping, and their extensions to the tie-in of a public utility connection, or on-site well and sewage disposal system;

b. in the case of electrical systems: all wiring, electrical boxes, switches, outlets and connections up to the public utility connection; and

c. in the case of heating, cooling and ventilation systems: all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.

8. “Warranty date” means the date of the passing of title to the first owner for occupancy by such owner or such owner’s family as a residence, or the date of first occupancy of the home as a residence, whichever first occurs.

§ 777-a. Housing merchant implied warranty

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

a. one year from and after the warranty date the home will be free from defects due to a failure to have been constructed in a skillful manner;

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

c. six years from and after the warranty date the home will be free from material defects.

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

a. any defect that does not constitute (i) defective workmanship by the builder or by an agent, employee or subcontractor of the builder, (ii) defective materials supplied by the builder or by an agent, employee or subcontractor of the builder, or (iii) defective design provided by a design professional retained exclusively by the builder; or

b. any patent defect which an examination ought in the circumstances to have revealed, when the buyer before taking title or accepting construction as complete has examined the home as fully as the buyer desired, or has refused to examine the home.

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

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

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

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

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

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

§ 777-b. Exclusion or modification of warranties

1. Except in the case of a housing merchant implied warranty, the builder or seller of a new home may exclude or modify all warranties by any clear and conspicuous terms contained in the written contract or agreement of sale which call the buyer’s attention to the exclusion or modification of warranties and make the exclusion or modification plain.

2. Except in the case of a housing merchant implied warranty, the builder or seller of a new home may exclude or modify warranties with respect to particular defects by any clear and conspicuous terms contained in the written contract or agreement of sale which identify such defects, call the buyer’s attention to the exclusion or modification of warranties and make the exclusion or modification plain.

3. A housing merchant implied warranty may be excluded or modified by the builder or seller of a new home only if the buyer is offered a limited warranty in accordance with the provisions of

this subdivision.

a. A copy of the express terms of the limited warranty shall be provided in writing to the buyer for examination prior to the time of the buyer's execution of the contract or agreement to purchase the home.

b. A copy of the express terms of the limited warranty shall be included in, or annexed to and incorporated in, the contract or agreement.

c. The language of the contract or agreement for sale of the home must conspicuously mention the housing merchant implied warranty and provide that the limited warranty excludes or modifies the implied warranty. Language to exclude all implied warranties is sufficient if it states, for example, that "There are no warranties which extend beyond the face hereof."

d. The limited warranty shall meet or exceed the standards provided in subdivisions four and five of this section.

4. A limited warranty sufficient to exclude or modify a housing merchant implied warranty must be written in plain English and must clearly disclose:

a. that the warranty is a limited warranty which limits implied warranties on the sale of the home; the words "limited warranty" must be clearly and conspicuously captioned at the beginning of the warranty document;

b. the identification of the names and addresses of all warrantors;

c. the identification of the party or parties to whom the warranty is extended and whether it is extended to subsequent owners; the limited warranty must be extended to the first owner of the home and survive the passing of title but may exclude any or all subsequent owners;

d. a statement of the products or parts covered by the limited warranty;

e. the clear and conspicuous identification of any parts or portions of the home or premises that are excepted or excluded from warranty coverage, and the standards that will be used to determine whether a defect has occurred; provided, however, that:

i. any exception, exclusion or standard which does not meet or exceed a relevant specific standard of the applicable building code, or in the absence of such relevant specific standard a locally accepted building practice, shall be void as contrary to public policy and shall be deemed to establish the applicable building code standard or locally accepted building practice as the warranty standard; and

ii. any exception, exclusion or standard that fails to ensure that the home is habitable, by permitting conditions to exist which render the home unsafe, shall be void as contrary to public policy.

f. what the builder and any other warrantor will do when a defect covered by the warranty does arise, and the time within which the builder and any other warrantor will act;

g. the term of the warranty coverage and when the term begins, provided, however, that such term shall be equal to or exceed the warranty periods of a housing merchant implied warranty, as defined in subdivision one of section seven hundred seventy-seven-a of this article;

h. step-by-step claims procedures required to be undertaken by the owner, if any, including directions for notification of the builder and any other warrantor; an owner shall not be required to submit to binding arbitration or to pay any fee or charge for participation in nonbinding arbitration or any mediation process;

i. any limitations on or exclusions of consequential or incidental damages, and any limitations on the builder's and other warrantor's total liability, conspicuously expressed on the first page of the warranty. Notwithstanding the foregoing, a limited warranty shall not be construed to permit any limitation on or exclusion of property damage to the home proximately caused by a breach of the limited warranty, where the court finds that such limitation or exclusion would cause the limited warranty to fail of its essential purpose, except that such property damage may be limited by an express limitation on the builder's or other warrantor's total liability in accordance with the provisions of this paragraph.

5. a. This article shall not be construed to authorize or validate any covenant, promise, agreement or understanding which is void and unenforceable under section 5-322.1 of the general obligations law.

b. This article shall preempt any local law inconsistent with the provisions of this article. This article shall not preempt any builder subject to its provisions from complying with any local law with respect to the regulation of home builders except as expressly provided herein.

c. Nothing in this article shall be construed to repeal, invalidate, supersede or restrict any right, liability or remedy provided by any other statute of the state, except where such construction would, as a matter of law, be unreasonable.

The City of New York – Local Law No. 1

Local Law 1 of 2004 ("Local Law 1") is a comprehensive law concerning the prevention of childhood lead poisoning through the remediation of lead paint hazards in housing, which became effective on August 2, 2004. This Bill replaced Local Law 1 of 1982 and Local Law 38 of 1999 – both of which provided inadequate protection to children and was ultimately struck down by New York's high court.

The Council declared that the city government must focus on primary prevention as the essential tool to combat childhood lead poisoning and to achieve the goal of preventing children from suffering the adverse health and other effects of exposure to lead-based paint. The pursuit of primary prevention has been recommended by the United States Centers for Disease Control and Prevention and promoted by leading experts in the field as a critical course of action to protect the health of children. Therefore, the Council declared that resources must be directed to primary prevention, including identifying children who are most at risk.

The Council recognized that it cannot legislate a single maintenance standard for all dwellings to eliminate this hazard. Instead, the council by enacting this article makes it the responsibility of every owner of a multiple dwelling to investigate dwelling units for lead-based paint hazards and to address such hazards on a case-by-case basis as the conditions may warrant, taking such actions as are necessary to prevent a child from becoming lead poisoned.

When a child is identified with environmental intervention blood lead levels, the city is obligated to investigate potential sources of the lead poisoning, incurring the expense of an environmental investigation and often also incurring the expense of medical treatment and remedial education, if necessary. Additionally, the Department of Health and Mental Hygiene reported for the year 2001 that only 20 percent of children in New York City were tested both at ages one and two for disease of lead poisoning, even though the testing of all children at ages one and two is mandatory under state law.

The Council wanted improved screening among these children since they are at greatest risk for lead poisoning. Finding it is reasonable and necessary to increase the rate of blood-lead testing, the Department of Health and Mental Hygiene is required to report to the Council on progress toward increasing screening rates and reducing the incidence rates of children newly identified with elevated blood lead levels.

Target Housing. The law covers all pre-1960 buildings with three or more residential units. The law also places certain responsibilities on owners in post-1960 to pre-1978 buildings with three or more residential units where the owner knows there is lead-based paint. The provisions of Local Law 1 do not apply to owner-occupied units in a cooperative or condominium. The law does however apply to cooperative or condominium units occupied by a tenant or subtenant.

Definitions.

Chewable Surface – a protruding interior window sill in a dwelling unit in a multiple dwelling where a child under age six resides and which is readily accessible to such child. "Chewable surface" shall also mean any other type of interior edge or protrusion in a dwelling unit in a multiple dwelling, such as a rail or stair, where there is evidence that such other edge or protrusion has been chewed or where an occupant has notified the owner that a child of applicable age who resides in that multiple dwelling has mouthed or chewed such edge or protrusion.

Deteriorated Subsurface – an unstable or unsound painted subsurface, an indication of which can be observed through a visual inspection, including rotted or decayed wood, or wood or plaster that has be subject to moisture or disturbance.

Friction Surface – any painted surface that touches or is in contact with another surface, such that the two surfaces are capable of relative motion and abrade, scrape, or bind when in relative motion. Friction surface shall include window frames and jambs, doors, and hinges.

Impact Surface – any interior painted surface that shows evidence, such as marking, denting, or chipping, that is subject to damage by repeated sudden force, such as certain parts of door frames, moldings, or baseboards.

Remediation or Remediate – the reduction or elimination of a lead-based paint hazard through the wet scraping and repainting, removal, encapsulation, enclosure, or replacement of lead-based paint, or other method approved by the commissioner of health and mental hygiene.

Turnover – the occupancy of a dwelling unit subsequent to the termination of a tenancy and the vacating by a prior tenant of such a dwelling unit.

Owner Responsibility to Remediate.
Owners must prevent the reasonably foreseeable occurrence of lead hazards and remediate them, and the underlying defects that may cause lead hazards, using safe work practices.

Owner's Responsibility to Notify Occupants and to Investigate.

- Owners of pre-1960 multiple dwellings, and owners of post-1960 to pre-1978 buildings where the owner knows that there is lead-based paint, have the responsibility to investigate dwelling units where children under age six reside, and common areas, to find peeling paint, chewable surfaces, deteriorated subsurfaces, and friction and impact surfaces. The investigation must be conducted annually and more often if the owner knows of a condition that may cause a lead hazard, or the occupant complains about such a condition.
- Occupants must inform the owner about the presence of a child and provide access.
- Leases must contain a notice setting forth the owner's responsibilities, and owners must provide a pamphlet informing occupants about lead paint hazards.
- Upon lease-up, lease renewal, agreement to lease, or commencement of occupancy, the owner must provide a notice to the occupant inquiring if a child under age six will reside in the unit.
    - If the occupant states that there is no child and the occupant subsequently, during that one-year period, fails to inform the owner that a child has come to live in the unit, the presumption of lead paint does not apply in any personal injury action brought for lead exposure.
    - This notice must be provided annually to each dwelling unit no later than January 16th. Occupants must respond by February 15th. If the owner does not receive a response, and does not otherwise actually know if a child resides in the unit, he must physically inspect to ascertain if a child lives there, between February 16th and March 1st. If, in that period, he is unable to access the unit, the owner must notify the Department of Health and Mental Hygiene (DOHMH) that he was unable to determine if a child lives in the unit. The same limitation on liability, where occupant has responded that no child lives in the unit, also applies here.
- Owners must inform the occupant of the results of the investigation and provide copies of any reports received. Copies must be retained for 10 years.

- Failure to comply is a misdemeanor punishable by a $500 fine and/or six months in prison. Civil penalty is not more than $1,500 per violation.
- Department of Housing Preservation and Development (DHPD) is authorized to perform sample audits to determine compliance.

Presumption.

- Paint is presumed to contain lead in any pre-1960 multiple dwelling where a child under age six resides, and in common areas. This presumption may be rebutted by the owner submitting a sworn written statement supported by lead-based paint testing or sampling results to the DHPD.
- Testing performed to rebut the presumption may only be done by a certified inspector or risk assessor. The final determination as to whether adequate proof was submitted to rebut the presumption is made by the DHPD.
- Owners may apply for an exemption from the presumption for the entire dwelling or for a dwelling unit in one of two ways:
    1. An inspection for lead-based paint has determined that there is no lead-based paint present.
    2. Substantial alterations have been made resulting in the removal or permanent covering of all lead-based paint in that dwelling.

Violation in a Dwelling Unit.

Peeling lead paint or lead paint on deteriorated subsurface in a multiple dwelling unit with a child under age six is a class C violation.

Audit and Inspection by Department Following Commissioner's Order to Abate.

- When DOHMH issues a Commissioner's Order to Abate for a lead-poisoned child in a multiple-dwelling unit, DHPD must, within 15 days, notify the owner that he must submit to DHPD all records required to be maintained under the law within 45 days. DHPD will then determine if there may be lead hazards in other units with children under age six and will attempt to inspect all such units within 10 days of such determination.
- If the owner does not provide the records, DHPD must inspect child-occupied units in 45 days to determine if there are any lead violations.
- The actions required of DHPD are not applicable if DHPD has inspected the building within the 12 months preceding the issuance of the Commissioner's Order to Abate.
- Owner noncompliance is a class C violation and carries a $1,000 penalty.

Violation in a Dwelling Unit upon Turnover.

- These requirements apply to all pre-1960 dwelling units and to pre-1960 private dwelling units that are not owner-occupied. Upon turnover in such units, the owner must:
    1. Remediate all lead-based paint hazards and any underlying defects;
    2. Make all bare floors, window sills, and window wells in the dwelling unit smooth and cleanable;
    3. Provide for the removal or permanent covering of all lead-based paint on all friction surfaces on all doors and door frames; and
    4. Provide for the removal or permanent covering of all lead-based paint on all friction surfaces on all windows, or provide for the installation of replacement window channels or slides on all lead-based painted friction surfaces on all windows.

- Noncompliance is a class C violation.

Inspections by the Department of Housing Preservation and Development (DHPD).

- When making line of sight inspections in a pre-1960 multiple-dwelling unit, DHPD must ascertain the presence of a child under age six, including asking the occupant for an acknowledgement whether such a child resides in the unit. If a child lives there, DHPD must perform a room-by-room inspection and record whether the paint or other similar surface-coating material in each room is peeling or intact.
    - Where peeling paint is found, DHPD must also inspect for an underlying defect and indicate on the inspection report the location of the peeling paint, the condition of the subsurface, and the location of any underlying defect.
    - The inspector specifically need not move furniture unless there is visible evidence that causes the inspector to believe that there is peeling paint behind the furniture.
    - Where the inspector determines that there is a violation, the notice of violation must be served within 10 days.
- For lead complaints describing peeling paint or a deteriorated subsurface or underlying defect in the dwelling unit, DHPD must inspect pre-1960 child-occupied units within 10 days.
    - If DHPD cannot gain access to the dwelling, it must reattempt the inspection within five days.
    - If still unable to gain access to that dwelling unit during this additional time period, DHPD must provide written notice to the occupant that no further attempts will be made unless a new complaint is submitted.
- For lead complaints, DHPD inspectors must use XRF machines to determine whether lead paint is present. If, for reasons “beyond the control” of DHPD, an XRF cannot be used, then DHPD may rely on the presumption to issue a violation.
- For line of sight inspections, if DHPD inspectors do not XRF test peeling paint on the initial inspection, they must return within 10 days thereafter to XRF inspect. Upon determination that lead hazards exist, the notice of violation must be issued in 10 additional days. DHPD must leave the lead pamphlet at all premises that it inspects.
- DHPD must develop a work practices pamphlet to be delivered with the notice of violation. Failure to include the pamphlet or to comply with time periods does not render any notice of violation void and does not provide an owner with a defense against liability.

Work Practices.

- DHPD must promulgate rules establishing the following lead-safe work practices:

    1. For work done to comply with a notice of violation or an order to correct:
        a. Work practices must be no less stringent than those required by DOHMH when it issues a violation for a lead-poisoned child.
        b. Owner will provide temporary relocation of the occupants if necessary.
        c. All work must be performed by an EPA-certified firm.
        d. Lead-contaminated dust clearance testing must be performed at the completion of work.
        e. All lead-contaminated dust clearance results shall be filed with DHPD and a copy provided to the occupant of the dwelling unit.

    2. For any non-violation work done:

a. Work that will disturb lead-based paint or paint of unknown lead content in a dwelling unit or the common area where a child under six years resides;
b. Work where the owner has actual knowledge of the presence of lead-based paint; or
c. Work that will disturb more than one hundred square feet of lead-based paint or paint of unknown lead content in a room in a multiple dwelling, or will involve the removal of two or more windows with lead-based paint or paint of unknown lead content must comply with the following:
    i. Lead-contaminated dust clearance testing must be performed at the completion of work, and a copy of the results provided to the occupant of the dwelling unit.
    ii. The work must be done by a person who has successfully completed a course on lead-safe work practices by an entity authorized to give such a course.
    iii. Owner will provide temporary relocation of the occupants if necessary.

3. For any non-violation work done in such multiple-dwelling unit where the work will disturb more than 100 square feet (question as to whether this applies to private dwellings – the statute is unclear) of lead-based paint or paint of unknown lead content, or involves the removal of two or more windows with such paint, work practices must be no less protective than those in the Health Code and require dust testing.
    a. All work must be performed by an EPA-certified firm.
    b. Owner will provide temporary relocation of the occupants if necessary.
    c. At least 10 days prior to the commencement of such work, owners must file a notice of commencement with DOHMH, and DOHMH is authorized to perform sample audits to determine if workers are certified.

4. Work practices do not apply to work that disturbs less than two square feet of peeling paint per room, or 10 percent of the surface area of a component.

5. Where an owner is performing work on tenant turnover.
    a. Lead-contaminated dust clearance testing must be performed at the completion of work, and a copy of the results must be provided to the occupant of the dwelling unit.

- Lead-contaminated dust clearance testing may be performed only by a third party who is independent of both the owner and anyone who is performing the work. Dust testers must be trained in an approved program.
- All lead-contaminated dust clearance tests submitted to a laboratory for analysis must include a sworn certification that such test was performed in compliance with all applicable rules and regulations.
- For work performed to correct violations, all lead-contaminated dust clearance results must be submitted to DHPD, and a copy must be provided to the occupant of the dwelling unit.

Reporting.

- DHPD is responsible for providing a report every fiscal year on its implementation of the law. At the very least, it must contain an analysis of the program, a detailed statement of revenue and expenditures, and statistical section designed to provide a detailed explanation of DHPD's enforcement including:
    - The number of complaints for peeling paint in pre-1960 dwelling units where a child under age six resides;
    - The number of inspections made and violations issued by DHPD;
    - The number of violations issued that were certified as corrected by the owner;

    - The number of jobs performed; and
    - A statistical profile with geographic indexing, such as by community district, council district, and/or zip code, of multiple dwellings where violations are placed, indicating the age of the building and other factors relevant to the "prevalence of lead based paint hazards."
- DOHMH must prepare an annual report on progress towards increasing lead screening rates and reducing new cases of lead poisoning, to be used by DHPD in implementing the law.

Transmittal of Violations to the DOHMH.
DHPD must send a notice that includes DOHMH's telephone number to any unit where it issues a lead violation. DHPD must also refer to DOHMH the address of all units for which violations were issues, along with the name and number of the complainant, if any. DOHMH must then refer to medical providers any person who requests such assistance.

Request from DOHMH to DHPD to Execute an Order.
- DOHMH must investigate any reported blood lead level of a child under 18 years of age that is in excess of 15 µg/dL.
- DOHMH must also notify DHPD of each unit where it has issued a Commissioner's Order to Abate (COTA). If the owner fails to comply with the COTA, DOHMH must certify the unit to DHPD within 16 days of the report of the elevated blood lead level.
- DHPD must correct the violations within 18 days of such certification.

Waiver.
- No owner can seek to have an occupant waive any provision of the lead law; the agreement is considered void. Any owner who violates this section is guilty of a misdemeanor punishable by a fine of up to $500 or imprisonment for up to six months or both.
- Validates agreements made between coop tenant shareholders and condo owners and coop and condo boards regarding allocation of responsibility for compliance with the lead law.
- The lead law does not apply to multiple dwelling units where title is held by a coop or condo and the unit is occupied by the shareholder of record or his or her family.

Exemption for Emergency Conditions.
The law specifically exempts from coverage work immediately necessary to safeguard against imminent danger to life, health, or safety.

Record Keeping Requirements.
Owners of multiple dwellings or dwellings that perform work pursuant to the new lead law must retain all records relating to such work for 10 years from the completion of the work. The records are to be made available to DHPD and must be transferred to the owner's successor in title.

Department of Housing Preservation and Development Enforcement.
- Owners have 21 days to correct a lead violation in accordance with specified work practices. Owners may request a 14-day postponement, and then an additional 14-day postponement in circumstances where

paint has been stabilized. DHPD may promulgate rules for longer postponements in situations where an owner is making substantial capital improvements that will reduce lead paint in the multiple-dwelling or dwelling unit. DHPD must provide written reasons for its postponement determinations to both owner and occupant.

- Certifications must be submitted within five days of the correction date, and include a dust test result. DHPD must mail a copy to the complainant within 12 days of receipt.
- DHPD must reinspect all violations within 14 days after the date set for correction. If not corrected, DHPD must do the work within 45 days of such reinspection.
- DHPD may not remove any violations from its records unless it has conducted a final inspection verifying remediation, and has copies of relevant dust tests. DHPD must mail a copy of the final inspection report and status to the occupant and owner.
- The penalty for false certification is $1,000 to $3,000 and a possible misdemeanor charge.
- The penalty for failure to correct a lead violation is $250 per day. Owners may assert various defenses to mitigate fines.
- Failure to comply with the time periods by DHPD does not void any violations or provide a basis for defense by the owner.

Department of Health and Mental Hygiene Provisions.

- Department screening, diagnosis and treatment.
  - DOHMH must refer to medical providers any child who needs lead screening or other services, upon request.
  - DOHMH must develop a lead pamphlet to be used by DHPD on inspections and made available to the public.
- Lead-based paint, dry scraping, and sanding prohibited.
  - The law prohibits dry scraping and sanding of lead paint or paint of unknown content in any dwelling, day care center, or school. DOHMH is authorized to promulgate rules regarding this.
- Inspection by DOHMH of unsafe work practices.
  - DOHMH must promulgate rules requiring the agency to respond to complaints of unsafe lead paint work practices.
- Lead poisoning prevention in children.
  - DOHMH must develop a brochure advising medical providers of the law on screening and testing children for lead. It must be distributed annually to such providers.
  - DOHMH must develop a pamphlet regarding lead poisoning prevention that must, at a minimum, be distributed with each birth certificate given to a parent of a child. The pamphlet must also be available to the public.

The purpose of Local Law 1 is to administer and enforce New York City's lead poisoning prevention programs better by coordinating the actions of DHPD and DOHMH. While it is intended that the Department of Housing Preservation and Development remain the agency responsible for the implementation and enforcement of this article, it is also intended that the Department of Health and Mental Hygiene shall have a significant role in the promulgation and interpretation of rules and in the development of necessary procedures pursuant to this article.

Additional information, including flyer and required postings, can be found on the city's website at http://www.nyc.gov/html/hpd/html/homeowners/lead_paint.shtml.

TAX ESCROW AGREEMENT

AGREEMENT made this 16th day of December, 2020, by and among 150 Luquer, LLC, (hereinafter called the "Sponsor"), and The Board of Managers of The Francesca Condominium, (hereinafter called the "Board").

WITNESSETH:

WHEREAS, the Sponsor has filed the offering plan, (hereinafter called the "Plan), with the Attorney General to offer for sale condominium units, (hereinafter called the "Units" or "Unit"), at the property, located at 150 Luquer Street, Brooklyn, NY 11231 and known as The Francesca Condominium, (hereinafter called the "Condominium"), subject to the terms and conditions set forth in the Plan; and

WHEREAS, the Board is charged with governing the operation of the Condominium; and

WHEREAS, the Units have not been separately assessed for real estate tax purposes prior to the closing of the first Unit; and

WHEREAS, pursuant to the terms of the Plan, the Sponsor desires to secure its obligation to pay real estate taxes for the Unsold Units.

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

1. On the first closing of a Unit, the Sponsor will deposit in escrow with the Board in a special segregated escrow account to be maintained by the Board in its own name, an amount equal to the real estate taxes attributable to the Unsold Units, which will be levied against the premises for the 6-month period following the first closing, or until the Units are separately assessed, whichever is sooner.

2. The Board is irrevocably authorized to pay such real estate taxes as are assessed against the premises from the escrow account when such taxes are due and payable.

3. Upon each subsequent closing of the Units, the Sponsor may collect the estimated amount of taxes attributable to such Units for the balance of the six (6) month period from Purchasers thereof.

4. If the escrow is kept in an interest-bearing account, the interest earned thereon shall belong to the Sponsor.

5. The escrow account shall be maintained in accordance with the laws, rules, and regulations of the State of New York; specifically including, but not limited to, the General Business Law of the State of New York and, shall be deemed held for the benefit of the Condominium.

IN WITNESS WHEREOF, the parties set their hands the date above first written.

150 Luquer, LLC

By: Daniel Pipitone, Authorized Signatory

The Board of Managers of The Francesca Condominium

By: Daniel Pipitone, Manager

CERTIFICATION BY SPONSOR AND SPONSOR'S PRINCIPALS PURSUANT TO SECTION 20.4 OF THE REGULATIONS ISSUED PURSUANT TO ARTICLE 23-A OF THE GENERAL BUSINESS LAW, AS AMENDED

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

Re: The Francesca Condominium
150 Luquer Street
Brooklyn, NY 11231

Dear Sir/Madam:

We are the sponsor and the principals of sponsor of the condominium offering plan for the captioned property. We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law of the State of New York, the regulations promulgated by the Department of Law in Part 20 and such other laws and regulations as may be applicable.

We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the offering plan does, and that documents submitted hereafter by us, which amend or supplement the offering plan will:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

(iv) not contain any untrue statement of a material fact;

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

(vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) not contain any representation or statement which is false, where we:

(a) knew the truth;
(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or
(d) did not have knowledge concerning the representation or statement made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law of the State of New York.

150 Luquer, LLC

By: Daniel Pipitone
Authorized Signatory

Subscribed and sworn to before me this
16 day of December, 2020

Notary Public

ALMA NORIEGA
Notary Public - State of New York
No. 01NO6109895
Qualified in Queens County
My Comm. Expires May 24, 2024

Daniel Pipitone

Subscribed and sworn to before me this
16 day of December, 2020

Notary Public

ALMA NORIEGA
Notary Public - State of New York
No. 01NO6109895
Qualified in Queens County
My Comm. Expires May 24, 2024

Marco Auteri

Subscribed and sworn to before me this
16 day of December, 2020

Notary Public

ALMA NORIEGA
Notary Public - State of New York
No. 01NO6109895
Qualified in Queens County
My Comm. Expires May 24, 2024

Giovanni Ferrara

Subscribed and sworn to before me this
16 day of December, 2020

Notary Public

ALMA NORIEGA
Notary Public - State of New York
No. 01NO6109895
Qualified in Queens County
My Comm. Expires May 24, 2024

Henry Radusky, R.A.

6321 New Utrecht Avenue – 2nd Fl.
Brooklyn, N.Y. 11219
Phone : (718) 259-1100
Fax : (718) 259-0111

CERTIFICATION BY SPONSOR'S ARCHITECT
PURSUANT TO SECTION 20.4 OF THE REGULATIONS ISSUED
PURSUANT TO ARTICLE 23-A OF THE GENERAL BUSINESS LAW, AS AMENDED

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

Re: The Francesca Condominium
150 Luquer Street
Brooklyn, NY 11231

Dear Sir/Madam:

The sponsor of the offering plan to convert the captioned property to condominium ownership retained me to prepare a report describing the construction of property (hereinafter called the "Report"). I visually inspected the property on March 9, 2022. I examined the plans and specifications, prepared by Bricolage Architecture & Design PLLC, dated August 3, 2018, and prepared the Report dated March 21, 2022. A copy of the Report is intended to be incorporated into the offering plan so that prospective Purchasers may rely on the Report.

I am a licensed Architect registered in the State of New York.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to this Report.

I have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

I certify that the Report:

(i) sets forth in narrative form the description and physical condition of the entire property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I examined;

(ii) in my professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and physical condition of the property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I examined;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment, or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) does not contain any representation or statement which is false, where I:

(a) knew the truth;
(b) with reasonable effort could have known the truth;
(c) made no reasonable effort to ascertain the truth; or
(d) did not have knowledge concerning the representation or statement made.

I further certify that I am not owned or controlled by and have no beneficial interest in the sponsor and that my compensation for preparing this Report is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.

REGISTERED ARCHITECT
HENRY RADUSKY
015029
STATE OF NEW YORK

Henry Radusky, R.A.

Subscribed and sworn to before me this
22 day of March, 2022

Notary Public

ZOYA DONSKAYA
Notary Public, State of New York
No. 01DO6374759
Qualified in Kings County
Commission Expires May 07, 2022

WMW REALTY MANAGEMENT

CERTIFICATION BY SPONSOR'S EXPERT ON ADEQUACY OF BUDGET PURSUANT TO SECTION 20.4 OF THE REGULATIONS ISSUED PURSUANT TO ARTICLE 23-A OF THE GENERAL BUSINESS LAW, AS AMENDED

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

The Francesca Condominium
150 Luquer Street
Brooklyn, NY 11231

Dear Sir/Madam:

The sponsor of the condominium offering plan for the captioned property retained me to review Schedule B, containing projections of income and expenses for the first year of condominium operation, and Schedule B-1, containing projections for individual energy costs for the first year of condominium operation. I am familiar with prices, practices and procedures in the area of this condominium. I am a principal of WMW Realty Management LLC. WMW Realty Management LLC is a management company. WMW Realty Management LLC currently manages twenty five (25) mixed-use buildings.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to Schedules B and B-1, (hereinafter collectively called the "Schedules").

I have reviewed the Schedules and investigated the facts set forth in the Schedules and the facts underlying them with due diligence in order to form a basis for this certification. I also have relied on my experience in managing residential buildings.

I certify that the projections in the Schedules appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

I certify that the Schedules:

T (718) 519-6900 • F (718) 519-6904 • 3092 HULL AVENUE, BRONX, NY 10467

(i) set forth in detail the projected income and expenses for the first year of condominium operation;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

(iii) do not omit any material fact;

(iv) do not contain any untrue statement of a material fact;

(v) do not contain any fraud, deception, concealment, or suppression;

(vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) do not contain any representation or statement which is false, where I:

(a) knew the truth;
(b) with reasonable effort could have known the truth;
(c) made no reasonable effort to ascertain the truth; or
(d) did not have knowledge concerning the representation or statement made.

I further certify that I am not owned or controlled by the sponsor. I understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation. This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made.

I understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law of the State of New York.

Subscribed and sworn to before me this
18 day of December, 2020

Ryan Webler

THOMAS F WEBLER
Notary Public, State of New York
No. 01WE4[illegible]
Qualified in Westchester County
Commission Expires [illegible]

Notary Public