
CONDOMINIUM OFFERING PLAN

FOR

108 KING STREET CONDOMINIUM

**LOCATED AT
108 KING STREET
BROOKLYN, NEW YORK 11231**

CONSISTING OF TWO (2) UNITS

OFFERING PRICE FOR TWO (2) RESIDENTIAL UNITS: \$4,998,000
=====

SPONSOR:

**108 KING PARTNERS, L.L.C.
18 MAIN STREET
ROSLYN, NY 11576**

SELLING AGENT:

**THE CORCORAN GROUP
1 PIERREPONT STREET
BROOKLYN, NY 11201**

Date of Acceptance of Offering Plan: _____

The term of the offer is twelve (12) months from the date of acceptance, unless amended or extended by a duly filed amendment.

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

BECAUSE SPONSOR IS RETAINING THE UNCONDITIONAL RIGHT TO RENT RATHER THAN SELL UNITS AFTER THE PLAN HAS BEEN CONSUMMATED, THIS PLAN MAY NOT RESULT IN THE CREATION OF A CONDOMINIUM IN WHICH A MAJORITY OF THE UNITS ARE OWNED BY OWNER-OCCUPANTS OR INVESTORS UNRELATED TO THE SPONSOR (SEE SPECIAL RISKS SECTION OF THE PLAN.)

PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE BOARD OF MANAGERS UNDER THE TERMS OF THIS PLAN.

SEE PAGE (i) FOR SPECIAL RISKS TO PURCHASERS.

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SPECIAL RISKS

1. **TIME IS OF THE ESSENCE AS TO PAYING THE PURCHASE PRICE FOR A UNIT, AND AS TO CURING ALL DEFAULTS WITHIN ANY GRACE PERIODS GRANTED HEREUNDER. FAILURE TO MAKE A PAYMENT AT THE TIME WHEN A PURCHASER IS CALLED UPON TO MAKE SUCH PAYMENT MAY RESULT IN LOSS OF THE DOWN PAYMENT AND CANCELLATION OF THE PURCHASE AGREEMENT.** Purchasers should consult their own attorneys prior to executing a Purchase Agreement. See Section 11 of the Plan, entitled "Procedure to Purchase" for further details.

2. **TIME IS OF THE ESSENCE WITH RESPECT TO ALL NOTICE PERIODS UNDER THE WARRANTIES CONTAINED HEREIN. SPONSOR SHALL BE DEEMED TO HAVE DISCHARGED ANY OBLIGATION IT MAY HAVE UNDER THE WARRANTIES IF THE SPONSOR IS NOT NOTIFIED OF A CLAIM WITHIN THE APPLICABLE WARRANTY PERIODS. SPONSOR WILL NOT EXTEND ANY TIME PERIODS FOR MAKING A WARRANTY CLAIM UNDER ANY CIRCUMSTANCES.** See Section 16 of the Plan, entitled "Rights and Obligations of Sponsor" for further details.

3. Unconditional Right of Sponsor to Offer Units for Rent. The Sponsor reserves the unconditional right to rent rather than sell Units after the Plan has been consummated. Therefore there is no commitment to sell more Units than the fifteen percent (15%) necessary to declare the Plan effective (i.e., one Unit). In addition, units may be sold to non-occupant owners. Therefore, owner-occupants may never gain effective control and management of the Condominium. In a two-unit Condominium, a Unit Owner who has purchased their Unit would have a neighbor who has leased their Unit.

The Sponsor has not utilized construction financing. If the Sponsor elects to obtain such financing, it will amend the Plan accordingly. See Section 16, entitled "Rights and Obligations of Sponsor" for further details.

4. Receipt of Certificate of Occupancy. Purchasers are advised that in New York City, newly constructed or newly renovated buildings are sometimes offered as condominium projects without a final certificate of occupancy ("FCO") covering the entire building but with only a temporary certificate of occupancy ("TCO"), and sometimes with several successive TCOs. Certificates of occupancy are generally governed by Section 301 of the New York City Multiple Dwelling Law and local building codes and rules. Both TCOs and FCOs are issued by the Department of Buildings ("DOB.") A TCO is intended to indicate that the property conforms substantially to the DOB approved plans and specifications and to the requirements 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. SPONSOR AND ITS PRINCIPALS ARE OBLIGATED TO PROCURE THE FCO FOR THE BUILDING, AND SHALL EXERCISE BEST EFFORTS TO OBTAIN THE FCO WHILE KEEPING THE TCO CURRENT. Unit owners and the Board of Managers shall be obligated to cooperate with and refrain from obstructing sponsor in these undertakings.

Buyers are advised to visit the DOB website for further recommendations when purchasing in a building that does not have a FCO. A Fact sheet on Certificate of Occupancy is available on the DOB website at: http://www1.nyc.gov/assets/buildings/pdf/cofo_guide.pdf.

See Section 16 of the Plan, entitled “Rights and Obligations of Sponsor” for further details.

5. Payments for Upgrades and Extras. All funds received by Sponsor for upgrades or extras will initially be placed in the Escrow Account maintained by Sponsor’s counsel. Such funds may be released from the Escrow Account by the Sponsor’s counsel as long as the Sponsor uses the funds for such upgrades or extras. As a result, in the event a Purchaser is entitled to rescission, the Purchaser will not be entitled to receive a refund of any funds which were actually spent by Sponsor for upgrades or extras. However, if the Plan is abandoned, a full refund of any custom work funds paid to Sponsor will be provided. See Section 11 of the Plan, entitled “Procedure to Purchase”.

6. No Financing Contingency. The obligations of the Purchaser under the Purchase Agreement are not contingent on obtaining financing. Any prospective purchaser who executes a Purchase Agreement and does not obtain financing may lose his or her deposit if he or she is unable to otherwise raise the monies for the balance of the purchase price. Prospective purchasers who require financing are advised to consult with a lending institution before execution of a Purchase Agreement. No representation is made by the Sponsor as to the availability or cost of such financing. Purchaser will bear all risk of loss if Purchaser does not have sufficient funds to close title to the Unit. See Section 14 of the Plan, “Terms of Sale”, for further details.

7. Minimum Sales Requirements. Pursuant to existing law and regulation the Sponsor may declare the Plan effective when Purchase Agreements representing a minimum of fifteen percent (15%) of the Common Interest, or a minimum of one (1) Unit, are executed by bona fide Purchasers and accepted by Sponsor. The conveyance of a Unit to the Sponsor affiliate will not count toward declaring the Plan effective.

Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on purchase financing. Such restrictions may include requiring that a certain percentage of the units in a building be sold before the 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 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 requirements and investor ownership restrictions. Such requirements may apply even after a building undergoes conversion. Purchasers are advised to ask a prospective lender if that lender has any specific pre-sale requirement for mortgage loans. For further details, see Sections 11 and 14, entitled “Procedure to Purchase” and “Terms of Sale” respectively.

8. Rights of Sponsor. The Sponsor is not required to obtain the approval of the Board of Managers or meet requirements imposed upon the Unit Owners in order to exercise a number of rights described in the By-Laws, including, but not limited to: (i) the right to use a Unit as a model and display “For Sale”, “For Rent”, or “For Lease” signs, or similar signs provided any such sign is not an eye sore; (ii) the right to alter a Unit without obtaining the prior consent of the Board of Managers (but only in accordance with the other terms of this Plan); and (iii) the right to amend the Declaration without a vote for the sole purpose of filing the floor plans as required by Section 339-p of the Real Property Law of the State of New York and (iv) the right to transfer a Unit without offering the Unit Owners the right of first refusal. See Section 16 of the Plan entitled “Rights and Obligations of Sponsor”.

9. Deposits in Excess of \$250,000 Not Insured by the Federal Deposit Insurance Corporation. The Sponsor shall deposit down payments into a master escrow account (with sub-accounts for each Unit) at a bank that is insured by the Federal Deposit Insurance Corporation (“FDIC”). All down payments deposited by the Escrow Agent into the FDIC-insured bank on behalf of a Purchaser are added to the Purchaser’s other accounts (if any) at the same insured bank and the total is insured up to \$250,000. Any portion of the deposit in excess of \$250,000 is not covered by insurance. See Section 11 of the Plan, entitled “Procedure to Purchase” for further details.

10. Payment of Transfer Taxes by Purchasers. New York State and New York City transfer taxes relating to the Unit are normally paid by the Seller. **However, by contractual arrangement, the statutory obligation to pay these taxes will be transferred to the Purchaser.** For the purchase of a single Unit, the state transfer tax is \$2.00 per \$500 of the purchase price if the purchase price is less than \$3,000,000, and \$3.25 per \$500 if the purchase price exceeds \$3,000,000 (“NYS Tax”), and the New York City transfer tax is 1% of the purchase price, if the purchase price is less than \$500,000, and 1.425% if the purchase price equals or exceeds \$500,000 (“RPT Tax”). See Section 15, entitled “Unit Closing Costs and Adjustments” for further details.

11. Measurement of Dimensions of Units. The gross square footages for Units shown on Units shown on Schedule A are defined as follows: horizontally from the exterior face of exterior walls to the midpoint of the opposite interior walls, and from the midpoint of demising walls between Units to the midpoint of the opposite wall. There is a rebuttable presumption that a difference of 5% or less between the stated square footage in Schedule A and the square footage of the Unit measured using the criteria above is not material. Ceiling height is measured vertically from the underside of the Unit’s finished flooring to the exposed painted face of a concrete ceiling or the unexposed side of the Unit’s drywall or plaster ceiling, as applicable. The floor plans shown on Exhibit D in Part II of the Plan are based on the foregoing type of measurement. All measurements are approximate within reasonable tolerances. The Units are not measured from interior surfaces of interior walls and thus, the actual area comprising the Units is significantly less than the area listed in Schedule A. Each Unit should be inspected prior to purchase so that any prospective Purchaser will be able to inspect the interior dimensions, layout and physical condition. See Part II, Exhibit D.

12. No Bond or Security for Performance of Sponsor Obligations. No bond or other security has been furnished to secure the performance of the Sponsor's obligations. Although at

the time the Plan is accepted for filing, the Sponsor represents that it will be financially capable of performing Sponsor's obligations, including its obligations with respect to Unsold Units, the subsequent ability of the Sponsor to perform its obligations will depend upon Sponsor's financial condition at that time. If the Sponsor cannot perform the Sponsor's financial obligations hereunder, the Sponsor will amend the Plan, cease selling Units, and offer a right of rescission to Purchasers of Units. See Section 16 of the Plan entitled "Rights and Obligations of Sponsor".

13. Option of Sponsor to Pay All Expenses of Operation In Lieu of Common Charges: Delay in Commencement of Common Charges. Sponsor reserves the right to delay the commencement of collection of Common Charges. During any such delay, Sponsor will timely pay all expenses of the Condominium, including but not limited to insurance premiums and any reserve fund payments required by lenders. Upon commencement of collection of common charges, there will not be an assessment for any items set forth in the approved budget for the condominium. Sponsor shall remain obligated to update the budget for the condominium as provided for in governing regulations. In the event Sponsor elects to delay the collection of common charges, it will disclose such fact in the closing notice to Purchasers and will further disclose such fact in the Post-Closing Amendment to the Plan. Such Amendment will disclose the anticipated period of delay. Sponsor will notify all unit owners in writing of the expiration of the delay period at least 30 days prior to the commencement of collection of common charges and will disclose such fact in the following Amendment to the Plan. See Section 16 of the Plan entitled "Rights and Obligations of Sponsor".

14. Adjournment Fees; Additional Closing Costs. If Purchaser adjourns the Closing, the Purchaser will be liable for all common charges and real estate taxes assessed against the Unit from and after the scheduled Closing Date; and interest on the purchase price at the rate of twelve percent (12%) per annum from the scheduled Closing Date until the actual Closing Date to reimburse the Sponsor for construction loan interest (if any) and its lost opportunity costs with respect to the unpaid purchase price. If the closing is adjourned by Purchaser or his lender on less than 48 hours' notice, then the Purchaser shall pay an adjournment fee of \$250 to Sponsor's Counsel. Purchasers will incur other costs in connection with a purchase as well that may customarily be covered by the Sponsor, such as transfer taxes and the Sponsor's attorneys' fees. For further details, see Section 15 of the Plan entitled "Unit Closing Costs and Adjustments".

15. Window Guards. Unit Owners must notify the Board when a child or children ten years of age or below take(s) occupancy in a Unit, even if such occupancy is temporary. In such case, each Unit Owner shall install window guards in each window of the Unit at his or her expense and shall not remove them until permitted by law and upon notice to the Board. For further details, see Section 19, "Rights and Obligations of Unit Owners."

16. Force Majeure. The obligation of the Sponsor to convey title to the first unit within twelve (12) months after the projected date for the first Unit closing under the Plan is subject to "force majeure," which refers generally to conditions beyond the reasonable control of the Sponsor. However, the foregoing does not affect the right of rescission afforded to purchasers if the first unit closing does not occur within such twelve month period. Purchasers are entitled to all protections afforded by Article 23-A of the General Business Law and the Attorney General's regulations. For further details, see Section 11, "Procedure to Purchase."

17. Escrow of Taxes at Closing by Unit Owners. If the Units have not been separately assessed for real estate tax purposes prior to the closing of title to a Unit, then at closing, real estate taxes for the tax year in which the closing occurs will be adjusted with the Sponsor as per Section 15(A)(2)(a) above. In addition, the Unit Owner will place in escrow with the Condominium an amount equal to the real estate taxes allocable to the Unit for the next succeeding half tax year. For example, if the closing occurs on January 1, 2023, pro-rata taxes for the half tax year January 1, 2023 – June 30, 2023 will be collected at closing, and the Unit Owner will place in escrow with the Condominium the projected allocable taxes for the tax period July 1, 2023 – December 31, 2023. The Condominium will then apply such payments toward the portion of the taxes due for the Property allocated to the Unit for the applicable tax year. When the Units are separately assessed, any amounts held in escrow on behalf of a particular Unit will be returned to the Unit Owner or as he or she may direct. If for any reason the Units are not separately assessed by the time the next tax payment is due, and the escrowed amounts are insufficient to pay the escrowing Unit Owners' shares of real estate taxes, any deficiency will be collectable by the Condominium as a Common Expense.

The Sponsor will also place in escrow its share of real estate taxes for any Unsold Units within thirty (30) days after the first Unit Closing, unless the Sponsor is already escrowing for real estate taxes for the Property with its existing lender. In that event, if the Sponsor's lender pays the real estate taxes for the entire Property on the next due date for taxes, the Sponsor will be reimbursed out of the tax escrow account described in the previous paragraph for each Unit Owner's share of such taxes. In addition, the Sponsor will be entitled to reimbursement at each closing for real estate taxes that the Sponsor has previously paid or escrowed on behalf of the Unit Owner.

For further details, see Section 15 of the Plan, "Unit Closing Costs and Adjustments."

18. Limited Warranty for Common Elements. The Housing Merchant Implied Warranty Law (GBL Article 36-B) described in Section 20 below is not applicable to the Common Elements. However, the Common Elements are subject to a limited warranty ("**Common Element Warranty**") given by the Sponsor as follows:

For a period of one (1) year, the Sponsor will correct defects in the Common Elements which are caused solely by: (i) defective workmanship by Sponsor or any agent or subcontractor of or persons working for Sponsor; (ii) defective materials supplied by Sponsor or any agent or subcontractor of or persons working for Sponsor; or (iii) defective design provided by the architect, or subcontractor, engineer or other design professional or subcontractor engaged solely by Sponsor.

The foregoing one-year Common Element Warranty shall commence upon the later of (i) three (3) months from the First Closing or (ii) receipt by the Condominium of written notice from the Sponsor that the General Common Elements are substantially complete, as certified by the Sponsor's architect or engineer (the "**Common Element Warranty Period**").

The specific scope of the covered defects is further defined in the Common Element Warranty attached to the Declaration. If a Unit Owner or the Board of Managers believes there is a Common Element defect which is covered by this Common Element Warranty, then he or the Board member must, no later than thirty (30) days after the last day of the Common Element Warranty Period, notify the Sponsor of his claim in a writing, sent by certified mail, return receipt requested, to: 108 King Partners, L.L.C., 18 Main Street, Roslyn, NY 11576.

THERE ARE NO COMMON ELEMENT WARRANTIES WHICH EXTEND BEYOND THE FACE OF THE COMMON ELEMENT WARRANTY AS SET FORTH IN THE DECLARATION OF CONDOMINIUM. THE PURPOSE OF THE COMMON ELEMENT WARRANTY IS TO IDENTIFY THE SPONSOR'S RESPONSIBILITIES FOR CONSTRUCTION DEFECTS.

NOTHING IN THE LIMITED WARRANTY SHALL RELIEVE THE SPONSOR OF LIABILITY, SUBJECT TO AND IN ACCORDANCE WITH APPLICABLE LAW, FOR DEFECTS DUE TO SPONSOR'S FAILURE TO CONSTRUCT THE COMMON ELEMENTS IN ACCORDANCE WITH APPLICABLE BUILDING CODES AND FILED BUILDING PLANS AND SPECIFICATIONS OR LOCALLY ACCEPTED BUILDING PRACTICES (IF THERE IS NO APPLICABLE CODE.)

TIME IS OF THE ESSENCE WITH RESPECT TO ALL NOTICE PERIODS UNDER THE COMMON ELEMENT WARRANTY.

For further details, see Section 16, "Rights and Obligations of the Sponsor."

19. Housing Merchant Implied Warranty, as Limited. Pursuant to applicable law, Unit Owners who purchase from the Sponsor are entitled to the benefit of the Housing Merchant Implied Warranty Law (GBL Article 36-B). The full warranty provides the following coverage:

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

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

(iii) For six (6) years, the Unit must be free from physical defects in the structural elements (foundation, floors, walls, roof framing) which make it unsafe or unlivable.

The warranty may be limited in accordance with applicable law. In this Plan, the limits on the warranty include the following:

(a) Defects not caused by defective workmanship, materials or design, and patent defects which were obvious (or would have been obvious upon inspection) are excluded. There are no warranties for appliances sold with the Unit, which are covered by other warranties from the manufacturers of those goods.

(b) (i) A Purchaser cannot make a claim for incidental, consequential, special or indirect damages; (ii) a Purchaser's recovery for defects is limited to \$50,000; and (iii) the Warranty is for the benefit of the first owner of a Unit and excludes all subsequent owners. However, if any of the foregoing provisions fail to meet or exceed the applicable Building Code, or in the absence of such relevant specific standard, a locally accepted building practice, or fail to ensure that the Unit is habitable by permitting conditions to exist which render the home unsafe, such provision shall be void as contrary to public policy.

Notwithstanding the foregoing, the Sponsor's obligation, regardless of any limitations and disclaimers in the warranty or in this Plan, is to construct the premises in accordance with all applicable codes and filed plans and specifications. Other material terms of the limited warranty (the "**Warranty**") are described in Subsection (C) of Section 16, "Rights and Obligations of the Sponsor", in Part I of the Plan. The complete text of the Warranty is set forth as Exhibit A to the Purchase Agreement in Part II of the Plan. THE WARRANTY IS GIVEN IN LIEU OF AND REPLACES ALL OTHER WARRANTIES ON THE CONSTRUCTION AND SALE OF THE HOME AND ITS COMPONENTS, BOTH EXPRESS AND IMPLIED (INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE.)

TIME IS OF THE ESSENCE WITH RESPECT TO ALL NOTICE PERIODS UNDER THE WARRANTY. Sponsor shall be deemed to have discharged any obligation it may have with respect to patent or latent defects, as the case may be, if notification of any warranty claim is not given within the time periods described in the Warranty attached to the Purchase Agreement.

For further details, see Section 16, "Rights and Obligations of the Sponsor."

20. Delays in Closing; Right of Rescission. The Sponsor anticipates that the first closing of a Unit will occur by January 1, 2023. Purchasers will be offered a right of rescission if: (i) the actual date of closing of title the first Unit; or (ii) the projected date of closing of title to the first Unit occurs later than December 31, 2023, twelve months after the projected date for the first closing. If the Plan is amended to provide for a later projected date for the first closing, purchasers will be entitled to an offer of rescission if the first closing occurs more than 12 months beyond that amended, later date.

However, even if the first closing occurs before January 1, 2023, the Sponsor may schedule the closing of title to the other Unit significantly later than such date. Unless your Purchase Agreement contains an outside closing date, the Sponsor is not obligated to schedule your closing within any specified time frame or to ensure that closing of title to your Unit within any specified time frame or to ensure that closing of title to your Unit will occur by any date certain. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER SUCH RISKS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT.

21. Self-Management. The Condominium will be self-managed. In lieu of a management company, the Board of Managers, generally, will enter into service contracts (e.g., electricity, window cleaning, rubbish removal, fuel oil, security services, vermin extermination

and other services or such of them as shall be advisable); bill Unit Owners and maintain accounting records, reports and books (other than books of account maintained by the Condominium's accountants) for the Building or the operation thereof; hire and fire staffing, as necessary. While the Sponsor is in control of the board, the Sponsor will have control over the management of the building. The Sponsor and Owner-occupants may have inherent conflicts on how the Condominium should be managed. For example, an owner-occupant who is purchasing a Unit as a home may have views on repairs and capital expenditures which differ from the Sponsor who owns unsold units for the purpose of investment. In the event that the Condominium engages a managing agent in the future, the common charges will increase. The Sponsor projects the cost for hiring an outside managing agent to be approximately \$2,800 annually. For further details, see Section 25, "Management Agreement and Other Contractual Arrangements."

22. No Separate Reserve Fund. The Plan does not provide for a separate reserve fund other than contributions contained in the operating budget. For further details, see Section 23, "Reserve Fund."

23. FinCEN Reporting Requirements. The Financial Crimes Enforcement Network ("FinCEN"), an agency of the federal government, requires that the personal identity of the principals in certain real estate purchases in New York City be reported by title insurance companies to FinCEN. Subject purchases feature the following characteristics:

(a) The purchaser is a legal entity (i.e., not an individual), as defined in the "Geographic Targeting Order" issued by FinCEN;

(b) The purchaser purchases residential real property located in the City of New York (all boroughs);

(c) The total purchase price is \$300,000 or more;

(d) The purchase is made without a bank loan or other similar form of external financing; and

(e) The purchase is made, at least in part, using currency, 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 principals of such purchasers may be required to furnish satisfactory proof of identity, which may include passports or other acceptable proof.

The FINCEN requirements are also set forth in Section 15, "Unit Closing Costs and Adjustments."

24. Restrictions on Use of Crawl Spaces. The crawl spaces of the Units are not deemed to be habitable space and may not be used for sleeping or dining purposes. Crawl spaces also have less light and air than ordinary living spaces and may be more susceptible to dampness.

25. Flood Zone. The Property is located within an “X” (shaded) flood zone on FEMA flood maps. According to FEMA, Zone X indicates an area where the annual flood risk is between 0.2 percent and one percent, i.e., a “moderate risk.” In addition, the building is built to meet all FEMA flood specifications. The 1st floor is located two feet above the base flood elevation, which reduces the chance of flooding to an 0.2% annual chance with an average depth less than one foot or with drainage areas of less than one square mile.

Purchasers should note that FEMA’s proposed flood maps (which have not been adopted) redesignate the area as Zone “AE,” which lies in a “Special Flood Hazard Area.” An AE flood zone is defined as an area with an annual flood risk of 1%.

Flood insurance in Zone X is not required under applicable New York City or federal standards. If a Unit Owner wished to obtain flood insurance notwithstanding, it would be eligible for “Preferred Risk Policy” insurance. Flood insurance in Zone AE would be required. However, since the first floor is constructed at least 2 feet above the base flood elevation (“BFE”), according to FEMA, flood insurance for the building would be offered at reduced rates from their Standard Flood Insurance Policies.

Purchasers should be aware that since crawl spaces are located below the first floor, in the event of a flood event they are generally more likely to incur water penetration than the first floor or above. However, the crawl spaces in the Building are located above ground and contain flood vents, so that in the event of flooding, water would drain from the crawl space without affecting the first floor or building equipment.

26. Right of First Refusal by Other Unit Owner for Sales. The other Unit Owner in the Condominium has a right of first refusal with respect to sales of a Unit by a Unit Owner. The other Unit Owner does not have the right to approve or disapprove Purchasers, except by the exercise or waiver of the right of first refusal. Unit Owners may freely lease their Units for a maximum lease term of two years at a time. For further details, see Section 18(F), “Right of First Refusal for Unit Owners; Sales and Leases.”

27. Interim Leases. The Sponsor reserves the right to enter into leases with Purchasers who have executed Purchase Agreements enabling them to occupy the Unit before the Closing Date under the Purchase Agreement. The leases will provide that an uncured default by the Purchaser under their Purchase Agreement will constitute a default under the lease entitling the landlord (i.e., Sponsor) to terminate such lease. The Purchase Agreement will contain a similar cross-default provision entitling the Sponsor to cancel the Purchase Agreement if the Purchaser fails to cure a default under their lease within the applicable grace period (if any) and such default results in their eviction from the Unit (whether voluntarily or by court order). For further information, See Section 10, “Interim Leases.”

28. Impact of Two-Member Board on Condominium Operations. Under the By-Laws, the affairs of the Condominium will be managed by a Board of Managers consisting of two (2) persons. Each Unit Owner shall designate one person as a Board member. Because determinations by the Board will be made jointly, the Unit Owners will have to reach consensus on all Board decisions. The need for mutual agreement may delay certain Board decisions in the event of a

disagreement. If the Board cannot reach consensus, though, the By-laws of the Condominium provide that disputes between Board members (other than disputes with the Sponsor and disputes with respect to payment of common charges or assessments, unless mutually agreed) will be resolved by Expedited Arbitration under Article XIV of the By-laws.

For further information on the voting rights of Unit Owners, See Articles II and III of the By-laws. For further information regarding Expedited Arbitration, see Section 18C below and Article XIV of the By-laws.

29. Basis for Determination of Budget. The Condominium budget is projected on the assumption that the first year of condominium operation will be the year from January 1, 2023 to December 31, 2023. The actual first year of condominium operation may begin earlier or later than that year. In the event the actual or anticipated commencement date of the first year of condominium operation is to be delayed by six months or more, Sponsor will amend the Plan to include a revised budget with current projections. If the amended budget exceeds this projected budget by 25% or more, Sponsor will offer all Purchasers the right to rescind their Purchase Agreements within not less than fifteen days after the presentation date of the amendment containing such revised budget, and any Purchasers electing rescission pursuant to such offer will have their down payments returned, together with interest earned thereon, within a reasonable period of time. The Sponsor may not declare a 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.

30. Duties of Unit Owners. The first-year budget assumes that the Condominium will engage only a part-time handyman to perform minor cleaning and repairs, and shovel snow off of sidewalks up to three times per year. The level of staffing complies with applicable housing and labor laws as the premises is a 2-family home and therefore does not require either resident or non-resident janitorial services. Unit Owners will be expected to dispose of their own refuse unless they make alternative arrangements.

31. Waiver of Jury Trial. Purchasers waive the right to trial by jury in any action, proceeding, or counterclaim involving any matter whatsoever arising out of, or in any way connected with the Purchase Agreement, or the relationship of the parties as Purchaser and Seller, or the right of a Purchaser to any statutory relief or remedy.

32. Access to Building House Trap. The house trap serving the building is accessed through the garage appurtenant to Unit 1. The Condominium has an easement of access to the house trap under the Condominium By-laws for maintenance and repairs.

33. Cure of Pre-existing Violations for Curb Cut. The previous owner of the Property incurred violations from the Department of Buildings for installing a concrete slab and storage shed on the Property without a permit, and for making an illegal curb cut. All such violations will be removed by the Sponsor in connection with obtaining a Certificate of Occupancy. The curb cut also has been approved in connection with DOB approval of the filed building plans.

PARTS I AND II TOGETHER CONSTITUTE THE ENTIRE OFFERING PLAN. ALL DOCUMENTS REFERRED TO IN THE OFFERING PLAN ARE IMPORTANT. IT IS SUGGESTED THAT YOU CONSULT YOUR ATTORNEY OR FINANCIAL ADVISOR BEFORE PURCHASING AND PROVIDE THEM WITH A COPY OF THIS OFFERING PLAN.

1. INTRODUCTION.

The Sponsor, 108 King Partners, LLC (“**Sponsor**”), a New York limited liability company, presents this offering statement (the “**Plan**”) and sets forth herein all material information relating to the submission to Condominium ownership of the land and building located at 108 King Street, Brooklyn, New York 11231 and to be known as the “**108 KING STREET CONDOMINIUM**”. The land, building and appurtenances are hereinafter referred to collectively as either the “**Property**” or the “**Condominium**”. The Plan sets forth all of the material terms of the Sponsor’s offer. The Plan may be amended from time to time to reflect changes in the terms of the offering when such amendment is filed with the New York State Department of Law and served on all offerees as defined in 13 NYCRR Section 20.1(d).

The Condominium will be organized pursuant to Article 9-B of the Real Property Law of the State of New York, as amended, commonly known as the New York Condominium Act. The Condominium will consist of two (2) Units (known collectively as “**Units**”, and individually as a “**Unit**”) in a three-story building (the “**Building**”) with a crawl space and garage. The construction of the Building is expected to be completed on or about August 31, 2021.

The Sponsor will be obtaining a new Certificate of Occupancy for the Building. The Sponsor will obtain at least a temporary certificate of occupancy for residential use prior to the First Closing. The Sponsor will complete the construction and obtain a final certificate of occupancy for the entire project (not on a per Unit basis) before the temporary certificate of occupancy (as same may be renewed, replaced or extended) expires. This period may extend longer than two (2) years from the First Closing. However, the Sponsor and its principals are obligated to procure the final certificate of occupancy and for extending each temporary certificate of occupancy prior to its expiry until the final certificate of occupancy is procured. See Special Risk 5 and Section 16 herein for further details on closing requirements.

The Sponsor anticipates that the first closing of a Unit will occur by January 1, 2023. Purchasers will be offered a right of rescission if: (i) the actual date of closing of title the first Unit; or (ii) the projected date of closing of title to the first Unit occurs later than December 31, 2023, twelve months after the projected date for the first closing. If the Plan is amended to provide for a later projected date for the first closing, purchasers will be entitled to an offer of rescission if the first closing occurs more than 12 months beyond that amended, later date.

However, if the first closing occurs before January 1, 2023, the Sponsor may schedule the closings of title to other Units significantly later than such date. Unless your Purchase Agreement contains an outside closing date, the Sponsor is not obligated to schedule your closing within any specified time frame or to ensure that closing of title to your Unit within any specified time frame or to ensure that closing of title to your Unit will occur by any date certain. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER THE POSSIBILITY OF SUCH RISKS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT.

Sponsor acquired title to the Property on August 28, 2019. The Property is unencumbered.

The Sponsor intends to offer units for sale in good faith after the Plan has been

consummated. However, the Sponsor reserves the unconditional legal right to rent its Unsold Units after consummation of the Plan. Because Sponsor is not limiting the conditions under which it will rent rather than sell Units after the plan has been consummated, there is no commitment to sell more Units than the fifteen percent (15%) necessary to declare the Plan effective (i.e., one Unit) and owner-occupants may never gain effective control and management of the Condominium. If the Sponsor makes a bulk sale of all or some of its Unsold Units, then that Purchaser, as a successor sponsor, shall be bound by the Sponsor's representations regarding its commitment to sell Units. Purchasers should note that since the Condominium consists of only two Units, at least one Unit, comprising half of the Units in the Condominium, will always need to be sold in order to declare the Plan effective and consummate the Plan.

The Sponsor has not used construction financing in order to construct the Building. If the Sponsor decides to obtain construction financing, the Plan will be amended accordingly.

Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on purchase financing. Such restrictions may include requiring that a certain percentage of the units in a building be sold before the 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 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 Units are intended to be sold as Condominium Units in accordance with the Plan at the prices noted in Schedule A. These prices have been established by the Sponsor and are not subject to approval by the Department of Law or any other governmental agency. However, Schedule A is subject to the review of the Department of Law. The offering prices are conditioned upon the use of the standard finishes, fixtures and appliances as described in Exhibit D in Part II of the Plan.

Parts I and II of the Plan, including all Schedules and Exhibits, constitute the entire offer of Sponsor and all of the material terms of the transaction. The Plan and the Exhibits will be available for inspection by prospective Purchasers and their attorneys without charge at the office of the Sponsor and are available for inspection without charge and for copying at a reasonable fee at the Department of Law, 28 Liberty Street, New York, New York. All documents forming a part of this Plan are important. It is suggested that you consult your own attorney or financial advisor before purchasing and provide them with a copy of this Plan.

The Purchaser of a Unit (the "**Unit Owner**" individually or collectively "**Unit Owners**") owns his Unit similarly in many respects to the manner in which a private homeowner owns his home. He owns the Unit in fee and is entitled to the exclusive possession thereof. He is also the owner, in common with the owners of all other Units, of all remaining parts of the Property except for the Units themselves, including the land under the Building, its foundations and supports, the exterior walls and the roof (the "**Common Elements**"). Each Unit Owner's proportionate share (a

“**Common Interest**”) of the Common Elements is determined pursuant to New York State Real Property Law Sections 339-i and 339-m. Any portions of the land or Building (other than the Units themselves) which are reserved for the use of the owner of one or more specified Units to the exclusion of all others, are known as “**Limited Common Elements**”.

Unit 1 will have exclusive access to and derive sole benefit from designated portions of the front and rear yard, driveway and garage, and Unit 2 will have exclusive access to and derive sole benefit from the balcony at the third floor and the roof terrace, all of which are designated as Limited Common Elements. The Board of Managers may set forth reasonable rules and regulations which govern the use of all Limited Common Elements. See Exhibit D and Schedule A for further details.

Each Unit Owner is obligated to comply with the governing documents of the Condominium, including the Declaration of Condominium (“**Declaration**”), By-laws (“**By-Laws**”), and Rules and Regulations of the Condominium (“**Regulations**”). These documents are reproduced in Part II of the Plan.

Each Unit Owner may mortgage his Unit on the terms and in such amount as he or she chooses. However, if Purchasers seek mortgage financing to fund any part of the purchase price, they will be required to follow procedures set forth in the “Procedure to Purchase” section of the Plan (see Section 11) and in the Purchase Agreement in Part II of the Plan. No Unit will be subject to the lien of any mortgages placed by other Unit Owners on their Units.

Units may be used for residential or permitted home occupation purposes only.

Sales of Units by Unit Owners are subject to a right of first refusal by the other Unit Owner at the same price and terms the Unit Owner has been offered. Such right of first refusal is described in Section 18 of the Plan, “Rights and Obligations of Unit Owners”. A Unit cannot be sold without a sale of the proportional Unit interest in the Common Elements. The other Unit Owner does not have the right to approve or disapprove Purchasers, except by the exercise or waiver of the right of first refusal. There is no right of first refusal with respect to the sale of Unsold Units owned by the Sponsor.

A Unit Owner may freely lease his Unit, subject to certain restrictions including, but not limited to, a maximum term length of two (2) years, a provision that the entirety of the Unit must be leased, and rights of the Condominium in the event of a default by the tenant or the Unit Owner. See Article X of the By-Laws for further information.

A Unit Owner may make an alteration to a Unit, whether structural or nonstructural, extraordinary or ordinary, without consent provided that such alteration that does not affect (i) the exterior of the Building, (ii) the common structure or utility systems of the Condominium, or (iii) the value of the other Unit, and subject to additional terms and conditions set forth in Article VI of the By-Laws. Each Unit Owner will be obligated for the cost of his own interior decoration, maintenance and repairs to the Unit after closing. Each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will not be responsible if any of the other Unit Owners fail to pay their real estate taxes. The Board of Managers will assess against each Unit Owner, in

proportion to his respective Common Interest, charges (the “**Common Charges**”) for the maintenance of the Common Elements and for the operating costs of the Property (the “**Common Expenses**”), as provided in New York State Real Property Law Section 339-m. Each Unit Owner will pay for all electricity consumed within his own Unit, the charges for which will be separately metered.

In the opinion of counsel for the Sponsor, a Unit Owner, like a home owner, may deduct from his income for income tax purposes the real estate taxes and the interest paid on the mortgage encumbering the Unit(s) owned by the Unit Owner to the extent allowed by law.

The cost of maintenance and repair of the Common Elements shall be shared by all Unit Owners as provided above. Each Unit Owner shall have the same rights of access to, use of and benefit of the Common Elements (but not the Limited Common Elements). Each Unit Owner shall also be responsible for obtaining and bearing the cost of casualty and liability insurance in connection with his respective Unit. The Board of Managers shall have the duty of obtaining casualty and liability insurance, on behalf of the Condominium, with respect to the Building as a whole.

After the Sponsor surrenders control of the Board, the Board of Managers of the Condominium shall be composed of two (2) persons, each designated by one Unit Owner. The Board of Managers shall have the authority to manage and administer the affairs of the Condominium, including, but not limited to, the determination of Common Charges and the adoption of rules and regulations covering the Condominium. Disputes (other than disputes with the Sponsor and disputes with respect to payment of common charges or assessments, unless mutually agreed) will be resolved by Expedited Arbitration under Article XIV of the By-laws. Please see Section 19, “Rights and Obligations of Board of Managers and Summary of By-Laws” for further discussion.

Units may be purchased either by natural persons over the age of eighteen (18) years or by a duly formed partnership, corporation, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity permitted to own real property in the State of New York. The Board of Managers does not have the right to approve or disapprove Purchasers. The Plan does not limit the number of Unit Owners who may purchase for investment rather than personal occupancy; as a result, the Condominium may have Unit Owners who are non-occupants.

THE PURCHASE OF A CONDOMINIUM HAS MANY SIGNIFICANT LEGAL AND FINANCIAL CONSEQUENCES AND MAY BE ONE OF THE MOST IMPORTANT FINANCIAL TRANSACTIONS OF YOUR LIFE. THE ATTORNEY GENERAL STRONGLY URGES YOU TO READ THIS OFFERING PLAN CAREFULLY AND TO CONSULT WITH AN ATTORNEY BEFORE SIGNING AN AGREEMENT TO PURCHASE A CONDOMINIUM UNIT.

2. DEFINITIONS

“Board of Managers” or “Board”: The governing board of the Condominium composed of representatives elected by Unit Owners voting in accordance with their percentage of Common Interest.

“Building”: The structure containing the Units.

“Common Charges”: Each Unit’s proportionate share of Common Expenses in accordance with its Common Interest.

“Common Elements”: All portions of the Property other than Units. Common Elements include the General Common Elements (such as the Building’s foundation, roof and supports) and Limited Common Elements (such as the front and rear yard, garage, terraces, balconies, the windows and window frames located on the boundary of a Unit and serving exclusively that Unit). See Article FIFTH of the Declaration in Part II for a detailed description of General Common Elements and Limited Common Elements.

“Common Expenses”: (a) expenses of operation of the Property, and (b) all sums designated Common Expenses by or pursuant to the provisions of the New York Condominium Act, the Declaration or the By-Laws.

“Common Interest”: The proportionate, undivided interest expressed as a numerical percentage in the Common Elements, appertaining to each Unit, as determined in accordance with the Declaration and the Condominium Act in fee simple absolute.

“Condominium”: A form of ownership of real property in which individual Units as component parts of a whole are owned in fee simple with the right of exclusive use, by separate individuals or entities, which separate individuals and/or entities jointly own those parts of the whole designated as Common Elements. In the context of this Plan, “Condominium” specifically refers to “108 KING ST CONDOMINIUM”.

“Condominium Act”: Article 9-B of the New York Real Property Law.

“Condominium Documents”: By-Laws, Declaration and the Rules and Regulations of the Condominium.

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

“Equal or Better Quality”: means comparable or better quality recognized by industry standards for performance, efficiency, longevity, and/or classifications, as applicable.

“First Closing”: The first closing of title with a bona fide Purchaser of a Unit. The Sponsor anticipates that the First Closing will be on or about January 1, 2023.

“First Year of Condominium Operation”: The First Year of Condominium Operation commences when the First Closing occurs.

“Limited Common Elements”: Parts of the whole which are owned as Common Elements, but the exclusive use of which is granted to a single Unit Owner or several Unit Owners. See Article FIFTH of the Declaration in Part II for a detailed description of the Limited Common Elements.

“Person”: A natural person, corporation, partnership, association, trustee or other legal entity.

“Plan”: The Sponsor’s written description of its offer to prospective purchasers to purchase Units in the Condominium, contained in a document filed with the New York State Real Estate Financing Bureau.

“Property”: The land, Building and all other improvements thereon, 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, which have been or are intended to be submitted to the provisions of the New York State Condominium Act by this Plan.

“Purchaser”: Any person over the age of 18 or entity that executes a Purchase Agreement with the Sponsor.

“Recording Officer”; “Recording” or “Recorded”: Shall have the meanings stated in Section 290 of the New York State Real Property Law.

“Repairs”: Repairs, maintenance or replacement.

“Sponsor”: The offeror of the Units and the promoter of the project and/or Plan to convert a particular parcel of Property to Condominium ownership. ESP Marlborough LLC is the Sponsor of this Plan.

“Unit”: Any space in the Property designated as a Unit in the Declaration, consisting of a specific Unit in the Building and an appurtenant interest in the Common Elements.

“Unit Designation”: The number, letter or combination thereof or other official designations conforming to the tax lot number, if any, designating the Unit in the Declaration and on the floor plans.

“Unit Owner”: The person or persons, or entity owning a Unit in fee simple absolute;

“Unit Owners” Collectively means the respective owners of the Units.

“Unsold Unit”: Any Unit owned by the Sponsor.

3. DESCRIPTION OF PROPERTY AND IMPROVEMENTS.

The Property consists of the land and building located at 108 King Street, Brooklyn, New York 11231. The lot comprises approximately 2,500 square feet.. Prior to Sponsor commencing construction of the Building, the lot was vacant. The Property is located in Red Hook between Van Brundt Street and Richards Street.

The Sponsor expects to complete the construction of the Building by August 1, 2021. The building is being constructed in accordance with all applicable zoning and building laws, regulations, codes and other requirements of the City of New York. As per the New York City Zoning Resolution, Section 22-12, this three-story, two-unit residential building is a permitted use within use group 2 (residential use) as of right in an R5 zoning district. R5 residential districts typically produce three- and four- story attached houses and small apartment houses. With a height limit of 40 feet, R5 districts provide a transition between lower- and higher- density neighborhoods. See Exhibit D, entitled "Description of Property and Building Condition", in Part II of the Plan.

The Building consists of three (3) floors with no elevator. The Building also includes front and rear yards which will be appurtenant to Unit 1. A balcony at the third floor and roof terrace will all be appurtenant to Unit 2. The exterior walls are metal framing with stucco/brick and PVC trimboard material finishes. Each unit will have its own heating and hot water system. Each Unit will have a dishwasher. There will be hook-ups and outlets for stackable laundry facilities within each Unit.

Electricity and gas will be supplied by Consolidated Edison of New York and National Grid respectively for heating, cooking, lighting, and the use of appliances with separate meters for each Unit. See Schedule B-1 in the Plan for the estimated electric costs of individual Units.

The Sponsor reserves the right to close title to Units after procuring a temporary certificate of occupancy with respect to a Unit. However, the Sponsor will renew all TCO's before they expire, complete the construction of the Building and obtain a final certificate of occupancy for the entire project (not on a per Unit basis). The Sponsor and its principals are obligated to procure the Final Certificate of Occupancy and for extending each Temporary Certificate of Occupancy prior to its expiry until the Final Certificate of Occupancy is procured. This period may extend longer than two (2) years from the First Closing. See Special Risk 4 and Section 16 herein.

For a more complete description of the Property, see Exhibit D, entitled "Description of Property and Building Condition" in Part II of the Plan.

4. LOCATION AND AREA INFORMATION.

1. Location.

The Condominium is located on King Street between Van Bruntt and Richards Streets in the Red Hook neighborhood in the Borough of Brooklyn in New York City.

2. Area Information. The Property is located in an urban area.

A. Transportation.

The New York City Transit's F & G Lines are serviced at the Smith-9th St Station.

The B57, B61 and B69 run along avenues and streets within close proximity to the Property.

The NY Water Taxi Ikea Ferry services Red Hook on the water.

B. Educational Facilities.

The following New York City pre-schools, public schools, private schools and colleges are located within a roughly 1 mile radius of the Property:

PRE-SCHOOLS:

BumbleBeesRus Educational Child Care Program, 76 Lorraine Street, Brooklyn, NY
Strong Place Day Care, 595 Clinton Street, Brooklyn, NY

OTHER SCHOOLS:

PS 15 Patrick F. Daly, 71 Sullivan Street
PS 58 The Carroll School, 330 Smith Street
South Brooklyn Community High School, 173 Conover Street
Summit Academy Charter School, 27 Huntington Street

No representation is made that any Unit Owner's child will be able to attend any particular educational facility.

C. Religious Institutions.

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

D. Parks, Recreation and Cultural Facilities.

There are numerous public parks, recreational and cultural facilities nearby to the Property including Red Hook Swimming Pool, Red Hook Recreation Area and Coffey Park..

E. Medical Facilities.

In addition to several smaller medical and dental practices and specialists, the following medical facility is near the Property: Brooklyn Hospital Center-Downtown Campus, 121 DeKalb Avenue, Brooklyn, New York.

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

Police, fire, water and sanitation services are provided by the City of New York and all charges (except water) are incorporated into City taxes. The Property is located within the 76th Precinct located at 191 Union Street. The Fire Department covers the area from Engine 202 Ladder 101 located at 31 Richards Street.

G. Zoning.

As per the New York City Zoning Resolution, Section 22-12, the Building is a permitted use within use group 2 as of right in an R5 zoning district. R5 residential districts typically produce three-and four-story attached houses and small apartment houses. With a height limit of 40 feet, R5 districts provide a transition between lower- and higher-density neighborhoods. The Sponsor does not have any other development projects in the immediate vicinity of the Building and is unaware of any other publicly announced development projects by other developers adjacent to or across the street from the Building.

H. Mailing Address and Postal Facilities.

The mailing address of the Building will be: "108 King Street, Brooklyn NY11231." The post office servicing the Building is: General Post Office Station, 615 Clinton Street, Brooklyn, New York.

I. Shopping and Banking Facilities.

Numerous grocery stores, health food stores, specialty food shops and delicatessens are located within close proximity of the Property. In addition there are several banks within close proximity of the Property. Sponsor makes no representation as to the continued operation of any retail, banking or other establishment.

J. Library

The nearest public library is the Brooklyn Public Library, Red Hook Public Library, 7 Wolcott Street, Brooklyn, New York.

3. Development. The Sponsor is not developing any projects within a one-block radius of the Property, nor has the NYC Department of Buildings approved any such project. Any change in the foregoing information occurring while sales are continuing will be disclosed in an amendment within thirty (30) days after such information becomes known to the Sponsor.

5. SCHEDULE A

108 KING STREET, BROOKLYN, NY 11231

Offering Price and Related Information for Projected First Year of Condominium Operation
From January 1, 2023 - December 31, 2023

	Use	Number of Bedrooms & Baths (1)	Approx. Unit Gross Square Footage	Limited Common Element Approx. Square Footage	Total Square Footage Including LCE's	Offering Price	Percentage of Common Interest	Estimated Monthly Common Charges***	Estimated Monthly Real Estate Taxes	Estimated Annual Real Estate Taxes	Estimated Monthly Common Charges and Taxes
1	Res	3BR/2.5B	1,876	1,804*	3,680	\$2,499,000	50.00%	\$492.83	\$1,079.31	\$12,951.70	\$1,572.14
2	Res	3BR/3B-T	1,897	1,475**	3,372	\$2,499,000	50.00%	\$492.83	\$1,079.31	\$12,951.70	\$1,572.14
TOTAL			3,773			\$4,998,000	100.00%	\$985.66	\$2,158.62	\$25,903.40	\$3,144.28
* Comprised of front yard (165 sf), rear yard (750 sf), garage (239 sf) and storage area (650 sf crawl space)											
** Comprised of balcony (24 sf) and roof terrace (1,451 sf) (T). Unit 2 has exclusive access to the roof.											
These uninhabitable spaces may not be used legally as a bedroom or living room. To do so may result in a building code violation being issued for the building.											
***Includes recommended capital repair reserve fund contribution. (See Note 12 to Schedule B.)											
(1) See Floor Plans in Exhibit D for additional information											

FOOTNOTES TO SCHEDULE A

(1) The gross square footages for Units shown on Schedule A are the horizontal dimensions of the Unit, measured from the exterior face of exterior walls to the midpoint of the opposite interior walls, and from the midpoint of demising walls between Units to the midpoint of the opposite wall; ceiling height is measured vertically from the underside of the Unit's finished flooring to the exposed painted face of a concrete ceiling or the unexposed side of the Unit's drywall or plaster ceiling, as applicable. All measurements are approximate within reasonable tolerances. Common Elements located within the measured dimensions of a Unit are not part of the Unit. The floor plans shown on Exhibit D in Part II of the Plan are based on the foregoing type of measurement. The Units are not measured from interior surfaces of interior walls and, thus, the actual area comprising the Units is significantly less than the area listed in Schedule A. Each Unit should be inspected prior to purchase so that any prospective Purchaser will be able to inspect the interior dimensions, layout and physical condition. See Part II, Exhibit D.

The number of bedrooms and baths in each Unit is calculated in accordance with the "Recommended Method of Residential Room Count," effective January 1, 1964, from the Real Estate Board of New York.

(2) Intentionally Omitted.

(3) Certain Units have amenities that can be used only by the particular Unit, such as a front and rear yard; these amenities are Limited Common Elements. As shown in the floor plans in Part II, Exhibit D, Unit 1 has the exclusive use of specific portions of the front and rear yards, driveway and garage, and a crawl space; and Unit 2 has the exclusive use of a balcony and roof terrace, and a separate crawl space, all of which are Limited Common Elements. For a description of the rights and obligations of Unit Owners with respect to the repair and alteration of the Limited Common Elements see Section 18, entitled "Rights and Obligations of the Unit Owners - Restrictions on Purchase, Use and Sale of Units."

The use of the Limited Common Elements by Unit Owners is governed by the terms of the Declaration and By-Laws, including the following:

A Unit Owner may make an alteration to a Unit, whether structural or nonstructural, extraordinary or ordinary, without consent provided that such alteration that does not affect (i) the exterior of the Building, (ii) the common elements, structure or utility systems of the Condominium, or (iii) the value of the other Unit and subject to additional terms and conditions set forth in Article VI of the By-Laws. Certain improvements may also require the consent of the Building Department and the Board of Standards and Appeals, depending on whether such enclosures are deemed to use development rights belonging to the Condominium. The Board of Managers must approve any application to such agencies.

All alterations are subject to the Regulations of the Condominium regarding the time and manner of performance, security, insurance, responsibility for interruption of services, and liability for future repairs. A Unit Owner may be required to execute an Alteration Agreement incorporating such terms. The agreement may be recorded and will bind future owners of the Unit.

The Board of Managers will have the right to enter any Limited Common Element for the purpose of inspecting or making repairs to the General Common Elements. The Unit Owner will be responsible for removing all personal property or improvements to a Unit in order to provide such access, at his or her expense.

Repairs in or to the Limited Common Elements (as defined in the Declaration) will be performed by, and at the expense of, the Unit Owner having direct and exclusive access, whether or not the Repair involves nonstructural or ordinary Repairs, or structural or extraordinary maintenance, repairs or replacements (including, but not limited to, the repair of leaks). The Board of Managers will also have the right, but not the obligation, to require a Unit Owner to make a Repair to a Limited Common Element (also at the expense of the Unit Owner) if failure to make such Repair has an adverse effect on the other Unit or the Condominium.

If a Repair to a Unit or a Limited Common Element adversely affects (i) the exterior of the Building (except for the roof and any decorative materials, pedestals or decking placed on the roof of the Building, as to which the Unit Owner may make the appropriate repairs, alterations or additions without consent), (ii) the common elements, structure or utility systems of the Condominium or (iii) the value of other Unit, then the Unit Owner who benefits from the Limited Common Element in question and has exclusive access thereto shall first obtain the prior written consent (such consent not to be unreasonably withheld, delayed or conditioned) of the other Unit Owner before repairing, replacing or maintaining same in accordance with the terms contained herein. While the Sponsor controls the Condominium, the Sponsor will make any determination regarding consent to the Alteration. After the Sponsor Control Period terminates, if the Unit Owners shall not agree on the Repair in question, then either Unit Owner may submit the dispute to expedited arbitration as provided in Article XIV of the By-laws.

(4) The Sponsor reserves the right to negotiate prices with individual Purchasers. No change in the sales price will be made other than pursuant to a duly filed amendment, except that the Sponsor reserves the right to decrease the sales prices below the Plan prices without filing an amendment to the Plan at any time during the offering where a reduction in sales price does not constitute a general offering, but is rather the result of an individually negotiated purchase. See the Section 9 entitled "Changes in Prices and Units" for a more detailed discussion of price changes.

(5) The Common Interest of 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, in accordance with Section 339-i(1)(iv) of the Condominium Act.

(6) These projections are based upon the first year's budget (see Schedule B), which was prepared on the assumption that the First Year of Condominium Operation will commence on January 1, 2023. The actual First Year of Condominium Operation may begin earlier or later. The monthly Common Charges payable by each Unit Owner are based on their percentage of Common Interest in the Common Charges. See the footnotes to Schedule B for a more detailed description of the expenses and services which Common Charges cover.

The estimated Common Charges do not include the following Unit ownership expenses that Unit Owners will pay separately: (a) utility company bills for electricity supplied to each Unit as measured by separate meters or submeters; (b) finance payments for any loan obtained to purchase a Unit; (c) cost to paint, clean, repair and maintain the interior of a Unit (including its equipment and appliances); (d) premiums for any insurance a Unit Owner may wish to obtain to insure its furniture, belongings and other personal property against loss from fire or other casualty or to insure against claims for personal injury or property damage arising from incidents in its Unit (these matters will not be covered under the insurance maintained by the Condominium Board); (e) charges for telephone service, internet service and any cable television a Unit Owner may install; and (f) repairs to the interior of a Unit. See Schedule B-1 for individual carrying charges with respect to electricity usage.

(7) (a) 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 a Unit Owner will not be responsible for the payment of, nor will his or her Unit be subject to, any lien arising from the non-payment of taxes on the other Units. Real estate taxes may be deductible for income tax purposes, depending on a Unit Owner's individual tax position (See Section 21 entitled "Income Tax Deductions to Unit Owners and Tax Status of Condominium"). It is anticipated that each Unit Owner's real estate taxes will be based on his percentage of Common Interest of the real estate taxes determined for the entire Property; however, the Sponsor cannot guarantee that the taxing authority will allocate taxes based upon Common Interest.

(b) Based on the projections of assessed value set forth in the opinion letter of Metropolitan Realty Exemptions, 118 Middleton Street, Brooklyn, New York ("**Tax Consultant**") dated August 9, 2022. Under applicable tax laws, Tax Class 1 properties like 108 King Street are subject to an annual assessment cap of 6% over the previous year's assessed value, and a 20% cap within any five-year period. Furthermore, since construction had been completed (pending inspections) by the end of 2021, and the 2022/23 assessed valuation already represented a substantial increase over the 2021/22 assessed value, the Tax Consultant believed that the increased final AV for 2022/23 reflected the post-construction AV, and accordingly, would not increase in tax year 2023/24. Accordingly, based on the Tax Consultant's projections, the real estate taxes for the Property for the first year of Condominium Operation from January 1, 2023 through December 31, 2023 will be the sum of (a) \$12,951.70 (one half of annual taxes of \$25,903.40 for the 2022/23 tax year), based on a final assessed valuation of \$129,757 and a tax rate of \$19.963 per \$100 of assessed value, plus (b) \$13,728.59, one half of a 6% increase in taxes over the taxes during the 2022/23 tax year allocable to the period July 1-December 31, 2023, for total taxes of \$26,680.29. For further details, see Section 20 and the entirety of the opinion letter immediately thereafter.

(c) No warranty is made by the Sponsor that the actual assessed valuation or the transitional assessed valuation of the Property will be as projected above, or that the projected tax rate will be in effect for all or any portion of the Property during the First Year of Condominium Operation. In no event will the Sponsor, the Sponsor's counsel, the Board of Managers of the Condominium, managing agent (if any) or any other person be liable if the Property's real estate taxes exceed the amounts described herein or if there are changes in the applicable statutes or regulations.

(8) The total monthly carrying charges are the sum of the estimated monthly Common Charges and the estimated monthly real estate taxes.

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6. PROJECTED BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION

SCHEDULE B
108 KING ST CONDOMINIUM
108 King Street, Brooklyn, NY
Projected Budget for First Year of Condominium Operation
January 1, 2023 to December 31, 2023 (Note 1)

<u>Projected Common Charge Income</u>	<u>Condominium Budget</u>
Residential Common Charges (Note 2)	\$10,753
Total Income:	
<u>Projected Common Expenses</u>	
Payroll and Snow Removal (Note 3)	\$1,250
Heating (Note 4)	\$0
Electricity (A/C, Lighting, General Purpose) (Note 5)	\$1,010
Water Charges and Sewer Rents (Note 6)	\$2,268
Repairs and Maintenance (Note 7)	\$1,000
Service Contracts and Supplies (Note 8)	\$725
Insurance (Note 9)	\$3,000
Management Fee (Note 10)	\$0
Legal and Audit Fees (Note 11)	\$1,500
Total Projected Income and Expenses	\$10,753

Recommended Capital Repair Reserve Fund Contribution (Note 12)	\$1,075
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The Notes to Schedule B below are an integral part of this Schedule and should be read in conjunction herewith.

Footnotes to Schedule B

(1) Amounts are projected on the assumption that the first year of condominium operation will be the year from January 1, 2023 to December 31, 2023. The actual first year of condominium operation may begin earlier or later than that year. In the event the actual or anticipated commencement date of the first year of condominium operation is to be delayed by six months or more, Sponsor will amend the Plan to include a revised budget with current projections. If the amended budget exceeds this projected budget by 25% or more, Sponsor will offer all Purchasers the right to rescind their Purchase Agreements within not less than fifteen days after the presentation date of the amendment containing such revised budget, and any Purchasers electing rescission pursuant to such offer will have their down payments returned, together with interest earned thereon, within a reasonable period of time. The Sponsor may not declare a 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.

(2) These amounts represent the total Common Charges to be levied against and collected from the Unit Owners during the projected first year of condominium operation. The Common Charges will be utilized by the Board to defray the operational expenses of the Condominium.

Common Charges are allocated to the Residential Units based on Percentage of Common Interest.

(3) Payroll and Related Expenses: \$1,250

Based on one (1) non-resident, part-time non-union handyman/helper to be on call on an "as needed" basis at a projected cost of \$130.00 per month for minor common area cleaning and routine repairs and maintenance. The helper will be engaged as an independent contractor at an approximate cost of \$20.00 per hour. This estimate also includes an allowance for three (3) individual snow removals for the sidewalk areas of the Condominium. The level of staffing complies with applicable housing and labor laws as the premises is a 2-family home and therefore does not require either resident or non-resident janitorial services. The projected expenses for payroll as well as the assumptions described herein, are believed to be reasonable and reflect the experience of Sponsor's budget expert, David Amster of Prime Locations, Inc., 733 Yonkers Ave., Yonkers, NY.

The Board of Managers will arrange the hours and duties of the handyman in its discretion. During the Sponsor Control Period, such determination will be made by the Sponsor in consultation with the other Unit Owner. Unit Owners will be responsible for refuse removal from their individual Units, snow removal (other than removal arranged with the handyman) and such other repairs or maintenance for which they elect not to engage the handyman.

(4) Heating: \$ 0

There is no common area heat in the Building. Each Unit will be heated individually. See Schedule B-1 following for the costs of heating for individual Units.

(5) Electricity (A/C, Lighting, General Purpose): \$1,010

Electricity for the Common Elements will be master metered. Electricity for individual units will be individually metered by Con Edison. The estimate is based on the projections of consumption for all Common Elements as described in a letter dated May 11, 2021 from Guth DeConzo Consulting Engineers, P.C., which reflects an estimated annual consumption of approximately 4,008 kilowatt hours of electricity based on a rate of \$0.252 per kilowatt hour of electricity, including sales tax, which represents an increase of approximately 5% above the rates of Con Edison currently in effect.

(6) Water Charges and Sewer Rent: \$2,268

The budgeted amount is based upon the projection of consumption and rates set forth in a letter dated May 11, 2021 from Guth DeConzo Consulting Engineers, P.C., which reflects a gross estimated annual consumption of 220 ccf (hundred cubic feet) by the Unit Owners based on current New York City water and sewer rates, plus a projected increased cost factor of 10%. Guth DeConzo Consulting Engineers, P.C. based its estimates on customary industry standards of annual consumption for two adults and one child.

(7) Repairs and Maintenance: \$1,000

This figure represents the estimated cost for ordinary maintenance and repairs of the Common Elements, including periodic painting, and supplies such as cleaning supplies, lubricants, bulbs, fixtures, hardware, etc. used in connection with the operation of the Common Elements.

No amounts have been budgeted for repairs to the roof, ventilating system or the Building exterior, and a relatively small amount has been estimated for other repairs, because the Building's roof, the ventilating system and virtually all of the other Building systems will be new. This estimate is based on experience of Sponsor's budget expert, Prime Locations, Inc., in operating comparable new buildings.

(8) Service Contracts and Supplies: \$725

This estimate includes the estimated cost of sprinkler system maintenance based on the experience of the Sponsor's budget expert with comparable systems. The Sponsor has not yet entered into a maintenance contract for sprinkler services.

No maintenance or service contracts have been entered into as of the date of the Plan. Schedule B includes a reasonable allowance for possible increases in cost which may occur prior to and during the first year of condominium operation, no warranty is made that the actual cost for

this or other services will be in accordance with this projection.

(9) Insurance: \$3,000

Insurance charges are based upon a quotation from Insure Secure Brokerage, Inc., 5824 12th Avenue, Brooklyn, NY 11219 dated November 16, 2020. The insurance will include All-Risk, replacement cost (stipulated amount) property coverage in the amount of \$700,000 with a \$2,500 deductible, and commercial general liability protection in the amount of \$1,000,000 per occurrence. The Building coverage limit of \$700,000 is based on the estimated cost to replace the building, not including the cost of excavating and rebuilding the foundation. The insurance will have an agreed value provision waiving coinsurance. It is advisable for the Condominium to verify the adequacy of the initial amount periodically to insure that the coverage is sufficient. The total premium for these various coverages is estimated at \$3,000 annually. The estimate does not include Directors & Officers coverage, rent insurance, water damage, excess liability, auto liability or crime insurance, for which there is an additional annual premium. The Sponsor projects the cost of the annual premium for Directors & Officers' coverage at approximately \$1,500.

The Condominium's insurance coverage also does not include claims for personal injury or property damage resulting from occurrences in individual Units, nor does it include coverage of the furniture or personal property of Unit Owners. All Unit Owners are required to carry insurance commonly known as "condominium homeowners insurance" insuring the Unit Owner against damage to those portions of their Units not covered by the Condominium's insurance (including floors, subfloors, interior or partition walls, improvements and betterments to individual Units, appliances, built-ins (such as kitchen cabinets), fixtures to the point that they connect to the building systems within the walls, furniture, furnishings, or other personal property of Unit Owners), and against liability for claims for personal injury or property damage arising out of their acts or omissions.

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

Sponsor will procure, on behalf of the Board, on or before the date of the First Closing, the general liability insurance required to be carried by the Condominium. The fire, casualty and general liability insurance carried by the Condominium will provide that each Unit Owner is an additional insured party; that there will be no cancellation without notice to the Board of Managers; a waiver of subrogation; a waiver of invalidity because of the acts of the insured and Unit Owners; and a waiver of pro-rata reduction if Unit Owners obtain additional coverage.

(10) Management Fee: \$0

The Condominium will be self-managed. In lieu of a management company, the Board of Managers, generally, will enter into service contracts (e.g., electricity, window cleaning, rubbish removal, fuel oil, security services, vermin extermination and other services or such of them as shall be advisable); bill Unit Owners and maintain accounting records, reports and books (other

than books of account maintained by the Condominium's accountants) for the Building or the operation thereof; hire and fire staffing, as necessary. In the event that the Condominium engages a managing agent in the future, the common charges will increase.

(11) Legal and Audit Fees: \$1,500

Based upon the estimate of Sheer & Jampol, 555 Taxter Road, Elmsford, NY, as set forth in correspondence dated March 29, 2021, \$1,500 has been budgeted for fees to be incurred in connection with the preparation of audited financial statements for the Condominium's first year of condominium operation and its Federal, New York State and New York City income tax returns. The balance of the budgeted amount, \$500, has been estimated to provide for minor legal services to be rendered in connection with the operation of the Building such as attendance at Board meetings, preparation of Board minutes and negotiation of minor agreements. The attorney for the Condominium will be determined by the Board of Managers.

(12) Recommended Capital Repair Reserve Fund Contribution: \$ 1,076

This item represents an annual assessment suggested to be contributed by the Unit Owners toward the funding of a Reserve Account for future capital repairs in order to satisfy the common requirements of lending institutions and secondary mortgage agencies such as FNMA for a Condominium Association to show an established reserve fund. They are not operating costs.

The reserve contribution will be accumulated on an annual basis to enable the Condominium to accumulate reserves for capital expenditures and replacement costs of the Building's major components. The size and timing of payments to the Capital Repair Reserve Fund is in the discretion of the Board of Managers. In the event that the budget is modified to increase or decrease the total operating expenses, it is anticipated that the Reserve Fund Contribution amount will be modified accordingly.

Initially the reserve contribution will be payable in equal monthly installments at the same time and in the same manner as common charges. The amount of the assessment may change based on the results of a reserve fund study conducted by the Condominium, changes in financing guidelines by institutional lenders that are adopted by the Board, or other Board action. The Board of Managers may also change the timing and method of payment at its discretion.

The reserve fund is for the entire Condominium and has been allocated to all Units within the Condominium based upon each unit's respective Percentage of Common Interest.

In the opinion of David Amster of Prime Locations, Inc., the projected income for the Condominium is adequate to meet the estimated expenses for the first year of condominium operation, assuming that such first year is the fiscal year commencing January 1, 2023. However, no budget item is warranted as to its accuracy, sufficiency or otherwise. The budget is not intended, and should not be taken, as a guarantee by anyone that the annual Common Charges or Common Expenses for the first or any subsequent year of operation of the Property by the Board will be as set forth in the budget. In fact, it is likely that the actual income and expenses for the first year of condominium operation will vary from the amounts shown in the budget.

The Sponsor anticipates that the first closing of a Unit will occur by January 1, 2023. Purchasers will be offered a right of rescission if: (i) the actual date of closing of title the first Unit; or (ii) the projected date of closing of title to the first Unit occurs later than December 31, 2023, twelve months after the projected date for the first closing. If the Plan is amended to provide for a later projected date for the first closing, purchasers will be entitled to an offer of rescission if the first closing occurs more than 12 months beyond that amended, later date.

However, even if the first closing occurs before January 1, 2023, the Sponsor may schedule the closings of title to other Units significantly later than such date. Unless your Purchase Agreement contains an outside closing date, the Sponsor is not obligated to schedule your closing within any specified time frame or to ensure that closing of title to your Unit within any specified time frame or to ensure that closing of title to your Unit will occur by any date certain. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER SUCH RISKS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT.

7. BUDGET FOR INDIVIDUAL ENERGY COSTS

SCHEDULE B-1

Projected Annual Electricity and Gas Costs

By letter dated May 11, 2021 (a copy of which follows), Guth DeConzo Consulting Engineers, P.C., 242 West 30th Street, NY, NY 10001 provided the following estimate of annual electric energy costs for lighting, air conditioning, heat pumps, cooking, hot water heating and for operating the typical electrical appliances located in each apartment. Estimates are based on the professional experience of Guth DeConzo Consulting Engineers, P.C., for comparable buildings and occupancy:

The following table sets for the estimated KWHR per year based on an average Con Edison rate of \$0.24 per KW Hour.

<u>Unit</u>	<u>Total Annual KWH</u>	<u>Total Annual Cost</u>
Unit 1	18,928	\$ 4,542
Unit 2	19,436	\$ 4,664

The following table sets for the estimated therms of natural gas per year for cooking and hot water based on an average National Grid rate of \$1.25 per therm.

<u>Unit</u>	<u>Total Annual Therms</u>	<u>Total Annual Cost</u>
Unit 1	1,278	\$ 1,597
Unit 2	1,349	\$ 1,686

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

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TO:

May 11, 2021

Re: 108 King Street
Brooklyn, NY 11231
Projected Utility Costs

The following units are in the building:

SUSTAINABLE
ENGINEERING
SOLUTIONS

Unit 1: 1st floor:	945 sf
Unit 1: 2 nd Floor:	931 sf
Unit 1: Garage	238 sf
Unit 2: 1 st Floor:	78 sf
Unit 2: 2 nd Floor	444 sf
Unit 2: 3 rd Floor:	1375 sf
Total	10,536 sf

Electrical:

Cost of electricity as of April, 2021 is approximately \$0.24 per KWH including demand charges and taxes.

- I. Estimated electrical Usage for Common Areas only: Common areas will have a separate electrical meter that is shared by the tenants per the Engineer's Report.

1. Common Area Lighting+general purpose + fans= 4,008KWH/yr
Estimated Elec.Cost = 4,008 KWH/yr x 0.24/KWH =\$981/year

- II. Estimated Electrical Usage for Individual units

Individual apartments will have an electric utility bill. Lighting & general purpose power+ AC + laundry

Unit #1 - 1,876sf

Estimated Elec.Cost = 18,928 KWH/yr x 0.24/KWH =\$4,542/year

Unit #2 - 1,897sf

Estimated Elec.Cost = 19,436 KWH/yr x 0.24/KWH =\$4,664/year

GuthDeConzo.com

III. Estimated Gas Usage for Individual units

Cost of natural gas approximately is \$1.25/therm December 2020.

Natural Gas Domestic Hot Water(Typical each residential Unit)

Domestic Hot water for each unit – (30gallons/day)(3 occupants) (8.33lb/gallon) (100deg delta T)(365 days/year)=27,364,050 BTU/year 27,364,050/100,000=273 Therms/year.

Natural Gas Unit#1

HEATING:

$((50,026 \text{ btu/hr}) \times (4900 \text{ HDD}) \times (24 \text{ hrs/day})) / ((65 \text{ degF} \times (.9)(100,000)) = 1005 \text{ Therms/year}$

Total Gas cost per year unit#1= **273Therms+1005Therms= \$1597/year**

Natural Gas Unit#2

HEATING:

$((53,562 \text{ btu/hr}) \times (4900 \text{ HDD}) \times (24 \text{ hrs/day})) / ((65 \text{ degF} \times (.9)(100,000)) = 1076 \text{ therms}$

Total Gas cost per year unit#2 = **273Therms+1076Therms= \$1686/year**

Domestic Water/Sewer:

Domestic water use is estimated at 75 gallons per day per resident.
Assuming 6 residents yearly demand is estimated at 164,250 gallons/year.

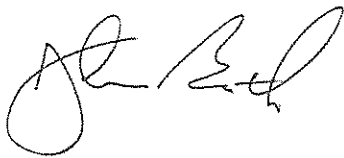
Water is metered as \$10.33 per hundred cubic feet(748 gallons)(March 2021.

Yearly water cost is estimated at- **\$2,268/year**

This cost provides a combined domestic water and sewer charge and will be shared by the tenants per the Engineers Report.

Please call with any questions.

Very Truly Yours,



John J. Guth, PE
Guth DeConzo Consulting Engineers, PC

Kenneth Jacobs
Partner
914-476-0600
[kjacob@sbjlaw.com](mailto:kjacobs@sbjlaw.com)

May 24, 2021

108 King Partners, LLC
c/o Pinnacle Real Estate Ventures Inc.
18 Main Street
Roslyn, New York 11576

8. OPINION RE: COMPLIANCE WITH 339-i

108 King Street Condominium
108 King Street, Brooklyn, NY

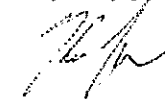
Gentlemen:

I am an attorney licensed to practice in the State of New York. I have been involved in the review, preparation and analysis of condominium offerings for more than 30 years, including the review of floor plans, and allocations of common charges and real estate taxes for individual units.

You have requested our opinion as to whether the distribution of percentage of common interest, which has been assigned to each unit in the above-mentioned condominium, is proper in accordance with the terms of the Real Property Law Section 339-i. We have reviewed the allocation of common interest as shown on Schedule A to be included in the offering plan for the above building.

The common interest has been allocated to each condominium unit in accordance with Section 339-i (1) (ii) of the NYS Real Property Law based upon the approximate proportion that the floor area of the unit bears to the aggregate floor area of all the units, but such proportion shall reflect the substantially exclusive advantages enjoyed by one or more but not all units in a part or parts of the common elements. Measurements and calculation of net square footage for each unit are based on calculations provided by Sion Hourizadeh of Sion Associates NY, LLC, the architect retained by the Declarant (as defined in the Declaration of Condominium) to prepare the floor plans for the Condominium.

Very truly yours,



Kenneth R. Jacobs

9. CHANGES IN PRICES AND UNITS.

The offering prices set forth in Schedule A for each Unit may be increased in all cases (including individual price increases) only by amendment to the Plan, and decreased only by amendment if the change of price is an across-the-board change or is to be advertised. As set forth in the Notes to Schedule A, offering prices are negotiable. Accordingly, the Sponsor may enter into a Purchase Agreement with a Purchaser to sell one or more Units at prices less than those set forth in Schedule A without filing an amendment before entering into the Purchase Agreement. As a result of the negotiability of offering prices and the right to change them, certain Purchasers may pay or may have paid more or less than another Purchaser under this Plan for a similar Unit. However, no change will affect the percentage of Common Interest allocated to a Unit as to which the amount of the offering prices was changed.

No changes will be made in the size or number of Units or their respective percentage of Common Interest except by amendment to the Plan and (when applicable) the Declaration. No material change will be made in the size, layout or percentage of Common Interest of a Unit without the consent of the affected Purchaser if a Purchase Agreement has been executed and delivered to the Sponsor for that Unit and the Purchaser is not in default. No material change will be made to the size, and no material adverse change will be made in the quality, of Common Elements unless all purchasers consent and by amendment to the Plan, and also by amendment to the Declaration if the Declaration was filed prior to such change.

10. INTERIM LEASES.

The Sponsor reserves the right to rent or lease vacant Unsold Units to Purchasers under the plan as an interim lessee, including prior to the consummation of the Plan. There are no rental protection laws which are applicable to interim leases or lessees. The 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.

The term of an interim lease shall be for a period which will expire on the earlier of the date of closing of title (in the event this Plan shall be declared effective) or one (1) year after the date of execution of the lease. Such lease will also provide that an uncured default by the Purchaser under their Purchase Agreement will constitute a default under the lease entitling the landlord (i.e., Sponsor), at its sole option, to immediately terminate such lease. The Purchase Agreement will contain a similar cross-default provision entitling the Sponsor to cancel the Purchase Agreement if the Purchaser fails to cure a default under their lease within the applicable grace period (if any) and such default results in their eviction from the Unit (whether voluntarily or by court order). The Purchase Agreement also provides that the sponsor must make a written demand for payment after a default at least 30 days before forfeiture of the down payment may be declared. If the Purchaser defaults under the interim lease, an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the Purchaser-tenant must be obtained or the Purchaser-tenant must have vacated the Unit before the Sponsor may declare the down payment under the Purchase Agreement forfeited. No portion of the rental paid under such lease will be credited toward the Unit's total purchase price.

The lessee shall have thirty (30) days to vacate the Unit after notice of a default under the Purchase Agreement.

If a right of rescission is offered in the future, and exercised by Purchaser, then the Purchaser's right to rescind will be conditioned upon his surrendering the Interim Lease and possession of the Unit and leaving the same vacant, in good condition and broom clean within thirty (30) days after he elects to rescind. He must also pay any rent due under his Interim Lease. Nothing contained herein shall relieve any Purchaser of liability for damage caused to the Unit.

IF THE PURCHASER FAILS TO COMPLY WITH THE ABOVE PROVISIONS, THE RIGHT OF RESCISSION WILL BE INEFFECTIVE AND THE PURCHASE AGREEMENT SHALL BE REINSTATED, EXCEPT THAT THE PURCHASER SHALL BE IN DEFAULT UNDER THE PURCHASE AGREEMENT AND SHALL BE REQUIRED TO CURE SUCH DEFAULT WITHIN THIRTY (30) DAYS THEREAFTER, AND THE INTERIM LESSEE AND THE SPONSOR WILL CONTINUE TO BE ENTITLED TO ALL OF THEIR RESPECTIVE RIGHTS UNDER THE PURCHASE AGREEMENT. If an interim lessee exercises a right of rescission, the lease shall automatically terminate in all events as of the date the rescission right is exercised and will not be reinstated under any circumstances.

The form of Interim Lease will be the standard form of apartment lease currently published by the Real Estate Board of New York, Inc. supplemented by a Rider setting forth the cross-default provisions between the lease and the Purchase Agreement. The form of Rider appears as Exhibit I in Part II.

The risk of loss with respect to damage to the Unit remains with the Sponsor until the closing of title to the Unit. However, a person in possession under an Interim Lease assumes all risk of loss not covered by the Sponsor's insurance, such as for damage to personal property of the Purchaser or personal injury occurring within the Unit.

11. PROCEDURE TO PURCHASE.

A. How to Purchase; Acceptance of Purchase Agreements. A Person desiring to purchase a Unit in the Condominium shall be required to execute in quadruplicate a Purchase Agreement in the form contained in Part II and return it to the Sponsor or its attorney, Smith, Buss & Jacobs, LLP, together with a check in the amount of ten percent (10%) of the purchase price, drawn to the order of "108 King Street Condominium – Special Escrow Account."

Purchase Agreements will be binding on Purchasers who have had an opportunity to review the Plan and any filed amendments for not less than three (3) business days prior to their executing a Purchase Agreement. Within twenty (20) days after receiving four (4) executed copies of a Purchase Agreement, together with the required down payment, the Sponsor will return to the Purchaser a fully executed copy of the Purchase Agreement or reject the Purchase Agreement by returning to Purchaser the down payment tendered. If Sponsor takes no action within said twenty (20) day period, the Purchase Agreement shall be deemed null and void.

B. Escrow of Down Payments; Disbursement of Down Payments. All funds received from Purchasers on account of the down payment or for upgrades, extras, or custom work (the "Down Payment" or Deposit") shall be in the form of checks, drafts, money orders or wire transfers, and shall be made payable to the order of "Smith, Buss & Jacobs, LLP, as Escrow Agent". The law firm of SMITH, BUSS & JACOBS, LLP, having an address at 733 Yonkers Avenue, Suite 200, Yonkers, New York 10704, telephone number (914) 476-0600, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. Escrow Agent has designated the following attorneys to serve as signatories: Thomas W. Smith; Kenneth Jacobs; and Domenick Tammaro. All designated signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatories on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing. Escrow Agent will hold all monies received directly or through its agents or employees in trust until the closing of title to a particular Unit in an escrow account at The Westchester Bank located at 2001 Central Park Avenue, Yonkers, NY 10710 in the State of New York ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled "108 King Street Condominium – Special Escrow Account" ("Escrow Account") or a similar name. The Escrow Account is federally insured by the FDIC at the maximum amount of \$250,000 per deposit. Any deposit in excess of \$250,000 will not be insured.

The Sponsor shall comply with the escrow and trust fund requirements of GBL Sections 352-e(2-b) and 352-h and all regulations promulgated hereunder. The Sponsor represents that all funds paid by Purchasers shall be handled in accordance with these statutes and regulations.

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

into the Escrow Account, and released in accordance to the terms of a written agreement between Purchaser and Sponsor.

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

Before funds are transferred to a new account, or if the 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. A bond, letter of credit or other security may be substitute for the escrow account only after the Department of Law approves in writing the use of such alternate form of security, pursuant to the provisions of 13 NYCRR Section 20.3(0)(4) et seq.

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

Under no circumstances shall Sponsor seek or accept release of the Deposit of a defaulting Purchaser until after consummation of the Plan. Consummation of the Plan does not relieve the Sponsor of its obligations pursuant to GBL §§ 352-e(2-b) and 352-h.

The Escrow Agent shall release the Deposit if so directed:

(a) pursuant to the terms and conditions set forth in the Purchase Agreement upon closing of title to the Unit; or

(b) in a subsequent writing signed by both Sponsor and Purchaser; or

(c) by a final, non-appealable order or judgment of a court.

If the Escrow Agent is not directed to release the Deposit pursuant to paragraphs (a) through (c) above, and the Escrow Agent receives a request by either party to release the Deposit, then the Escrow Agent must give both the Purchaser and Sponsor prior written notice of not fewer than thirty (30) days before releasing the Deposit. If the Escrow Agent has not received notice of objection to the release of the Deposit prior to the expiration of the thirty (30) day period, the Deposit shall be released and the Escrow Agent shall provide further written notice to both parties informing them of said release. If the Escrow Agent receives a written notice from either party

objecting to the release of the Deposit within said thirty (30) day period, the Escrow Agent shall continue to hold the Deposit until otherwise directed pursuant to paragraphs (a) through (c) above. Notwithstanding the foregoing, the Escrow Agent shall have the right at any time to deposit the Deposit contained in the Escrow Account with the clerk of the county where the building is located and shall give written notice to both parties of such deposit.

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

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

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

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

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

The Sponsor reserves the right to secure a bond from a New York insurance company or letter of credit from a New York bank in favor of each Purchaser of a Unit at 108 King Street Condominium in an amount equal to the down payments received by Sponsor, directly or through its agents or employees, to guarantee the return of the down payments. In order to use security in the form of surety bonds or a letter of credit in lieu of escrow of such funds, the Sponsor must first apply and receive approval from the Attorney General. If Sponsor's application is granted, then the terms of such alternate security shall be disclosed in a promptly filed amendment to the Plan.

All funds received by Sponsor for upgrades or extras must initially be placed in the Escrow Account. However, Purchasers should note as a Special Risk that such funds may be released from the Escrow Account by the Sponsor's Counsel as long as the Sponsor uses the funds for such upgrades or extras. As a result, in the event a Purchaser is entitled to rescission, the Purchaser will not receive a refund of any funds actually spent by Sponsor for upgrades or extras. However, if the Plan is abandoned, the Sponsor will give a full refund of any funds paid by a Purchaser for upgrades or extras.

The following provisions of Section 71-a(3) of the Lien Law are included in the Plan for explanatory purposes only, and not to supersede any other rights granted to Purchaser in this Section 11. Section 71-a(3) of the Lien Law requires, at the Purchaser's option, that the deposit be placed in escrow in an interest-bearing escrow account in a bank, trust company, savings bank, state or federal savings and loan association located in New York. Said monies must be deposited within five (5) business days after entering into the Purchase Agreement. The Sponsor must advise

the Purchaser, in writing, within ten (10) business days after the deposit has been made. Such deposit, together with the interest accumulated thereon, shall remain the property of the Purchaser until consummation of the transaction or until such time as either party is entitled to said funds pursuant to the terms of the Purchase Agreement and the Plan. All interest shall be the property of the Purchaser unless the Purchaser defaults under the Purchase Agreement.

C. Interest on Down Payments. Interest will accrue on the down payment at the bank's prevailing rate for security deposit accounts (currently approximately 0.01%) for the benefit of the Purchaser until the closing or termination of the Purchase Agreement. Interest shall begin to accrue upon placing the Deposit into the Escrow Account. All interest earned thereon shall be paid to or credited to the Purchaser at closing. No fees of any kind may be deducted from the Escrow Account, and the Sponsor shall bear all costs associated with the maintenance of the Escrow Account.

D. Events of Default. The following will be Events of Default under the Purchase Agreement:

1. Failure to pay the balance of the purchase price or any other fees or charges under the Purchase Agreement when due, which failure is not cured within thirty (30) days after written notice; or
2. Failure to comply with any other requirements of the Purchase Agreement, which failure is not cured within thirty (30) days after written notice.

If an Event of Default occurs, the Sponsor will have the right to terminate the Purchase Agreement and to retain as liquidated damages the down payment, plus the cost of any special work done for the Purchaser. This will be the Sponsor's sole remedy.

TIME IS OF THE ESSENCE WITH RESPECT TO ALL TIME PERIODS TO MAKE PAYMENTS AND TO COMPLY WITH OTHER OBLIGATIONS UNDER THE PURCHASE AGREEMENT, AND WITH RESPECT TO ALL GRACE PERIODS FOR CURING DEFAULTS. FAILURE OF A PURCHASER TO COMPLY WITH ITS OBLIGATIONS WITHIN APPLICABLE TIME PERIODS MAY RESULT IN LOSS OF THE DOWN PAYMENT AND CANCELLATION OF THE PURCHASE AGREEMENT. If the Purchase Agreement is canceled, the Sponsor will have the right to sell the Unit to others as though the Purchase Agreement had never been made (and without accounting to Purchaser for the proceeds of such sale), and Sponsor shall be relieved of all further liability and obligations thereunder and under the Plan.

E. Closing, Payment of Balance Due. After the Plan is declared effective, Purchasers shall be given not less than thirty (30) days' notice of the closing of title to their Units. This notice period may be waived by Purchasers. The notice shall provide that the balance of the purchase price shall be due at closing of title. The balance of the cash portion of the purchase price must be paid by cash, unendorsed certified, teller's or cashier's check made payable to the order of Sponsor or as the Sponsor may direct. Failure to make this payment when a Purchaser is called upon to make such payment may result in loss of the down payment and cancellation of the Purchase Agreement.

F. **Fees.** Counsel for the Sponsor will charge \$3,000, payable by the Unit Purchasers, in connection with the preparation of closing documents and attendance at the closing. In addition, if the closing takes place outside of the Manhattan offices of Counsel for the Sponsor at 60 East 42nd Street, Suite 4600, NY, NY (other than for a “virtual” or mail/escrow closing), an additional fee of \$250 will be charged, and an additional fee of \$250 will be charged if the closing is adjourned at the request of the Purchaser or its lender. Other fees may be incurred under certain circumstances. For further information regarding closing fees and adjustments, see Section 15.

G. **Risk of Loss.** The risk of loss from fire or other casualty with respect to each Unit and the General Common Elements of the Condominium, including the Limited Common Elements, shall remain with Sponsor until the closing of title, but without any obligation or liability by Sponsor to repair or restore any Unit or Common Element of the Condominium. In case of damage or destruction of a Unit due to fire or other casualty prior to the closing, but after a Purchase Agreement has been signed, the Sponsor will have the right to elect whether to repair or restore the Unit, which election shall be in the Sponsor’s sole discretion, and the Sponsor shall notify the Purchaser of its decision within 20 days after the date of the damage. If the Sponsor elects to restore the Unit, the Purchase Agreement shall continue in full force and effect, and the Purchaser shall not have the right to reject title or receive a credit or abatement against the purchase price of the Unit. In that event, the Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration, and any insurance proceeds shall belong solely to the Sponsor. If the Sponsor elects to make the repairs and does not restore the Unit substantially to its original condition prior to the casualty, then the Purchaser shall have the right to cancel the Purchase Agreement.

A Purchaser in contract shall make a good faith effort to procure an extension of its commitment from the Sponsor’s Designated Lender in order to permit the Sponsor to make the necessary repairs, but in the event an extension is not granted, Sponsor shall offer the Purchaser the right of rescission.

If the Sponsor elects not to restore the Unit, or (if the damage occurs after the establishment of the Condominium, but before closing of title to the subject Unit) the Board of Managers elects not to restore the Common Elements of the Condominium, the Purchase Agreement shall be deemed canceled, the Sponsor shall return to Purchaser all sums deposited thereunder (together with interest) and the parties shall have no further liability to each other. However, if a Purchaser is in default under the Purchase Agreement at such time, the Sponsor may retain all sums paid as liquidated damages.

In the event a Purchaser enters into actual possession of a Unit prior to the closing of title as an interim lessee, the Purchaser as an interim lessee shall bear the risk of loss or other casualty for all personal property within the Unit. Accordingly, any Purchaser who takes possession of a Unit prior to the closing of title would be well advised to obtain insurance coverage for its contents prior to taking possession.

A Purchaser should consult with an attorney and/or an insurance agent as to the Purchaser’s insurance needs.

H. Conflicts between Plan and Purchase Agreement. Any conflict between this Plan and the Purchase Agreement will be resolved in favor of the Plan. In no event may the Purchase Agreement contain, or be modified to contain, any provision waiving Purchaser's rights, other than the ability of Purchaser to waive his right to thirty (30) days' notice prior to the closing of title to Purchaser's Unit. In no event may the Purchase Agreement contain, or be modified to contain, any provision abrogating Sponsor's obligations under the Plan or under Article 23-A of the General Business Law.

I. Minimum Sales Requirement. Pursuant to existing law and regulation the Sponsor may declare the Plan effective when Purchase Agreements representing a minimum of fifteen percent (15%) of the Common Interest, or a minimum of one (1) Unit, are executed by bona fide Purchasers.

Purchasers should note that in the current real estate market, banks and other lenders may impose various restrictions on purchase financing. Such restrictions may include requiring that a certain percentage of the units in a building be under contract or sold before the lender will consider making a loan. Thus, it may be possible for a Purchaser to experience difficulty obtaining a loan in a building where the sponsor has not sold a substantial percentage of the units, which in some cases may be as high as 70%. Moreover, some lenders will not provide financing in a building where an investor other than the original sponsor has an ownership interest of 10% or more. Even once a building undergoes conversion, it also may be difficult for a purchaser to resell an apartment if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions. Purchasers are advised to ask prospective lenders whether they have any specific pre-sale requirements.

J. Effect of Delays in Closing Date. The Sponsor anticipates the First Closing will occur on or before January 1, 2023. If the date of the First Closing of a Unit is delayed beyond December 31, 2023, Sponsor will offer all Purchasers the right to rescind their Purchase Agreements by notice given to the Sponsor within 15 days after presentation of an amendment disclosing the delay. In addition, if the Plan is amended to provide for a later projected date for the first closing, purchasers will be entitled to an offer of rescission if the first closing occurs more than 12 months beyond that amended, later date.

However, even if the First Closing occurs on or before January 1, 2023 (or such other date projected as the date of commencement of operation at the time a Purchase Agreement is signed) or within the twelve (12) period thereafter, the Sponsor may schedule the closings of title to other units significantly later than such date. Unless your purchase agreement contains an outside closing date, the Sponsor is not obligated to schedule your closing within any specified time frame or to ensure that closing of title to your Unit will occur by any date certain. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER SUCH RISKS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT.

Force Majeure. The obligation of the Sponsor to convey title to the first unit within twelve (12) months after the projected date for the first Unit closing under the Plan is subject to (i) delays due to strikes, acts of God, wars, lockouts, military operations, national emergencies, installation of public utilities, governmental restrictions preventing the Sponsor from obtaining necessary

supplies or materials, or (ii) Purchaser's default. However, the foregoing does not affect the right of rescission afforded to purchasers if the first unit closing does not occur within such twelve month period.

K. Power of Attorney to Board of Managers. At closing, Purchasers are required to execute a Power of Attorney in favor of the Board of Managers of the Condominium and the Sponsor in the form contained in Exhibit B in Part II of the Plan, starting on page B-1. The Power of Attorney authorizes the Board of Managers (and in some cases, the Sponsor) to take certain actions on behalf of the Unit Owner in order to facilitate the operations of the Condominium. These delegated rights are described in detail in Section 19(I) of the Plan.

L. Prepayment of Upgrades and Extras. Any funds paid to the Sponsor for the purposes of upgrades or extras and actually spent by Sponsor in connection therewith are non-refundable even if a Purchaser is granted a right of rescission. However, if the Plan is abandoned, the Sponsor will make a full refund of any custom work funds paid to Sponsor.

M. No Financing Contingency. The obligations of the Purchaser under the Purchase Agreement are not contingent on obtaining financing. Any prospective purchaser who executes a Purchase Agreement and does not obtain financing may lose his or her deposit if he or she is unable to otherwise raise the monies for the balance of the purchase price. Prospective purchasers who require financing are advised to consult with a lending institution before execution of a Purchase Agreement. No representation is made by the Sponsor as to the availability of cost of such financing. Purchaser will bear all risk of loss if Purchaser does not have sufficient funds to close title to the Unit.

N. Waiver of Jury Trial. Purchasers waive the right to trial by jury in any action, proceeding, or counterclaim involving any matter whatsoever arising out of, or in any way connected with the Purchase Agreement, or the relationship of the parties as Purchaser and Seller, or the right of a Purchaser to any statutory relief or remedy.

12. ASSIGNMENT OF PURCHASE AGREEMENTS.

Purchase Agreements are not assignable without the express written consent of the Sponsor, which may be given or withheld in the sole discretion of the Sponsor. Any purported assignment without the consent of the Sponsor shall be void ab initio. See paragraph 10 of the Purchase Agreement. If the Sponsor consents to an assignment, it will not charge a fee in connection with the transfer.

13. EFFECTIVE DATE OF PLAN.

All Purchase Agreements signed by Sponsor shall be contingent upon Sponsor's declaring the Plan effective pursuant to the requirements and terms of the Plan. These requirements, stated below, must be satisfied within one (1) year of the date the Plan is accepted for filing unless the Plan is amended so as to extend this period. The closing of title to any Unit may not occur until (i) the Sponsor has served Purchasers by regular mail with an Effectiveness Notice which states the date that the Plan is declared effective, (ii) an amendment has been filed with the Department of Law substantiating the same, and (iii) the Condominium Declaration, By-Laws, and floor plans have been duly recorded.

The Plan will be declared effective by personal service of a notice on each purchaser or by commencement of service by first-class mail stating that the Plan was declared effective on a particular date, the percentage of Units 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 same effective. A closing may occur without the Sponsor's submitting an amendment to the Department of Law to declare the plan effective; however, the Sponsor must comply with the requirements for submission of an effectiveness amendment under 13 NYCRR Section 20.5(e) when submitting a post-closing amendment to the Department of Law pursuant to 13 NYCRR Section 20.5(f).

The Plan may be declared effective when Purchase Agreements have been executed by bona fide Purchasers, including investors, and accepted by Sponsor for the sale of one (1) Unit, which represents a minimum of at least fifteen percent (15%) of the Units offered under this Plan. The Plan must be declared effective only when Purchase Agreements have been both executed and accepted by Sponsor for the sale of two (2) Units, which represents a minimum of eighty percent (80%) of the Units offered under the Plan.

The Plan will not be declared effective based on Purchase Agreements (i) signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived; (ii) as to which the Purchaser was not afforded the opportunity to review the Plan and all amendments for at least three (3) business days before signing a Purchase Agreement; or (iii) with any Purchaser who is the Sponsor, the selling agent, the managing agent (if any), or is a principal of any of the foregoing, or related to any of the foregoing by blood, marriage or adoption or is a business associate, employee, shareholder or limited partner (except that such a Purchaser (other than the Sponsor or a principal thereof) may be included if the Sponsor submits satisfactory proof to the Department of Law establishing that the Purchaser is bona fide).

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

The Plan may be abandoned, at Sponsor's sole option, at any time before it is declared effective. If the Plan is abandoned, Sponsor shall promptly file an amendment to the Plan and a notice of abandonment on Form RS-3 with the Department of Law. Such notice shall explain the

basis for abandonment and must state how any funds received pursuant to the Plan will be distributed. All monies paid by Purchasers pursuant to Purchase Agreements shall be refunded to them in full, with interest, if any, within five (5) days after the amendment abandoning the Plan has been accepted for filing.

The Sponsor also reserves the right to abandon the Plan after it has been declared effective, but prior to the First Closing, for any defect in title which cannot be cured without litigation or cannot be cured for less than 0.5 percent (0.5%) of the total offering price, or due to substantial damage or destruction of any portion of the Building by fire or other casualty which cannot be repaired for less than 0.5 percent (0.5%) of the total offering price (as estimated by the insurance adjuster retained by the Sponsor) or the taking of any material portion of the Property by condemnation or eminent domain. Attorneys' fees are excluded from the calculation that determines whether the resolution of an above-described title defect, damage to the Building, or taking by condemnation or eminent domain costs 0.5 percent (0.5%) or more of the total offering price. The cost of curing a title defect or determination of any authority or regulatory association, which exists on the date of presentation of the Plan and is either known to the Sponsor or is a matter of public record, will not be grounds to abandon the Plan after it is declared effective. Judgments or liens against the Property resulting from acts of the Sponsor, or which are known to the Sponsor on the date of the Plan, and which can be cured for less than 0.5 percent (0.5%) of the total offering price, may not be relied on by the Sponsor as a basis for abandonment.

If the holder of any blanket mortgage acquires title to any portion of the Property (prior to the First Closing) or to the Unsold Units (after the First Closing) due to a default by the Sponsor under such mortgage, such holder will have certain rights and obligations under the Regulations of the Department of Law and applicable state law, which may include the right to direct the abandonment of the Plan, the filing of a Form RS-3, and the return of the down payments to the prospective Purchasers.

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14. TERMS OF SALE.

A. Generally.

The Units, when sold by the Sponsor, will be sold in fee simple to Purchasers who may be individuals, a duly formed partnership, corporation, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government, any department or agency thereof, or any other entity which is permitted to own property in the State of New York. The sale of the Units will be made at the respective sales prices as set forth in Schedule A (as such prices may be changed by the Sponsor), and will include the respective undivided interests in the Common Elements. The Sponsor will convey good and marketable title to the Units and its appurtenant interests in the Common Elements by Bargain and Sale Deed with Covenants against Grantor's Acts (a form of which is contained in Part II of the Plan) and containing the provisions set forth in subdivision 5, Section 15 of the Lien Law, free and clear of all liens, encumbrances, and title exceptions, except those set forth below and in the deed:

1. Any state of facts an accurate survey or physical inspection of the Unit may show, provided that same does not render title unmarketable, and policy will insure that any encroachment of the Unit onto the Common Elements or onto other Units may remain undisturbed as long as the Building stands;

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

3. The Declaration, By-Laws, Maps and floor plans of the Condominium to be recorded in the Office of the City Register, Kings County, as the same may be amended from time to time;

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

5. Easements in favor of the other Units to use the pipes, wires, ducts, conduits, cables, public utilities, and other Common Elements located in the Unit or elsewhere on the Property and serving such other Units, including, but not limited to, an easement of access to the basement of a Unit to have such pipes, wires, ducts, conduits, cables and public utilities inspected, maintained,

repaired and if applicable, metered and read by the appropriate authority;

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

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

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

9. Service, maintenance and union contracts, and agreements, if any, in effect on the date of the First Closing and to be assumed by the Condominium;

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

11. All covenants, restrictions, reservations, agreements and easements of record, if any, which are still in force and effect on the date of the First Closing, provided that they are not violated by and do not materially adversely affect the use of the Property for its intended use.

12. Beams and beam rights and party walls and party wall agreements, if any;

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

14. Any variations between tax lot lines and lines of record title;

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

16. Any restrictions imposed by the provisions of Section 37 of the General City Law;

17. Any easements, covenants and/or restrictions which are of record as of the filing date of the Plan. Sponsor represents that existing easements, covenants and restrictions do not materially adversely affect the use of the Property for its intended use;

18. Any state of facts an accurate survey of the Property would show, provided same does not render title unmarketable.

If the Unit is materially damaged between the date of the Purchase Agreement and the closing date, and the Sponsor has not elected to abandon the Plan, either the Sponsor or the Purchaser will have the right to cancel the Purchase Agreement by notice given to the other within thirty (30) days after the date of the damage. However, if the Sponsor elects to cancel the Purchase Agreement, provided the damage relates solely to an individual Unit and does not affect the Common Elements of the Condominium, then a Purchaser may, with ten (10) days' notice, nullify the Sponsor's election to cancel and agree to take title subject to the damage without abatement or reduction in the purchase price. The Purchaser will then receive an assignment of all insurance proceeds allocable to the repair of the Unit. If the Purchase Agreement is canceled, the down payment and all accrued interest shall be returned to the Purchaser and the parties shall have no further liability. If the Purchase Agreement is canceled by the Sponsor and subsequently reinstated, then at closing the Sponsor shall assign to the Purchaser all insurance proceeds allocable to the Unit and the Sponsor shall have no further responsibility to repair the Unit. If the Purchase Agreement is not canceled, the Sponsor will repair the Unit with all reasonable dispatch, subject to receipt of insurance proceeds and force majeure. In that case, the Sponsor will be entitled to reasonable adjournments of the closing date in order to complete repairs, subject to the other rights of rescission of the Purchaser contained in the Plan.

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 the Sponsor or the owner of the Property, is included in the conveyance subject to the next sentence. The foregoing does not include any personal property of the Sponsor or its agents or contractors used for the renovation of the Building, the construction of Units, or the Common Elements, or in connection with the sales of Units or the operation of the Condominium (other than the Unit).

B. Closing Adjustments with Condominium Board.

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

1. Common Charges for the period from the First Closing to the end of the month in which same occurs;
2. wages, vacation and severance pay, pension and welfare benefits and all other payments or obligations relative to the employees of the Building, if any;
3. fees for assignable permits and licenses, if any;
4. charges for electricity for the Common Elements, for which the Sponsor shall obtain a reading;
5. charges under service and maintenance contracts and concessions, if any;
6. water charges and sewer rents on the basis of the fiscal or calendar year for which assessed;

7. supplies on hand at Sponsor's cost (plus sales tax);
8. premiums for transferable insurance policies, provided that the amount and the extent of coverage conforms to the disclosures in this Plan in Schedule B;
9. survival of tax certiorari rights and obligations; and
10. such other items as are customarily included in closing adjustments in the State of New York.

At the time of the First Closing of title to each Unit, the Sponsor will collect the equivalent of two (2) months of Common Charges for the Working Capital Fund of the Condominium. Within ninety (90) days after the First Closing, the Sponsor shall pay into the Working Capital Fund the equivalent of two (2) months of Common Charges for any remaining Unsold Units. Thereafter, when title to an Unsold Unit is conveyed by the Sponsor, the Purchaser of such Unit shall reimburse Sponsor at the closing of title for the amount contributed to the Working Capital Fund. This is a special contribution which is separate from the obligations of the Sponsor to pay expenses of Condominium operation.

The Condominium will reimburse the Sponsor for net adjustments in favor of the Sponsor from the Condominium Working Capital Fund. The Sponsor estimates that net adjustments will not exceed \$4,000, comprised mostly of reimbursement for insurance. The cost of reimbursement may be paid by the Condominium's Working Capital Fund, as Units close. In the event the working capital does not have sufficient funds to reimburse the Sponsor, then Common Charges may be increased accordingly.

C. Conditions for Closing of Title to Individual Units.

At the closing of title to a Unit the Purchaser will pay to the Sponsor the balance of the purchase price for the Unit and the Sponsor will deliver to the Purchaser a Bargain and Sale Deed with Covenants against Grantor's Acts.

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

1. If required by law or the Department of Buildings, the issuance of a temporary or final certificate of occupancy for the Building or alternatively, the issuance of a temporary certificate of occupancy for the Unit closed. The foregoing does not relieve the Sponsor or its principals of its obligation to procure a Final Certificate of Occupancy, or to extend each Temporary Certificate of Occupancy before it expires until the Final Certificate of Occupancy is procured.

In order to secure the Sponsor's obligation, if the Sponsor has not obtained a final certificate of occupancy for the entire project (not on a per Unit basis) prior to closing of title to the last Unit, it shall retain an amount in special escrow, certified by the Sponsor's architect or engineer,

sufficient to perform any work required within the common areas of the Building and Unit, if applicable, to obtain a final certificate of occupancy for the project. The amount retained in escrow may be disbursed only to pay for work or services in connection with completing the renovation and obtaining a final certificate of occupancy. Any balance in the account after obtaining a final certificate of occupancy will be disbursed to Sponsor.

2. The recordation in the City Register's Office of the Declaration, the By-Laws and the filing in that office of a set of as-built floor plans of the Building showing the layout, location and approximate dimensions, within reasonable tolerances, of the Units and the Unit designations, in accordance with the New York Condominium Act and applicable state and local law. Such filings will be certified by the Tax Assessor of the County of Kings as conforming to the official tax lot number for each such Unit and include an architect's statement required by Section 339-p of Article 9-B of the Real Property Law of the State of New York which certifies that the plans fully and fairly depict the layout, location, Unit designations and approximate dimensions, within reasonable tolerances, of the particular Unit or Units as built;

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

4. Service by personal delivery or ordinary mail to the Purchaser of written notice of the closing date not less than thirty (30) days prior to closing of title, unless Purchaser elects to waive the thirty (30) day requirement. The notice of closing will require the Purchaser to inspect the Unit or Common Elements during normal business hours prior to closing, or the Purchaser will be deemed to have accepted the Unit in "as is" condition.

5. At least one (1) day before closing, a representative of the Sponsor and Purchaser shall inspect the Unit. At the conclusion of the inspection, Purchaser will complete and sign an inspection statement in the form annexed as Exhibit B to the Purchase Agreement contained in Part II of the Plan as Exhibit A. Purchaser's execution of the Purchase Agreement shall constitute its acceptance of the Unit in the condition in which it shall be at the time of closing, subject solely to the "Exceptions" noted on the inspection statement (including the existing kitchen, bathroom and other appliances, fixtures, equipment, air conditioning units and installations, if any, which are owned by the Sponsor) and the Sponsor's rights and obligations under the Plan. Sponsor shall make the agreed to repairs within a reasonable period of time from the date of the closing. By closing title, Purchaser waives any claim regarding the condition of the Unit except as set forth in the inspection statement and as to latent defects. Except as expressly provided in the Plan, Sponsor shall have no obligation to repair or improve the Unit, or the appliances, equipment, or fixtures attached to or used in connection with the Unit.

The Sponsor will assign to the Unit Owner any manufacturer's warranties with respect to equipment and appliances installed within a Unit at the closing of title to that Unit. Sponsor will assign to the Board of Managers any warranties with respect to equipment and appliances installed in Common Elements at the First Closing.

6. No Current Mortgage; Closing Requirements if Mortgage Placed on Property. The

Property is not encumbered by a mortgage. If the Property were to be encumbered by a mortgage that will not be satisfied at closing of title to the first Unit, then at the time of the closing of title to the Unit, each mortgagee will either: (i) consent to the formation of a condominium and acknowledge that its lien will be limited to unsold condominium units; (ii) subordinate the lien of its mortgage to the declaration of condominium; or (iii) release its lien on the condominium unit being conveyed and its interest in the common elements.

15. UNIT CLOSING COSTS AND ADJUSTMENTS.

A. GENERAL.

The estimated closing costs, expenses and adjustments to be borne by each Purchaser of a Unit are described in detail below. Such costs are only estimates and are subject to change.

1. Costs and Expenses.

(a) Fee title insurance rates (with simultaneous mortgage insurance) in the State of New York as of the date of this Plan for a Unit with a purchase price of \$1,900,000 would be approximately \$7,413.

(b) Title search charges and recording fees for recording the deed and Unit Owner's Power of Attorney and partial releases of mortgage, which fees are estimated at \$1,225.

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

(i) Points, application fee, appraisal costs, survey update or Condominium endorsement if required, legal fees and other customary costs of the lending institution;

(ii) Mortgage title insurance policy costs for a mortgage title insurance (with simultaneous fee title insurance) policy naming the lending institution as the insured as of the date of this Plan for a Unit with a \$1,500,000 mortgage, would be approximately \$1,658, including endorsements.

(iii) Mortgage recording tax (currently 2.05% of the amount of the mortgage for residential mortgages in the amount of less than \$500,000, and 2.175% of the amount of the residential mortgage if the loan equals or exceeds \$500,000 (less 1/4% of the loan amount paid by the mortgage lender for a residential Purchaser)). Additionally, if the mortgage provides that the property to be covered is a one or two family home, then the mortgage recording tax is reduced by \$30.00. For a residential mortgage of \$1,500,000, the cost to a Purchaser would be approximately \$28,845 and the Lender's portion would be \$3,750. Please note the discussion of mortgage tax credit in Section 15(A)(5) below;

(iv) Recording fee for recording of the mortgage, approximately \$250.00, and miscellaneous title charges of approximately \$300.00.

(v) A deposit towards the payment of real estate taxes and hazard insurance based upon a multiple of estimated monthly real estate taxes and insurance, which will vary with the closing date.

(d) Fees and expenses of Sponsor's Counsel for closing of title (\$3,000, plus \$250.00 if the closing takes place outside of Sponsor's counsel's offices), as well as those of Purchaser's own attorney, if any.

(e) Two (2) months of Common Charges, to be paid into the Working Capital Fund, unless previously contributed by the Sponsor, in which case they shall be paid to the Sponsor. Based on the Common Charges contained in Schedule A, this would total approximately \$986 per Unit.

(f) New York State and New York City transfer taxes for Units: For the purchase of a single Unit, the state transfer tax is \$2.00 per \$500 of the purchase price if the purchase price is less than \$3,000,000, and \$3.25 per \$500 if the purchase price exceeds \$3,000,000 ("NYS Tax"), and the New York City transfer tax is 1% of the purchase price, if the purchase price is less than \$500,000 and 1.425% if the purchase price equals or exceeds \$500,000 ("RPT Tax"). **THESE TAXES ARE NORMALLY PAID BY THE SELLER. HOWEVER, BY CONTRACTUAL ARRANGEMENT, THIS WILL BE PAID BY EACH PURCHASER.** Therefore, for purposes of calculating the taxes payable, the amounts of such taxes will be included in the consideration subject to tax. The steps to compute the tax for a Unit costing \$500,000 or more are:

- (i) Multiply the purchase price by 1.425% to compute the preliminary RPT Tax.
- (ii) Multiply the purchase price by .4% to compute the preliminary NYS Tax.
- (iii) Add the preliminary taxes to the purchase price.
- (iv) Multiply the total by 1.425% to get the final RPT Tax.
- (v) Multiply the total by .4% to get the final NYS Tax.

Example: If the Purchase Price is \$1,900,000**:

- (i) $\$1,900,000 \times 1.425\% = \$27,075$
- (ii) $\$1,900,000 \times .4\% = \$7,600$
- (iii) $\$1,900,000 + \$27,075 + \$7,600 = \$1,934,675$ [taxable consideration]
- (iv) $\$1,934,675 \times 1.425\% = \$27,569$ [NYC Tax]
- (v) $\$1,934,675 \times .4\% = \$7,739$ [NYS Tax*]

* (rounded up by law to the nearest \$500)

** (excludes the Additional Tax described in subsection (g) below)

The New York City tax rate also varies according to the type of purchase. If the purchase is considered a purchase of commercial property and costs more than \$500,000, the rate is 2.625%.

Purchasers should note that the New York City Department of Finance may aggregate the purchase price of two or more residential units and impose the commercial rate of 2.625% on the aggregate purchase price.

(g) If the purchase price of the Unit exceeds \$1,000,000, an additional New York State tax due under Article 31 of the Tax Law (the “**Additional Tax**”) must be paid. After July 1, 2019, the Additional Tax was 1% of the purchase price for sales between \$1,000,000 and \$2,000,000, and 1.25% for sales between \$2,000,000 and \$3,000,000. The Additional Tax rate increases further for sales above \$3,000,000. For a unit with a taxable purchase price of \$1,900,000, for example, the Additional Tax would be approximately \$19,347.

2. Adjustments.

All adjustments shall be made as of the scheduled closing date, unless the closing is adjourned at the Sponsor's request. Adjustments include the following:

(a) Real estate taxes from the midnight preceding the date of the closing through the end of the half-year tax payment period within which the closing date occurs, provided, however, that Sponsor shall be reimbursed by Purchaser for the cost of any real estate taxes which Sponsor would not otherwise have had to pay, but for an adjournment in closing of title by Purchaser.

(b) Common Charges assessed during the month in which title closes shall be adjusted with the Sponsor as of the midnight preceding the closing date, provided, however, that Sponsor shall be reimbursed by Purchaser for the cost of any Common Charges which Sponsor was obligated to pay to the Board of Managers as a result of any delay in closing of title at the request of Purchaser. The amount of such Common Charges to be assessed against each Unit will conform to those shown in Schedule A of the Plan unless modified pursuant to a filed amendment to the Plan.

(c) Interest on the purchase price at twelve percent (12%) per annum due to any adjournment in closing of title due to Purchaser's request beyond the time limits imposed by Sponsor to compensate the Sponsor for lost opportunity costs on the unpaid amount.

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

3. Escrows with and Payments to Condominium at Closing.

(a) Escrows for Real Estate Taxes until Units are Separately Assessed for Real Estate Taxes.

If the Units have not been separately assessed for real estate tax purposes prior to the closing of title to a Unit, then at closing, real estate taxes for the tax year in which the closing occurs will be adjusted with the Sponsor as per Section 15(A)(2)(a) above. In addition, the Unit Owner will place in escrow with the Condominium an amount equal to the real estate taxes allocable to the Unit for the next succeeding half tax year. For example, if the closing occurs before

January 1, 2023, pro-rata taxes for the half tax year January 1, 2023 – June 30, 2023 will be collected at closing, and the Unit Owner will place in escrow with the Condominium the projected allocable taxes for the tax period July 1, 2023 – December 31, 2023. The Condominium will then apply such payments toward the taxes due for the Property for the applicable tax year. When the Units are separately assessed, any amounts held in escrow on behalf of a particular Unit will be returned to the Unit Owner or as he or she may direct. If for any reason the Units are not separately assessed by the time the next tax payment is due, and the escrowed amounts are insufficient to pay the escrowing Unit Owners' shares of real estate taxes, any deficiency will be collectable by the Condominium as a Common Expense.

If no separate Unit apportionment has occurred by the time of a Unit closing, the real estate taxes allocable to each Unit shall be on the basis of the percentage of Common Interest attributable to such Unit. If a subsequent adjustment needs to be made when the tax lots are apportioned to correct any discrepancy between the adjustment on the basis of percentage Common Interest and adjustment on the basis of actual apportionment, it shall be made at that time.

The Sponsor will also place in escrow its share of real estate taxes for any Unsold Units within thirty (30) days after the first Unit Closing, unless the Sponsor is already escrowing for real estate taxes for the Property with its existing lender. In that event, if the Sponsor's lender pays the real estate taxes for the entire Property on the next due date for taxes, the Sponsor will be reimbursed out of the tax escrow account established for the benefit of the Unit Owner (as described above) for each Unit Owner's share of such taxes. In addition, the Sponsor shall be entitled to an adjustment at closing with each Unit Owner for real estate taxes that the Sponsor has paid or placed in escrow with the Condominium. Sponsor shall file a post-closing amendment with the New York State Office of the Attorney General forty-five (45) days after the First Closing disclosing (among other things) the amount of money deposited in escrow for payment of real estate taxes to the New York City Department of Finance in connection with Sponsor's Unsold Units.

(b) Next Month's Common Charges. At closing, each Unit Owner will pay the Common Charges (and real estate tax installment, if applicable) to the Condominium for the next month after the month in which the closing date occurs. Such payment is being made at closing to avoid potential delays in collection due to move-ins and changes of address. Such payments will be applied to the Common Charges and real estate taxes applicable to that month.

4. Summary: Typical Closing Costs, Adjustments, Escrows.

A Purchaser of a Unit costing \$1,900,000 without mortgage financing will pay the following typical estimated costs:

Fee Title Insurance	\$ 7,413
Title search	\$ 700
Recording charges (for deed and Power of Attorney)	\$ 525
Sponsor's Legal Fees	\$ 3,000
NYC Real Property Transfer Tax	\$ 27,569
NYS Transfer Tax	\$ 7,739

Additional Tax (Mansion Tax)	\$ 19,347
Working Capital Fund Contribution*	<u>\$ 986</u>
Total	\$ 67,279

*A Purchaser will make a mandatory contribution to the Working Capital Fund of approximately \$986.

In addition, if the Purchaser is obtaining financing in the amount of \$1,500,000 (for example), the Purchaser will pay mortgage title insurance and recording charges of approximately \$1,858 and mortgage tax of approximately \$28,845. The Purchaser will likely incur other financing charges as well, such as commitment fee, application fee, appraisal, legal fees for the lender, a survey update or a Condominium endorsement if required, and other customary costs of the lending institution. Since these costs vary greatly from lender to lender, no estimate is provided here.

At closing, the Purchaser will also make cash payments for escrow deposits for real estate taxes with either the lender or the Condominium; the following month's Common Charges; and loan interest to its lender through the end of the month in which the closing occurs. In addition, the Purchaser will adjust with the Sponsor for prepaid real estate taxes and Common Charges. However, none of these payments are additional closing costs, but represent reimbursement or prepayment of actual expenses of ownership of the Unit and operation of the Condominium. Likewise, the mortgage tax credit under Section 339-ee does not change the total mortgage tax payment owed by a Purchaser, merely whether such tax is paid to the lender or used to reimburse the Sponsor.

Purchasers are advised to read the detailed analysis of costs in this Section for further information.

5. Mortgage Tax Credit.

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

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

tax imposed by subdivision one-a of section two hundred fifty-three of the tax law or (b) where the first Condominium Unit is sold more than two years after the construction or blanket mortgage was recorded.”

Prior to the closing date, the Sponsor may have paid a mortgage recording tax for a construction loan mortgage on the Property. Pursuant to the above Section of the New York Real Property Law, in that event it is specifically understood that any such credit that may be available shall inure to the benefit of the Sponsor. Accordingly, at closing, each Purchaser electing mortgage financing shall pay the full amount of the mortgage recording tax chargeable on the amount being financed, without regard to any credit to which the Sponsor is entitled under Section 339-ee(2), and the Sponsor will be reimbursed out of such payment at closing to the extent any mortgage tax credit is allowed.

B. FINCEN REPORTING REQUIREMENTS.

The Financial Crimes Enforcement Network (“FinCEN”), an agency of the federal government, requires that the personal identity of the principals in certain real estate purchases in New York City be reported by title insurance companies to FinCEN. Subject purchases feature the following characteristics:

(a) The purchaser is a legal entity (i.e., not an individual), as defined in the “Geographic Targeting Order” issued by FinCEN;

(b) The purchaser purchases residential real property located in the City of New York (all boroughs);

(c) The total purchase price is \$300,000 or more;

(d) The purchase is made without a bank loan or other similar form of external financing;
and

(e) The purchase is made, at least in part, using currency, 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 principals of such purchasers may be required to furnish satisfactory proof of identity, which may include passports or other acceptable proof. Any purchaser seeking additional information should go to www.fincen.gov.

16. RIGHTS AND OBLIGATIONS OF SPONSOR.

No bond or other security has been furnished to secure the performance of the Sponsor's obligations. Although at the time the Plan is accepted for filing, the Sponsor represents that it will be financially capable of performing Sponsor's obligations, including its obligations with respect to Unsold Units, the subsequent ability of the Sponsor to perform its obligations will depend upon Sponsor's financial condition at that time. If the Sponsor cannot perform the Sponsor's financial obligations hereunder, the Sponsor will immediately amend the Plan, cease selling Units, and offer a right of rescission to Purchasers of Units who are under contract.

A. General Representations: The Sponsor makes the representations set forth below with respect to certain obligations under the Plan.

1. The Sponsor is reserving the unconditional right to rent rather than sell Units after the Plan has been consummated. Therefore there is no commitment to sell more Units than the fifteen percent (15%) necessary to declare the Plan effective (i.e., one Unit). In addition, Units may also be sold to non-occupant owners. Therefore, owner-occupants may never gain effective control and management of the Condominium. In a two-unit Condominium, a Unit Owner who has purchased their Unit would have a neighbor who has leased their Unit. Notwithstanding Sponsor's unconditional discretion to rent rather than sell Units, Sponsor will endeavor in good faith to sell Units rather than rent, subject to market conditions and the Sponsor's business requirements.

The Sponsor has not obtained construction financing; in the event that the Sponsor elects to obtain construction financing in the future, the Sponsor will amend the Plan accordingly.

If the Sponsor (its successors, assigns or designees) does not receive offers for the prices set forth in Schedule A, then any Unsold Units may be offered for lease. Purchasers of any such leased Units will therefore be purchasing Units that have been previously occupied. Sponsor will notify Purchasers of Units that have been previously occupied prior to the execution of a Purchase Agreement of such occupancy and will set forth the condition in which such Unit will be delivered (including outstanding warranties, if any). There shall be no obligation on the part of Sponsor or any other offeror of such Unit to decorate, repaint, refurbish or in any way repair such Unit.

Bona fide Purchasers may purchase Units for personal occupancy or for rental operation. Units rented to tenants will receive the same Building services and use of the Building's common areas as owner-occupants. However, a tenant may not have the same economic interest in the maintenance and care of the Building's facilities and amenities as the owners of the Units. In addition, resident and non-resident Unit Owners may disagree as to expenditures for items such as lobby and hallway decorations and capital improvements, to exercise the Board's right of first refusal to purchase a Unit, or to borrow money to alter or improve the Building.

2. Sponsor shall be obligated to defend any suits or proceedings by third parties arising out of the Sponsor's acts or omissions or representations, and to indemnify the Board of Managers or the Unit Owners against any such suits or proceedings.

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

4. The Sponsor will pay or cause to be paid all contractors, subcontractors and material suppliers and all others involved in the renovation of the Building (and construction of Units) and Common Elements for the authorized and proper work performed and fixtures, material and equipment supplied or installed in said renovation and construction, and will cause all mechanics liens with respect to such renovation and construction to be promptly discharged or bonded.

5. The Sponsor will pay all Common Charges, real estate taxes, special assessments and other expenses allocable to any Units owned by the Sponsor, so long as Sponsor shall continue to own the same, subject to the other terms of this Plan. However, if Purchaser has adjourned the closing of title, Sponsor shall be entitled to certain reimbursements for real estate taxes, Common Charges and interest on the purchase price at the rate of twelve percent (12%) per annum to compensate the Sponsor for lost opportunity costs.

6. The risk of loss from fire or other casualty with respect to each Unit and the General Common Elements of the Condominium, including the Limited Common Elements, shall remain with Sponsor until the closing of title to the Unit, unless a Purchaser takes possession prior to purchasing his Unit (in which case the Purchaser shall bear the risk of loss or other casualty not covered by insurance with respect to that Unit). Interim lessees are strongly urged to obtain additional insurance at their own cost to cover such risks as fire and casualty to Unit contents and liability for occurrences within the Unit. For specific details, see Section 11, entitled "Procedure to Purchase".

7. Prior to the First Closing, Sponsor shall procure on behalf of and at the expense of the Condominium, fire and casualty insurance policies pursuant to an agreed amount replacement value policy or in an amount sufficient to avoid coinsurance, as set forth in Schedule B. The cost of such insurance will be adjusted with the Board of Managers at the First Closing and repaid from the Working Capital Fund of the Condominium.

8. The Sponsor shall not voluntarily dissolve or terminate prior to the First Closing. In the event of a dissolution or liquidation of the Sponsor or the transfer of twenty percent (20%) or more of the total number of Units in the Condominium, the principals of the Sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of the Sponsor for those Units under the Plan, applicable law or regulations.

9. The Sponsor will diligently, expeditiously and at Sponsor's own cost, complete the construction of the Building, Units and Common Elements in accordance with the Building Plans and specifications described in the Plan. If any work still remains to be done to complete such renovation and construction, then provided such work will not prevent the issuance of a new final certificate of occupancy, the Sponsor, at Sponsor's own cost and expense, will perform or cause all such work to be performed and will supply or cause all material therefore to be supplied and

will pay for such work and materials and discharge or bond all mechanic's liens which may be filed as a result of the construction of the Building, Units or Common Elements.

The Sponsor reserves the right to substitute for any of the materials specified in either the Building Plans, the Description of Property and Building Condition or elsewhere in the Plan, materials of equal or better quality and design. The Sponsor's intention is to use the materials, fixtures, appliances and other equipment described in this Plan and in the architectural plans on file, but, due to the possible unavailability of materials and supplies, Sponsor may substitute materials, fixtures, appliances and equipment of equal or better quality and design for any of those set forth in the specifications or otherwise in this Plan.

No change will be made in the size, location of the Building or Units or other improvements or Common Elements if such changes affect the percentage of Common Interest or adversely affect the value of any Unit to which title has closed or for which a Purchase Agreement has been executed and is in effect, unless all affected Unit Owners and contract vendees consent in writing to such change. Notwithstanding the foregoing, such changes may be made provided all directly affected Unit Owners have consented in writing to such change.

10. Purchasers are advised that in New York City, newly constructed or newly renovated buildings are sometimes offered as condominium projects without a final certificate of occupancy ("FCO") covering the entire building but with only a temporary certificate of occupancy ("TCO"), and sometimes with several successive TCOs. Certificates of occupancy are generally governed by Section 301 of the New York City Multiple Dwelling Law and local building codes and rules. TCO's and FCO's are issued by the Department of Buildings ("DOB.") A TCO is intended to indicate that the property conforms substantially to the DOB approved plans and specifications and to the requirements 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 for impossible to buy insurance, refinance, or sell units. In New York City it is common for sponsors to commence unit closings when some or all units are covered by a TCO rather than a FCO. Sponsor anticipates this scenario may occur, Sponsor and its principals will undertake the responsibility for extending each TCO received prior to expiration thereof, and ultimately for obtaining a FCO covering the entire building within two years from the date of the issuance of the first TCO. However, Sponsor and its principals make no representation or guarantee that DOB will issue the FCO within such two year period. NOTWITHSTANDING THE FOREGOING, SPONSOR AND ITS PRINCIPALS ARE OBLIGATED TO PROCURE THE FCO FOR THE BUILDING, AND SHALL EXERCISE BEST EFFORTS TO OBTAIN THE FCO WITHIN SUCH TWO YEAR PERIOD WHILE KEEPING THE TCO CURRENT. Unit owners and the Board of Managers shall be obligated to cooperate with and refrain from obstructing sponsor in these undertakings.

Buyers are advised to visit the DOB website for further recommendations when purchasing in a building that does not have a FCO. A Fact sheet on Certificate of Occupancy is available on the DOB website at: http://www1.nyc.gov/assets/buildings/pdf/cofo_guide.pdf.

The Sponsor reserves the right to close title to Units after procuring a temporary certificate of occupancy with respect to a Unit. However, the Sponsor will complete the construction and obtain a final certificate of occupancy for the entire project before the temporary certificate of occupancy (as same may be renewed, replaced or extended) expires. Sponsor and its principals will undertake the responsibility for obtaining a FCO covering the entire building within two years from the date of the issuance of the first TCO. However, Sponsor and its principals make no representation or guarantee that DOB will issue the FCO within such two year period. 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 delays in the issuance thereof. Nothing herein relieves the Sponsor of the obligation to obtain a FCO or to extend a TCO prior to expiration until a FCO is obtained.

In order to secure the Sponsor's obligation, if the Sponsor has not obtained a final certificate of occupancy for the entire project prior to closing of title to the last Unit, it shall retain an amount in special escrow, certified by the Sponsor's architect or engineer, sufficient to perform any work required within the common areas to obtain a final certificate of occupancy for the project. The amount retained in escrow may be disbursed only to pay for work or services in connection with completing renovation and obtaining a final certificate of occupancy. Any balance in the account after obtaining a final certificate of occupancy will be disbursed to Sponsor. Alternatively, Sponsor may deposit with an escrow agent an unconditional, irrevocable letter of credit, post a surety bond in the amount so certified or provide other collateral acceptable to the Department of Law.

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

12. In accordance with Section 339-p of the Real Property Law of the State of New York, a registered architect or licensed professional engineer shall certify within reasonable tolerances that the floor plans filed with the recording of the Declaration are an accurate copy of portions of the plans of the Building as filed with and approved by the municipal or other governmental subdivision having jurisdiction over the issuance of permits for the construction of buildings.

13. The Sponsor will assign to the Unit Owner any manufacturer's warranties with respect to equipment and appliances installed within a Unit at the closing of title to that Unit. Sponsor will assign to the Board of Managers any warranties with respect to equipment and appliances installed in Common Elements at the First Closing.

14. Each Unit will have a combination smoke and carbon monoxide detector as per New York City Building Code. See also Exhibit D, entitled "Description of Property and Building Condition" contained in Part II of the Plan.

15. The Sponsor will pay all expenses incurred prior to the establishment of the Condominium in connection with its operation and will bear and pay all costs and expenses incurred in connection with the creation of the Condominium whenever such costs or expenses are

incurred, or in connection with the sale of all of the Units held or owned by the Sponsor, and will pay or have paid, except as otherwise provided in the Plan, all selling expenses of Sponsor, including, but not limited to, advertising and printing costs, architect's fees, organization costs, engineer's fees, appraisal and any surveying fees and costs. The above does not obligate the Sponsor to perform any work for the Purchaser prior to closing of title, except as specifically described in the Purchase Agreement or elsewhere in this Plan.

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

17. Sponsor agrees to deliver to the Board of Managers a set of architectural plans reflecting "as built" conditions upon completion of the project.

18. No bond or other security has been furnished to secure the performance of the Sponsor's obligations. At the time the Plan is accepted for filing, the Sponsor represents that it will be financially capable of performing Sponsor's obligations, including its obligations with respect to Unsold Units. The Sponsor intends to fund its obligations to the Condominium through income from projected sales. If sales do not meet the Sponsor's projections then Sponsor may require a capital contribution from its principal or enter into lease agreements for the Unsold Units. The subsequent ability of the Sponsor to perform its obligations will depend upon Sponsor's financial condition at that time. If the Sponsor cannot perform the Sponsor's financial obligations hereunder, the Sponsor will amend the Plan, cease selling Units, and offer a right of rescission to Purchasers of Units.

19. The Sponsor and Sponsor's attorneys will comply with the escrow and trust fund provisions of Section 352-e(2)(b), 352-h of the General Business Law and Section 71-a (3) of the Lien Law.

20. Sponsor will not be liable for, and a Purchaser may not make a claim for, incidental, consequential, special, or indirect damages. The Sponsor will not be responsible for correcting any latent defects of construction or renovation or defects in the installation or operation of any appliances with respect to which assignable warranties or other undertakings (however denoted) from contractors, material suppliers, or others, have been assigned to the Condominium or individual Unit Owners. Also, in no event shall the Sponsor be responsible for any condition resulting from normal wear and tear or natural deterioration or from the normal settling or shifting of the Building or normal spalling of concrete, or for other minor defects, such as, without limitation, nail pops, ridging on sheet rock walls, lumber shrinkage, door sticking due to weather, door warpage, bath tile grouting, or consequential damage resulting from settlement (including, without limitation, concrete cracks which do not impair the structural soundness of the Building or slight separation between base and floor), normal plumbing and heating noises, any leakage from doors within a Unit leading to an exterior Limited Common Element area (such as terraces, balconies, or yards) if the Purchaser has not installed storm doors, or floor discoloration and stretching.

The Sponsor shall comply with its obligations to construct the Building in accordance with

all applicable codes, rules and regulations, and filed building plans and specifications.

21. By law, the Plan may be declared effective only after Purchase Agreements have been executed by bona fide Purchasers and accepted by Sponsor for the sale of at least one (1) Unit, which represents over fifteen percent (15%) of the Units offered under this Plan.

22. Sponsor sales do not require a waiver of the right of first refusal from the Board of Managers.

23. No contracts or agreements have been entered into for the sale or transfer of any Units offered in this Plan, written or oral, and no deposits or advances of funds have been taken by or on behalf of Sponsor in connection with the reservation, sale or transfer of any Units offered in this Plan as of the date the Plan is accepted for filing.

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

1. General.

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

2. Examples of Specific Easements and Rights of Access Reserved by Sponsor.

Without in any way limiting the generality of rights reserved in Section 16(A) above, such rights reserved to Sponsor and its designee(s) specifically include the following:

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

(b) The right of access in and to Units, Common Elements, Limited Common Elements and adjoining lots for purposes of renovation, construction, repair, refurbishment, correction, alterations, finishing, servicing (including, but not limited to, garbage collection) and similar work;

(c) The right to show vacant or leased Units; and

(d) Utility and other easements to alter any Unit or General or Limited Common Elements subject to filed amended plans and/or specifications, and consistent with the terms of this Plan.

3. Repairs; Interference.

Sponsor agrees to repair damage resulting to a Unit from exercise of the above rights of access and to exercise such rights so as to limit, to the extent practicable, unnecessary interference with use of the Property by Unit Owners.

C. Limited Warranty.

1. **Common Elements.** The Housing Merchant Implied Warranty Law (GBL Article 36-B) is not applicable to the Common Elements. However, the Common Elements are subject to a limited warranty ("**Common Element Warranty**") given by the Sponsor as follows:

For a period of one (1) year, the Sponsor will correct defects in the Common Elements which are caused solely by: (i) defective workmanship by Sponsor or any agent or subcontractor of or persons working for Sponsor; (ii) defective materials supplied by Sponsor or any agent or subcontractor of or persons working for Sponsor; or (iii) defective design provided by the architect, or subcontractor, engineer or other design professional or subcontractor engaged solely by Sponsor.

The foregoing one-year Common Element Warranty shall commence upon the later of (i) three (3) months from the First Closing or (ii) receipt by the Condominium of written notice from the Sponsor that the General Common Elements are substantially complete, as certified by the Sponsor's architect or engineer (the "**Common Element Warranty Period**").

The specific scope of the covered defects is further defined in the Common Element Warranty attached to the Declaration. If a Unit Owner or the Board of Managers believes there is a Common Element defect which is covered by this Common Element Warranty, then he or the Board member must, no later than thirty (30) days after the last day of the Common Element Warranty Period, notify the Sponsor of his claim in a writing, sent by certified mail, return receipt requested, to: ESP Marlborough LLC, 154 Grand Street, New York, NY 10013.

THERE ARE NO COMMON ELEMENT WARRANTIES WHICH EXTEND BEYOND THE FACE OF THE COMMON ELEMENT WARRANTY AS SET FORTH IN THE DECLARATION OF CONDOMINIUM. THE PURPOSE OF THE COMMON ELEMENT WARRANTY IS TO IDENTIFY THE SPONSOR'S RESPONSIBILITIES FOR CONSTRUCTION DEFECTS.

NOTHING IN THE LIMITED WARRANTY SHALL RELIEVE THE SPONSOR OF LIABILITY, SUBJECT TO AND IN ACCORDANCE WITH APPLICABLE LAW, FOR DEFECTS DUE TO SPONSOR'S FAILURE TO CONSTRUCT THE COMMON ELEMENTS IN ACCORDANCE WITH APPLICABLE BUILDING CODES AND FILED BUILDING PLANS AND SPECIFICATIONS OR LOCALLY ACCEPTED BUILDING PRACTICES (IF THERE IS NO APPLICABLE CODE.)

TIME IS OF THE ESSENCE WITH RESPECT TO ALL NOTICE PERIODS UNDER THE COMMON ELEMENT WARRANTY.

2. **Units.** Sales of Units are subject to the Housing Merchant Implied Warranty (“Warranty”). The Housing Merchant Implied Warranty Law (GBL Article 36-B) is a statutory warranty that applies to new Units offered hereunder. The material terms of the Warranty (subject to the limitations in clauses (b) and (c) are as follows:

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

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

(3) For six (6) years, the Unit must be free from physical defects in the structural elements (foundation, floors, walls, roof framing) which make it unsafe or unlivable.

The specific scope of the covered defects is further defined in the Warranty attached as Exhibit A to the Purchase Agreement in Part II of the Plan.

b. Defects not caused by defective workmanship, materials or design, and patent defects which were obvious (or would have been obvious upon inspection) are excluded. There are no warranties for appliances sold with the Unit; appliances are covered by other warranties from the manufacturers of those goods.

c. The Housing Merchant Implied Warranty may be limited. In this Plan, the Warranty is limited or made more specific in several ways, including the following: (i) A Purchaser cannot make a claim for incidental, consequential, special or indirect damages; (ii) a Purchaser’s recovery for property damage under the Warranty is limited to \$50,000; and (iii) the Warranty is for the benefit of the first Owner of a Unit and excludes all subsequent owners. However, if any of the foregoing provisions fail to meet or exceed the applicable building code, or in the absence of such relevant specific standard, a locally accepted building practice, or fail to ensure that the Unit is habitable by permitting conditions to exist which render the Unit unsafe, such provision shall be void as contrary to public policy.

For the full scope of the Warranty, Purchasers are advised to read the Warranty attached to the Purchase Agreement in Part II of the Plan. **THE WARRANTY IS GIVEN IN LIEU OF AND REPLACES ALL OTHER WARRANTIES ON THE CONSTRUCTION AND SALE OF THE UNIT AND ITS COMPONENTS, BOTH EXPRESS AND IMPLIED (INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE.)**

TIME IS OF THE ESSENCE WITH RESPECT TO ALL NOTICE PERIODS UNDER THE WARRANTY. Sponsor shall be deemed to have discharged any obligation it may have with respect to patent or latent defects, as the case may be, if notification of any warranty claim is not accomplished within the time periods described in the Warranty attached to the Purchase Agreement.

Nothing in the Warranty relieves the Sponsor of the obligation to construct the premises in accordance with all applicable codes and filed plans and specifications. In the event of any conflict between the disclaimers contained in the Warranty and the Sponsor's obligation to construct the premises in accordance with all applicable codes and filed plans and specifications shall be resolved in favor of the latter.

D. Power of Attorney.

At closing, all Unit Owners must execute a Power of Attorney in favor of the Board and the Sponsor. As to the Sponsor, the Power of Attorney provides that the Sponsor will have the right to amend the Declaration, By-Laws and the Regulations of the Condominium to make technical or ministerial changes to the Declaration, to effect reallocations of percentages of Common Interest among Sponsor-owned Units and to satisfy requirements of lending institutions, governmental agencies and title insurers in connection with sales and financings of Units, and to permit the Sponsor to implement various rights reserved to the Sponsor under the Condominium Documents. See Section 19(K) and the form of Power of Attorney and Article FOURTEENTH of the Declaration in Part II of the Plan for a complete description of the powers granted to the Board and to the Sponsor.

The refusal of a Unit Owner to execute the Power of Attorney at closing will be deemed a default under the Purchase Agreement. Thereafter, subsequent Unit Owners will be required to grant a similar Power of Attorney upon acquisition of a Unit pursuant to Article FOURTEENTH of the Declaration of Condominium.

E. Option of Sponsor to Pay All Expenses of Operation In Lieu of Common Charges.

Sponsor reserves the right to delay the commencement of collection of Common Charges. During any such delay, Sponsor will timely pay all expenses of the Condominium, including but not limited to insurance premiums and any reserve fund payments required by lenders. The Sponsor will not pay expenses borne by individual Units, such as utility charges, real estate taxes, or owners' individual mortgage payments. Upon commencement of collection of common charges, there will not be an assessment for any items set forth in the approved budget for the condominium. Sponsor shall remain obligated to update the budget for the condominium as provided for in governing regulations. In the event Sponsor elects to delay the collection of common charges, it will disclose such fact in the closing notice to Purchasers and will further disclose such fact in the Post-Closing Amendment to the Plan. Such Amendment will disclose the anticipated period of delay. Sponsor will notify all unit owners in writing of the expiration of the delay period at least 30 days prior to the commencement of collection of common charges and will disclose such fact in the following Amendment to the Plan.

17. CONTROL BY SPONSOR.

Title to all Units which have not been sold by the time of the First Closing will remain with the Sponsor or its designees until such Units shall thereafter be sold to bona fide Purchasers. Sponsor sales do not require a waiver of the right of first refusal from the Board of Managers.

Until the date by which both Units have been sold by Sponsor (such date being hereinafter referred to as the “**Control Date**”, the Board of Managers shall consist of two (2) persons designated by the Sponsor. The Sponsor shall relinquish voting control of the Board of Managers after the Control Date (the period before the Control Date is hereinafter referred to as the “Control Period”). Since Sponsor is reserving the unlimited right to rent after consummation of the Plan, Sponsor may never sell all the Units and may maintain control indefinitely.

Upon the expiration of the Control Period, the number of the Board of Managers shall continue to be two (2). Within thirty (30) days following the expiration of the Control Period, the Sponsor shall hold a meeting of Unit Owners in order to elect new Board members. Accordingly, until such meeting, the Sponsor will have absolute voting control of the Board of Managers and will thus have control of maintenance, facilities and services to be provided, as well as, determining the Common Charges to be paid by Unit Owners. In accordance with Article III, Section 1 of the By-laws, the Board of Managers elected after the expiration of the Control Period shall be Unit Owners, the principal or officer of a Unit Owner or the spouse, parent, son or daughter of a Unit Owner. No Board members will be related to the Sponsor by blood, marriage or adoption. Thereafter annual meetings shall be held on or about the anniversary of such date each succeeding year. At such meetings the Unit Owners shall designate or elect the respective members of the Board of Managers in accordance with the requirements of Article III of the By-Laws. The Unit Owners may also transact such other business of the Condominium as may properly come before them.

So long as Sponsor or its designee shall own at least one (1) Unit, the Board of Managers may not, without Sponsor or Sponsor Designee's prior written consent: (i) make any addition, alteration, or improvement to the Common Elements at the expense of the Condominium; (ii) amend the Declaration or the By-Laws so as to in any way adversely affect the Sponsor or its designee; (iii) interfere with the offer and sale or leasing of Units, operation of general or sales and leasing offices at the Property or any actions necessary for construction, renovation, repair or correction at the Property required by Sponsor. Members of the Board of Managers will serve without compensation. All officers of the Condominium shall also serve without compensation. Sponsor represents that for as long as it or any of its designees are members of the Board of Managers neither it nor any of its designees will vote for remuneration for either members of the Board of Managers or officers of the Condominium.

Notwithstanding the foregoing, any provisions of the Declaration or By-laws which give the Sponsor the right to bar the Board of Managers from seeking to enforce the obligations of the Sponsor will be void. In addition, if the Board includes members who were not designated by the Sponsor and there is a vote on whether to sue the Sponsor, the Sponsor's Board representatives will not cast a vote on that issue.

18. BOARD OF MANAGERS

A. Board of Managers.

Under the By-Laws, the affairs of the Condominium will be managed by a Board of Managers consisting of two (2) persons. Each Unit Owner shall designate one person as a Board member. Because determinations by the Board will be made jointly, the Unit Owners will have to reach consensus on all Board decisions. The need for mutual agreement may delay certain Board decisions in the event of a disagreement. For further information on the voting rights of Unit Owners, See Articles II and III of the By-laws.

If the Board cannot reach consensus, the By-laws of the Condominium provide that disputes between Board members (other than disputes with the Sponsor and disputes with respect to payment of common charges or assessments, unless mutually agreed) will be resolved by Expedited Arbitration under Article XIV of the By-laws. For further information, see Section 18C below and Article XIV of the By-laws.

The Unit Owners shall hold annual meetings and at each such meeting they shall designate members of the Board of Managers. Each Unit Owner (including the Sponsor and the Board of Managers if the Sponsor or the Board of Managers shall then own or hold title to one or more Units) shall be entitled to cast one vote at all Unit Owners' meetings. For voting purposes, units held jointly shall be deemed to be owned by a single Unit Owner. For further information, See Article II, Section 2 and Article III, Section 1 of the By-laws.

Unit Owner meetings to designate Board members shall be held on an annual basis. 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 written request of a Unit Owner, which written request has been presented to the Secretary.

Notwithstanding the foregoing, the Sponsor will have the right to control the Board of Managers until one Unit has been sold and the other Unit is occupied by a principal of the Sponsor (such date hereinafter referred to as the "Control Date.") Thereafter, each Unit Owner will have the right to designate one member of the Board of Managers. Initially, the Sponsor contemplates that the first Board members and officers will be Joshua Dardashtian and Soleyman Dardashtian, the principals of the Sponsor. Thereafter, the Sponsor shall relinquish voting control of the Board of Managers. The Sponsor will call an annual meeting of the Unit Owners within thirty (30) days following the Control Date. However, since the Sponsor is reserving the unlimited right to rent after consummation of the Plan, Sponsor may never sell both of the Units and may maintain control indefinitely.

As stated above, the Sponsor will have absolute voting control of the Board of Managers until the Control Date, and will thus have control of maintenance, facilities and services to be provided, as well as determining the Common Charges to be paid by Unit Owners.

If the Sponsor retains control over the management of the building, the Sponsor and Owner-occupants may have inherent conflicts on how the Condominium should be managed. For example, resident and non-resident Unit Owners may disagree as to expenditures for items such as making capital improvements, exercising the Board's right of first refusal to purchase a Unit, or borrowing money to alter or improve the Building. Since the Sponsor is reserving the unlimited right to rent after consummation of the Plan, the Sponsor may never sell both of the Units and may maintain control indefinitely.

After the Control Period expires, the number of Board members may be changed by a vote of the Unit Owners at their annual meetings prior to the election of the next Board of the Unit Owners. The Managers shall be designated at each annual meeting of the members and shall serve one (1) year terms, as set forth in the By-Laws.

To be eligible for designation or election, members of the Board of Managers, except for those members elected or designated by the Sponsor, must be either a Unit Owner, the principal or officer of a Unit Owner or the spouse, parent, son or daughter of a Unit Owner.

Except for a member of the Board of Managers designated by Sponsor, a member of the Board of Managers may be removed from office only with cause. Any member of the Board of Managers whose removal has been proposed shall be entitled to be heard in an expedited arbitration proceeding pursuant to the terms and provisions of Article XIV of the By-Laws (See also subsection (C) below.. If such Owner is removed, he may not be reappointed by the Board. If a member of the Board of Managers was designated by the Sponsor, the Sponsor shall have the right to choose such Manager's successor to fill the unexpired portion of his term.

The Unit Owners may transact such other business at such meetings as may properly come before them. All members of the Board of Managers shall serve without compensation, and the Sponsor represents that, for as long as it or any of its designees are members of the Board of Managers, neither it nor any of its designees will vote for remuneration for either members of the Board of Managers or officers of the Condominium.

The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium, including, but not limited to: determination of the Common Charges, adoption of rules and regulations covering the details of the Property, opening of bank accounts, purchasing, leasing or otherwise acquiring Units, selling, leasing, or mortgaging of Units owned by the Board of Managers and generally managing or supervising the Condominium as provided in the Declaration and By-Laws. The Common Expenses shall include such amounts as the Board of Managers 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, for a reserve fund for capital replacements and to make up any deficit in the Common Expenses for any prior year. The Board, in its discretion, may delegate such managerial powers as it sees fit to the officers of the Condominium. The Board of Managers is authorized to employ a managing agent for the Condominium, on such terms as the Board of Managers may deem proper.

In order to limit the liability of the Unit Owners, the members of the Board of Managers, the managing agent, if any, and any officers of the Condominium, any contract or other

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

Since there are only two Unit Owners, the consent of both Unit Owners will be required in order to amend the Condominium Declaration or By-laws either by unanimous consent or at a meeting duly noticed. For further information, see Article IX of the By-laws.

Upon the transfer of title to any Unit, the Unit Owners will be required to execute a Power of Attorney in favor of the Board of Managers and the Sponsor to exercise certain rights on behalf of the Condominium, such as: (i) borrowing funds to repair the Common Elements pursuant to Real Property Law Section 339-jj; (ii) protesting the Condominium's real estate tax valuations with the City of New York; (iii) file applications and protests (or employ persons to do same) with respect to the assessed valuation of one or more Units and to execute all documents and pay all costs in connection therewith; and (iv) vote to supplement or amend any provision of the Declaration and By-Laws on behalf of one or more Unit Owners, as the Board may deem necessary or appropriate, so long as (if fewer than all Unit Owners are affected) no such amendment materially increases the financial obligations of a Unit Owner, requires a material, physical modification to a Unit, or changes the percentage of Common Interest or voting rights of a Unit. In the unlikely event that a Unit Owner neglects or fails to execute a Power of Attorney, the Board of Managers will be unable to exercise the aforementioned rights on behalf of the Condominium without first calling a special meeting of Unit Owners pursuant to the By-Laws of the Condominium and voting on the issue, an unnecessarily inconvenient and time-consuming process.

The Power of Attorney will also extend to the Sponsor to exercise certain rights on behalf of the Condominium, such as amending the Declaration, By-Laws and Regulations of the Condominium and executing any documents that may be required to be filed with the City of New York in order to make ministerial or technical changes to the Declaration or By-laws, complete construction of the Common Elements of the Condominium, to comply with the requirements of any lending institution or secondary market insuring agency, or title insurer as a condition of making a loan in connection with the purchase of a Unit, or to make an alteration to an Unsold Unit permitted under the Declaration and By-Laws.

The form of Power of Attorney appears as Exhibit B in Part II.

B. Officers.

The principal officers of the Condominium shall be: the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Managers. The President must be a member of the Board of Managers and either a Unit Owner, the principal or officer of a Unit Owner, or the spouse, son, daughter, or parent of a Unit Owner. Other officers need not be a Unit Owner, principal or officer or a Unit Owner or the relative of a Unit Owner or a member of the Board of Managers. The President and Treasurer may not be the same person. The Board of Managers may appoint an Assistant Treasurer and an Assistant Secretary, and such other officers as in its judgment may be necessary. All officers shall serve without compensation from the Condominium. The President shall be the chief executive officer of the Condominium and shall preside at all meetings of the Board of Managers and of Unit Owners. The Vice President shall take the place of the President in his or her absence. The Secretary shall be empowered to take and keep minutes of all meetings and to keep the books and records of the Condominium. The Treasurer shall be responsible for the funds of the Condominium and for accurately keeping the financial records and books of the Condominium. The Board of Managers, in its discretion, shall delegate such powers to the officers as it deems necessary or appropriate in order to, among other things, execute agreements, contracts, deeds, leases and checks on behalf of the Condominium.

C. Expedited Arbitration.

The Board is comprised of two managers. Each manager is entitled to cast one vote in any matter before the Board. Since there are two managers, any Board action, including amendments to the Declaration or By-Laws, requires the unanimous vote of both managers (except as otherwise provided in the Declaration or By-Laws, respectively). Otherwise, all disputes arising under the Declaration and the By-laws (other than disputes with the Sponsor and disputes with respect to payment of common charges or assessments, unless mutually agreed), including any matter arising under the Declaration or By-Laws as to which Board action may be required but cannot be taken due to a disagreement between members of the Board of Managers or the failure of a Unit Owner or Manager to attend any meeting so as to achieve a quorum in order to allow action to be taken by the Board of Managers, shall be settled by expedited arbitration conducted in accordance with the rules of the American Arbitration Association (the "AAA"), unless the parties agree otherwise. Either Unit Owner may submit the dispute for resolution by arbitration in the City of New York in accordance with the Arbitration Rules (Expedited Procedures) of the AAA, except that the terms of this Section shall supersede any conflicting or otherwise inconsistent rules. Provided the rules and regulations of the AAA so permit, (i) the AAA shall, within five (5) days after a submission or application by a party, select a single independent arbitrator, (ii) the arbitration shall commence fourteen (14) days thereafter and shall be limited to a total of ten hours on the date of commencement until completion, with each party having a total of five (5) hours to present its case and to cross-examine or interrogate persons supplying information or documentation on behalf of the other party, and (iii) the arbitrator shall make a determination within fourteen (14) days after the conclusion of the presentation of both parties' cases, which determination shall be limited to the specific dispute presented to the arbitrator. All actions necessary to implement such decision shall be undertaken as soon as possible, but in no event later than ten (10) business days after the rendering of such decision. All fees payable to the AAA for services rendered in connection with

the resolution of the dispute shall be paid by the unsuccessful party. If the subject matter of arbitration is an alteration or repair issue, then the arbitrator shall be an architect or an engineer with at least fifteen (15) years' experience in the matter which is the subject of the arbitration relating to residential properties similar to the Building.

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

I. Rights and Obligations of Unit Owners

A. Sale or Lease of Units.

1. Each Unit Owner may freely sell his Unit provided that the Unit Owner who intends to sell his Unit (a "Selling Unit Owner") first gives the other Unit Owner (the "Reviewing Unit Owner") a right of first refusal to purchase such Unit at the same price and on the same material terms as were offered in writing in good faith by a prospective Purchaser in accordance with the terms described below. The Selling Unit Owner's notice to the Reviewing Unit Owner will contain such offer and such intention, the name and address of the proposed purchaser, and all of the material terms of the proposed transaction. Within fifteen (15) days after receipt of the initial notice, the Reviewing Unit Owner may request additional reasonable information regarding the proposed Purchaser and the transaction, including a personal interview. Within thirty (30) days after receipt of such notice and all additional information that had been reasonably requested by the Reviewing Unit Owner, the Reviewing Unit Owner may elect by notice to the Selling Unit Owner, either (a) to purchase the Unit on the same terms and conditions as contained in the outside offer and as stated in the notice from the Selling Unit Owner, or (b) to produce a purchaser who will purchase the Unit on the same terms as contained in the outside offer. There is no board vote involved; the Reviewing Unit Owner has the choice of purchasing the Unit, producing a purchaser, or allowing the sale (in accordance with the foregoing).

Even if a particular conveyance is not subject to the right of first refusal, the Selling Unit Owner shall notify the other Unit Owner of the conveyance at least ten (10) days before the date of the conveyance.

2. A Unit Owner may freely lease his Unit, subject to certain restrictions including, but not limited to, a maximum term length of two (2) years, a provision that the entirety of the Unit must be leased, and rights of the Condominium in the event of a default by the tenant or the Unit Owner. Any such lease shall be furnished to the Board of Managers before the lease commencement date; shall be consistent with the By-Laws; shall provide that the tenant shall not further sublet the premises or any part thereof without the prior consent in writing of the Board of Managers; that the Board of Managers shall have the power to terminate such lease and to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of a default by the tenant in the performance of such lease; that in the case of default by the Unit Owner, the Board of Managers shall have the right to require the tenant to pay its rent to and attorn to the Board on demand; that the Unit Owner or tenant will maintain liability insurance naming the Condominium as an additional insured party, if available, and that the Board of Managers shall have the right to terminate the lease on not less than thirty (30) days' prior written notice upon foreclosure of the lien granted by Section 339-z of the New York State Real Property Law.

See Article X, Sections 6 and 7 of the By-Laws for additional details and information regarding the selling and leasing of Units.

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

4. Each conveyance of a Unit by a Unit Owner shall include as part of the property to be conveyed such Unit Owner's (i) undivided interest in the Common Elements; (ii) interest in any Unit or Units acquired by the Board from Unit Owners (or the proceeds received at a foreclosure or other judicial sale of a Unit); and (iii) interest in any other assets of the Condominium.

5. The foregoing provisions of Section 18(A) shall not apply with respect to (a) any sale, conveyance or lease by a Unit Owner of his Unit to his spouse or to any of his children over the age of 18 years or to his parent or parents or to his brothers or sisters, or any one or more of them, or to a trust established for the benefit of any of them; or (b) a sale or lease of a Unit owned by the Sponsor or any principal thereof (as defined in the Plan pursuant to which the Condominium was established); or (c) the sale or lease of a Unit to the controlling principal of any non-individual entity owning the Unit or members of his or her immediate family; or (d) the acquisition, sale or lease of a Unit by a mortgagee who shall acquire title to such Unit by foreclosure or by deed in lieu of foreclosure; or (e) a conveyance or transfer by gift during a Unit Owner's lifetime; or (f) the devise of a Unit by will or intestacy. However, the Board of Managers must be given written notice of every sale or lease of a Unit.

The restrictions upon the sale and leases of Units set forth in this Section 18(A) shall not apply to Units owned by the Sponsor, its designees, or to any first mortgagee acquiring title in foreclosure or by deed in lieu of foreclose; they shall be free to sell or lease a Unit without first offering to sell or lease to the Board of Managers on behalf of the Unit Owners.

6. By virtue of executing a lease, all Unit Owners, tenants and occupants irrevocably submit to personal jurisdiction in the State of New York and venue in Kings County in any action commenced by the Board of Managers.

B. Mortgage of Units.

Each Unit Owner is free to mortgage his Unit. Prior to or simultaneously with the closing of any mortgage transaction, the Unit Owner must satisfy any arrearage for any unpaid Common Charges and assessments owed by such Unit Owner and discharge any liens therefore. The By-Laws provide that the Board of Managers may request that it be notified by each Unit mortgagee of any default of a mortgage on a Unit.

C. Easements and Right of Access.

Each Unit Owner shall have an easement in common with the Owners of other Units to use and maintain all pipes, ducts, cables, wires, conduits, air conditioning condensers (if any), public utility lines or other Common Elements located in the other's Unit and serving his or her own Unit,

if any. In addition, each Unit Owner shall have an easement for the continuance of any encroachment by the Unit on any adjoining Unit or on any Common Element, now existing or which may come into existence hereafter as a result of the settling or shifting of the Building, or as a result of restoration of the Building or a Unit after damage by fire or other casualty, or as a result of condemnation or eminent domain proceedings, or by reason of any alteration made by the Board of Managers to the Common Elements so that any such encroachment may remain undisturbed so long as the Building stands. This easement includes, but is not limited to, an easement of access to the basement of a Unit to have such pipes, wires, ducts, conduits, cables, and public utilities inspected, maintained, repaired and if applicable, metered and read by the appropriate authority. The Board of Managers, through a designated manager, managing agent, or their employees or other designee, shall have a right of access, upon reasonable notice and at reasonable times (except in an emergency, in which case no notice shall be required), to such Unit to inspect and make repairs to the Unit to prevent damage to the Common Elements, Limited Common Elements or any other Unit.

D. Use and Occupancy of Units.

The Units may be used only for private residential use, or any home occupation use permitted under applicable zoning law and ordinances, Building Code or other rules and regulations of governmental authorities having jurisdiction. The Units may also be used as professional offices by a resident thereof, provided such professional use does not violate any zoning law and ordinances. No illuminated or other sign may be used in connection with the aforementioned use, except for a professional sign, non-illuminated, and not larger than the size permitted by the Board of Managers.

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, 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 Common Elements, nor shall any Unit be rented for transient, hotel or motel purposes. The right is reserved by the Sponsor, its designee and the Board of Managers, or its agent, to place "For Sale", "For Rent", or "For Lease" or similar signs on any Unsold or unoccupied Units. Sponsor and its designee shall have the right to place "For Sale", "For Rent" or "For Lease" signs or similar signs on or in the vicinity of the Building without regard to size provided any such sign is not an eyesore.

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

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

and improvements situated thereon.

No 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. Disputes among Unit Owners as to the propriety of a particular use shall be subject to Expedited Arbitration under Article XIV of the By-laws.

Unit Owners must notify the Board when a child or children ten years of age or below take(s) occupancy in a Unit, even if such occupancy is temporary. In such case, each Unit Owner shall install window guards in each window of the Unit at his or her expense and shall not remove them until permitted by law and upon notice to the Board. Any violations issued to the Condominium because of a Unit Owner's non-compliance with this regulation shall be removed at the sole cost and expense of the non-complying Unit Owner. The Condominium may remedy and remove such violation and charge the offending Unit Owner with the full cost and expense of same.

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

The garage will be a Limited Common Element appurtenant to Unit 1. See Schedule A. The Unit 1 Owner will be solely responsible for repairing and maintaining the garage, including the garage door. However, the Condominium may designate how the exterior of the garage door is to be painted or decorated. The garage may not be used for any purpose other than parking of a vehicle, or leased to a person other than the Unit Owner or his tenant. The Unit Owner may not store any gasoline or other materials in the garage or permit or do anything in the garage which would increase the rate of fire insurance for the building. The Condominium will not be liable for damage to any personal property of the Unit Owner located within the garage, for any reason whatsoever.

The Regulations provide that dogs and other pets are not permitted in any of the public portions of the Building unless supervised by the Unit Owner and on a leash. The individual Unit Owners who keep an animal in the Building shall each indemnify the Board of Managers and hold it harmless against any loss or liability of any kind or character whatsoever arising from or as a result of the Unit Owner having any animal in the Building.

The first-year budget assumes that the Condominium will engage only a part-time handyman to perform minor cleaning and repairs, and shovel snow off of sidewalks up to three times per year. The level of staffing complies with applicable housing and labor laws as the premises is a 2-family home and therefore does not require either resident or non-resident janitorial services. Unit Owners will be expected to dispose of their own refuse unless they make alternative arrangements.

For a more complete discussion, see the Declaration and the Regulations of the Condominium which are reproduced in full in Part II of the Plan.

E. Determination of Common Charges and Liens for Nonpayment of Common Charges.

Each Unit Owner shall have an obligation to pay Common Charges and assessments or other expenses when due. Common Charges for each Unit shall be determined by multiplying that Unit's percentage of Common Interest by the total annual net expenses incurred or anticipated to be incurred for those items listed in Schedule B in the Plan, together with the expense of any special repairs, major capital improvements or other expenses deemed by the Board of Managers to be part of the Common Expenses and to be paid as Common Charges, all in accordance with Article VI of the By-Laws. Common Charges will be established on an annual basis and paid in equal monthly installments, due and payable on the first day of each month. In accordance with Article VI of the By-Laws, the Board of Managers may also impose special assessments as it deems necessary to meet unanticipated or extraordinary expenses, including, but not limited to, expenses incurred for major capital improvements. Any such special assessment to be paid by each Unit Owner shall also be determined in accordance with the Unit Owner's percentage of Common Interest. Common Charges also include late payment charges, fees and expenses of collection or enforcement of the Condominium Documents (including attorneys' fees), accrued interest, and fines charged to a Unit Owner.

Common Charges which remain unpaid for more than thirty (30) days shall bear interest at the maximum rate permitted by law.

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

Upon the failure of a Unit Owner to pay any portion of Common Charges for the Unit within fifteen (15) days of the same becoming due and payable, the Board of Managers shall have the right to place a lien against the Unit Owner's Unit for the unpaid Common Charges as set forth above, and to impose late charges and administrative fees of up to \$100 per violation as additional Common Charges with respect to each new violation to cover the additional costs of administration. The Sponsor will cause the Board of Managers to file a lien as provided in Real Property Law Section 339-aa on Units in which the Sponsor is more than thirty (30) days in arrears of Common Charges while the Sponsor controls the Board. Failure of the Board of Managers to

place such a lien or impose such charges shall not constitute a waiver of the right to do so at a later date or with respect to a subsequent failure to pay within the designated time.

Under the provisions of Section 339-kk of the Real Property Law of the State of New York, the Board of Managers also shall be entitled to collect all rental payments due from a tenant to a non-resident Unit Owner if the non-resident Unit Owner fails to make payments to the Board of Managers for Common Charges, assessments or late fees when due, and if such non-payment shall continue for a period of sixty (60) days after the expiration of any grace period for payment provided for in the Declaration and By-Laws.

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

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

The Board of Managers may also impose fines on Unit Owners who violate the Condominium Documents. The amount and administration of such fines shall be established in the Board's reasonable discretion. Such fines shall be deemed additional Common Charges.

F. Repairs.

All maintenance, repairs and replacements to any Unit, ordinary or extraordinary, and to the doors, windows, electrical (except Common Elements), plumbing (except Common Elements) and heating fixtures and air conditioning Units (if any) within the Unit or belonging to the Unit Owner shall be made at the Unit Owner's expense, except as otherwise specifically provided in the By-Laws.

All maintenance, repairs and replacements (individually and collectively "**Repairs**") to the General Common Elements (as defined in the Declaration) shall be made by or on behalf of the Board of Managers and be charged to Unit Owners as a Common Expense, except to the extent that the Repairs are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case the expense shall be charged to such Unit Owner.

Repairs in or to the Limited Common Elements (as defined in the Declaration) will be performed by, and at the expense of the Unit Owner having exclusive use, whether or not the Repair involves nonstructural or ordinary Repairs, or structural or extraordinary maintenance, repairs or replacements (including, but not limited to, the Repair of leaks). .

If a Repair to a Unit or a Limited Common Element affects (i) the exterior of the Building (except for the roof and any decorative materials, pedestals or decking placed on the roof of the Building, as to which the Unit Owner may make the appropriate repairs, alterations or additions

without consent), (ii) the common, structure or utility systems of the Condominium or (iii) the value of other Unit, then the Unit Owner who benefits from the Limited Common Element in question and has exclusive access thereto shall first obtain the prior written consent (such consent not to be unreasonably withheld, delayed or conditioned) of the other Unit Owner before repairing, replacing or maintaining same in accordance with the terms contained herein. In the event the Unit Owners shall not agree on the Repair in question, then either Unit Owner may submit the dispute to expedited arbitration as provided in Article XIV of the By-laws.

Notwithstanding the foregoing, the Board of Managers will have the right to enter any Unit upon reasonable notice for the purpose of making Repairs in an emergency, or if the Condominium determines (in its sole discretion) that it is necessary or appropriate for the Condominium to make the Repair, whether or not for the account of the Unit Owner, and to charge the cost thereof to the appropriate person under the Condominium Documents. The Board of Managers and the managing agent (if any) shall have the right of access, upon reasonable notice and at reasonable times (except in an emergency, in which case no notice shall be required), to any Unit for the purpose of inspecting any repair, replacement or maintenance to a Limited Common Element.

G. Additions, Alterations and Improvements.

A Unit Owner may make an alteration to a Unit, whether structural or nonstructural, extraordinary or ordinary, to a Unit without consent provided that such alteration that does not affect (i) the exterior of the Building, (ii) the common, structure or utility systems of the Condominium, or (iii) the value of the other Unit and provided further that the Unit Owner abides by the terms and conditions set forth herein. If an alteration to a Unit affects any one or more of (i) through (iii) in the foregoing sentence, then the Unit Owner must receive the other Unit Owner's prior written consent (such consent not to be unreasonably withheld, delayed or conditioned) to the alteration in question and otherwise abide by the terms contained herein. While the Sponsor controls the Condominium, the Sponsor will make any determination regarding consent to the Alteration. After the Sponsor Control Period terminates, if the Unit Owners shall not agree on the alteration in question, either Unit Owner may submit the dispute to expedited arbitration as provided in Article XIV of the By-Laws.

All work of a Unit Owner (i) shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances and (ii) shall be performed by reputable contractors with adequate liability, property damage and workmen's compensation insurance (certificates for which shall be delivered to the Board of Managers prior to the commencement of construction). In addition, any additions shall be repaired, maintained and replaced in their entirety by said Unit Owner from and after the date of installation.

All work shall be done only between the hours of 8:30 a.m. and 5 p.m. and not on Saturdays, Sundays, or legal holidays. The Unit Owner shall indemnify the Board of Managers and the other Unit Owner or tenants or occupants of the Building from and against any loss, damage or liability caused by or resulting from the work in question, including, but not limited to, damages to the Building and claims for damages suffered to any person or property. The Unit Owner shall reimburse the Board of Managers for any out-of-pocket expenses incurred by the Board of Managers in connection with any claims resulting from any repair, replacement or

maintenance (including, without limitation, attorneys' fees and disbursements). Upon request, the Unit Owner shall procure a bond or agreement from an insurance company acceptable to the Condominium ensuring the performance of the work in question and such Unit Owner's obligations as set forth herein. See Article VI, Section 10 for additional details.

The Board of Managers and managing agent (if any) shall have a right of access, upon reasonable notice and at reasonable times (except in an emergency, in which case no notice shall be required), to any Unit for the purpose of inspection, making any repairs or replacements to any of the Common Elements or Limited Common Elements contained in such Unit or elsewhere in the Building, remedying any condition which would result in damage to any other Unit or to the Common Elements or Limited Common Elements or which would violate the provisions of any mortgage encumbering another Unit, or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof, or to cure any defaults by a Unit Owner or for any other purpose permitted by the By-Laws.

All alterations are subject to the By-Laws and Regulations of the Condominium regarding the time and manner of performance, security, insurance, responsibility for interruption of services, and liability for future repairs. Unit Owners may be required to execute an Alteration Agreement incorporating such terms, which agreement may be recorded and will bind future owners of the Unit.

The consent of the Board of Managers is not required in order for the Sponsor to make alterations or additions to Unsold Units, whether or not such alterations are structural or nonstructural, ordinary or extraordinary, so long as they do not materially adversely affect the structure or utility systems of the Building. The Condominium hereby appoints the Sponsor as its attorney-in-fact, coupled with an interest, to execute such documents on behalf of the Condominium as may be required in order to obtain any necessary licenses or permits to make or complete an alteration, and grants to the Sponsor an easement of access, ingress and egress to make any such alterations.

H. Use of Limited Common Elements.

The use of the Limited Common Elements by Unit Owners is governed by the terms of the Declaration and By-Laws, including the following:

If an alteration or improvement to a Limited Common Element affects (i) the exterior of the Building (except for the roof or any decorative materials, pedestals or decking placed above the roof of the Building as to which the Unit Owner may make the appropriate repairs, alterations or additions without consent), (ii) the common, structure or utility systems of the Condominium or (iii) the value of other Unit, then the Unit Owner who benefits from the Limited Common Element in question and has exclusive access thereto shall first obtain the prior written consent (such consent not to be unreasonably withheld, delayed or conditioned) of the other Unit Owner before altering or improving same in accordance with the terms contained in the By-Laws. In the event the Unit Owners shall not agree on the repair, replacement or maintenance in question, then either Unit Owner may submit the dispute to expedited arbitration as provided in Article XIV in the By-Laws.

Certain improvements may also require the consent of the Building Department and the Board of Standards and Appeals, depending on whether such enclosures are deemed to use development rights belonging to the Condominium.

All alterations are subject to the Regulations of the Condominium regarding the time and manner of performance, security, insurance, responsibility for interruption of services, and liability for future repairs. Unit Owners may be required to execute an Alteration Agreement incorporating such terms, which agreement may be recorded and will bind future owners of the Unit.

The Board of Managers will have the right to enter any Limited Common Element for the purpose of inspecting or making repairs to the General Common Elements. The Unit Owner will be responsible for removing all personal property or improvements to a Unit in order to provide such access, at his or her expense.

Repairs in or to the Limited Common Elements (as defined in the Declaration) will be performed by, and at the expense of the Unit Owner having exclusive access to it, whether or not the Repair involves nonstructural or ordinary Repairs, or involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, the repair of leaks). The Board of Managers will also have the right, but not the obligation, to require a Unit Owner to make a Repair to a Limited Common Element (also at the expense of the Unit Owner) if failure to make the repair will adversely affect the other Unit or the Condominium.

Disputes with respect to the use of Units will be subject to Expedited Arbitration in accordance with Article XIV of the By-laws.

I. Insurance.

(1) Insurance to be Carried by the Board. The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance: fire and casualty insurance with extended coverage, insuring the Building (but not including floors, subfloors, interior or partition walls, improvements and betterments to individual Units, appliances, built-ins (such as kitchen cabinets), fixtures to the point that they connect to the building systems within the walls, furniture, furnishings, or other personal property of Unit Owners), together with all of the Building's heating, air conditioning and other service machinery contained therein, covering the interest of the Condominium, the Board of Managers and all Unit Owners and their mortgagees as their interest may appear, in an amount equal to the full replacement value of the Building. Each of such policies shall contain a New York standard mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee, as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee hereinafter set forth; and such other insurance as the Board of Managers may determine. All such policies shall provide that adjustment of loss shall be made by the Board of Managers.

The fire insurance will commence with the closing of title to the first Unit in an amount as required by the mortgagee of such Unit, and such amount will be increased upon the closing of

title to both Units and until the first meeting of the Board of Managers following the first Unit Owners meeting.

All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro rata liability of the insurer, as a result of any insurance carried by Unit Owners or of the invalidity arising from any acts of the insured or any Unit Owners, and shall provide that such policies may not be canceled or substantially modified without at least fifteen (15) 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 fifteen (15) days prior to expiration of then current policies. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Managers shall obtain an appraisal from a fire insurance company or otherwise of the full replacement value of the Building, including all of the common elements appurtenant thereto, for the purpose of determining the amount of fire insurance to be effected pursuant to this Section.

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 (if any) and each Unit Owner. Such public liability coverage shall also cover cross liability claims of one insured against another. Until the first meeting of the Board of Managers following the first annual Unit Owners meeting, such public liability insurance shall have a minimum single limit of \$1,000,000 covering all claims for bodily injury and for property damage arising out of one occurrence. Such public liability insurance shall commence on the closing of title to the first Unit. Director and officer, rent insurance, water damage, boiler and machinery and excess liability insurance coverage are available at an extra charge.

Sponsor will procure, on behalf of the Board, on or before the date of the First Closing, the general liability insurance required to be carried by the Condominium. The fire, casualty and general liability insurance carried by the Condominium will provide that each Unit Owner is an additional insured party; that there will be no cancellation without notice to the Board of Managers; a waiver of subrogation; a waiver of invalidity because of the acts of the insured and Unit Owners; and a waiver of pro-rata reduction if Unit Owners obtain additional coverage. For further details, See Notes to Schedule B, paragraph 9.

(2) Insurance to be Carried by Unit Owners. All Unit Owners shall carry insurance commonly known as "condominium homeowners insurance" insuring the Unit Owner against damage to those portions of their Units not covered by the Condominium's insurance (including floors, subfloors, interior or partition walls, improvements and betterments to individual Units, appliances, built-ins (such as kitchen cabinets), fixtures to the point that they connect to the building systems within the walls, furniture, furnishings, or other personal property of Unit Owners), and against liability for claims for personal injury or property damage arising out of their acts or omissions. All such insurance shall be carried by a company licensed to do business in the State of New York and shall contain waivers of subrogation for property damage claims against the Condominium, its agents or employees. To the extent obtainable, such insurance shall name the Condominium and its managing agent (if any) as additional insureds. The Condominium Board

may establish minimum amounts and maximum deductibles for all such insurance from time to time. Unit Owners shall provide a certificate evidencing such insurance when they take title to their Units and thereafter upon request by the Condominium. To the fullest extent permitted by the law, each Unit Owner releases the Condominium from liability for damage to those portions of his Unit not expressly covered by the Condominium's insurance, and to his personal property, for any reason. If any such damage would be covered by insurance maintained by the Unit Owner under this Section, and if for any reason the Unit Owner is not carrying such insurance, the Unit Owner shall be deemed to have breached the By-laws of the Condominium and the Condominium shall have all legal rights at law or in equity against the Unit Owner to be defended, held harmless and indemnified against loss (including reasonable attorneys' fees) as a result of such failure. Unit Owners should consult their insurance agents as to the scope of this insurance and any additional coverage which might be recommended.

J. Expedited Arbitration.

The Board is comprised of two managers. Each manager is entitled to cast one vote in any matter before the Board. Since there are two managers, any Board action, including amendments to the Declaration or By-Laws requires the unanimous vote of both managers (except as otherwise provided in the Declaration or By-Laws, respectively). Otherwise, all disputes arising under the Declaration and the By-laws (other than disputes with the Sponsor or relating to payment of Common Charges, unless mutually agreed), including any matter arising under the Declaration or By-Laws as to which Board action may be required but cannot be taken due to a disagreement between members of the Board of Managers or the failure of a Unit Owner or Manager to attend any meeting so as to achieve a quorum in order to allow action to be taken by the Board of Managers, shall be settled by expedited arbitration conducted in accordance with the rules of the American Arbitration Association (the "AAA"), unless the parties agree otherwise. Either Unit Owner may submit the dispute for resolution by arbitration in the City of New York in accordance with the Arbitration Rules (Expedited Procedures) of the AAA, except that the terms of this Section shall supersede any conflicting or otherwise inconsistent rules. Provided the rules and regulations of the AAA so permit, (i) the AAA shall, within five (5) days after a submission or application by a party, select a single independent arbitrator, (ii) the arbitration shall commence fourteen (14) days thereafter and shall be limited to a total of ten hours on the date of commencement until completion, with each party having a total of five (5) hours to present its case and to cross-examine or interrogate persons supplying information or documentation on behalf of the other party, and (iii) the arbitrator shall make a determination within fourteen (14) days after the conclusion of the presentation of both parties' cases, which determination shall be limited to the specific dispute presented to the arbitrator. All actions necessary to implement such decision shall be undertaken as soon as possible, but in no event later than ten (10) business days after the rendering of such decision. All fees payable to the AAA for services rendered in connection with the resolution of the dispute shall be paid by the unsuccessful party. If the subject matter of arbitration is an alteration or repair issue, then the arbitrator shall be an architect or an engineer with at least fifteen (15) years' experience in the matter which is the subject of the arbitration relating to residential properties similar to the Building.

K. Miscellaneous.

The Sponsor is not required to obtain the approval of the Board of Managers or meet requirements imposed upon the Unit Owners in order to exercise a number of rights described in the By-Laws, including, but not limited to: (i) the right to use a Unit as a model and display "For Sale", "For Rent", or "For Lease" signs, or similar signs provided any such sign is not an eyesore; (ii) the right to alter a Unit without obtaining the prior consent of the Board of Managers (but only in accordance with the other terms of this Plan); and (iii) the right to amend the Declaration without a vote for the sole purpose of filing the floor plans as required by Section 339-p of the Real Property Law of the State of New York and (iv) the right to transfer or lease a Unit without offering the Unit Owners a right of first refusal. For as long as the Sponsor or its designee own title to one or more Units, the Regulations of the Condominium, By-Laws or Declaration may not be amended in a manner which would, in the sole discretion of Sponsor or its designee, adversely affect the Sponsor or its designee in any way, unless the Sponsor or its designee give their written consent to such an amendment.

II. Rights and Obligations of Board of Managers

A. Repairs.

As used in this Section, repairs, maintenance and replacements of any portion of the Unit or Common Elements whether ordinary or extraordinary, are referred to as "**Repairs**". All Repairs to any Unit, and to the doors (except painting the exterior side of a Unit entrance door), windows (except painting the exterior side of windows), electrical (except Common Elements), plumbing (except Common Elements) and heating fixtures and air conditioning units (if any) within the Unit or belonging to the Unit Owner shall be made at the Unit Owner's expense, except as otherwise specifically provided in the By-Laws.

Repairs to the General Common Elements (as defined in the Declaration) and the painting and decorating of the exterior side of Unit entrance doors and windows shall be made by the Board of Managers and be charged to all the Unit Owners as a Common Expense, except to the extent that the Repairs are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case the expense shall be charged to such Unit Owner. Repairs in or to the Limited Common Elements (as defined in the Declaration) will be performed by, and at the expense of, the Unit Owner having exclusive access to it, whether or not the Repair involves nonstructural or ordinary Repairs, or structural or extraordinary maintenance, repairs or replacements (including, but not limited to, the Repair of leaks).

If a Repair to a Unit or a Limited Common Element affects (i) the exterior of the Building (except for the roof and any decorative materials, pedestals or decking placed on the roof of the Building, as to which the Unit Owner may make the appropriate repairs, alterations or additions without consent), (ii) the common, structure or utility systems of the Condominium or (iii) the value of other Unit, then the Unit Owner who benefits from the Limited Common Element in question and has exclusive access thereto shall first obtain the prior written consent (such consent not to be unreasonably withheld, delayed or conditioned) of the other Unit Owner before repairing, replacing or maintaining same in accordance with the terms contained herein. In the event the Unit Owners shall not agree on the Repair in question, then either Unit Owner may submit the dispute to expedited arbitration as provided in Article XIV of the By-laws.

Notwithstanding the foregoing: (i) the Board of Managers will have the right to enter any Unit upon reasonable notice and at reasonable times for the purpose of making Repairs in an emergency, or if the Condominium determines that it is necessary or appropriate for the Condominium to make the Repair, whether or not for the account of the Unit Owner, and to charge the cost thereof to the appropriate person under the Condominium Documents; and (ii) the Condominium will also have the right, but not the obligation, to require a Unit Owner to make a Repair to a Limited Common Element (also at the expense of the Unit Owner) if failure to make the Repair would adversely affect the other Unit or the Condominium.

B. Additions, Alterations or Improvements by Board of Managers.

Whenever in the judgment of the Board of Managers the Common Elements shall require additions, alterations or improvements, and the Board determines to require the placement of a lien on the common elements or an assignment of Common Charges payable by the Unit Owners, and (if required by law) the making of such additions, alterations or improvements shall have been approved by both Unit Owners present in person and/or by proxy and voting at a meeting duly held in accordance with these By-Laws (and by the holders of Unit mortgages, if such approval is required), the Board of Managers shall have the right to proceed with such additions, alterations or improvements and to assess all Unit Owners for the cost thereof as a Common Charge. Any additions, alterations or improvements which do not require a lien to be placed on the common elements or an assignment of the Common Charges payable by the Unit Owners may be made by the Board of Managers, without approval of the Unit Owners or the holders of Unit mortgages, and the cost thereof (unless paid from the Working Capital Fund or Reserve Fund in accordance with the Plan of Condominium Ownership) shall constitute part of the Common Expenses.

For a description of the rights of Unit Owners to alter or improve the Common Elements, see Section 18(G).

C. Insurance and Restoration after Casualty Loss.

For the details of insurance coverage required to be carried by the Condominium and by individual Unit Owners, please refer to Section 18(I) above. Purchasers should note that individual Unit Owners are required to carry insurance covering their Units and certain personal property, improvements and betterments within their Units.

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

In the event of a fire or other casualty in which more than seventy-five percent (75%) of the Building is destroyed or substantially damaged, repairs and/or restoration will be made if Unit Owners whose percentage of Common Interest, in the aggregate, is at least seventy-five percent

(75%) of the total Common Interest, affirmatively vote for such a course of action. If no such affirmative vote is given, then the Property shall be subject to an action for partition at the suit of any Unit Owner or lienor.

D. Notice of Meetings; Reports to Unit Owners.

Notice of the annual meeting of Unit Owners or of any special meetings of Unit Owners shall be given by the Secretary, as directed by the Board of Managers, to Unit Owners not less than ten (10) days or more than fifty (50) days before such meeting. Minutes of all meetings of Unit Owners and of all meetings of the Board of Managers shall be kept by the Board, together with records of all actions taken by the Board and the financial records of the Condominium. The Board shall retain an independent certified public accountant to prepare an annual report of the receipts and expenditures of the Condominium, which report shall be promptly sent to each Unit Owner.

E. Severance of Ownership Prohibited.

Each conveyance of a Unit by a Unit Owner shall include as part of the property to be conveyed, his undivided interest in the Common Elements, together with his interest in any Unit or Units acquired by the Board of Managers at a foreclosure or other judicial sale involving such Unit or Units, in accordance with the provisions of the By-Laws, all of which are interests appurtenant to his Unit.

F. Right of First Refusal for Unit Sales; Unit Leases.

1. The other Unit Owner in the Condominium has a right of first refusal with respect to the sale of a Unit by a Unit Owner. In administering the right of first refusal with respect to any sale of a Unit, the Reviewing Unit Owner shall be required to exercise such rights, if at all, within thirty (30) days of its receipt of the latter of (a) written notice from a Unit Owner of the Unit Owner's intention to sell the Unit to a bona fide grantee or lessee or (b) all other information reasonably required by the Board. See Section 19(A) of the Plan for a detailed description of the rights and obligations of the Unit Owners in this regard. There is no board vote involved; the Reviewing Unit Owner has the choice of purchasing the Unit, producing a purchaser, or allowing the sale (in accordance with the requirements of Article X, Section 6 of the By-Laws).

2. The Reviewing Unit Owner will not discriminate against any person on the basis of race, creed, sexual orientation, color, national origin, sex, age, disability, marital status, or other grounds prohibited by law in exercising the right of first refusal and resale of such Unit.

3. A Unit Owner may freely lease his Unit, subject to certain restrictions including, but not limited to, a maximum term length of two (2) years, a provision that the entirety of the Unit must be leased, and rights of the Condominium in the event of a default by the tenant or the Unit Owner. Any such lease shall be presented to the board prior to lease commencement; shall be consistent with these By-Laws; shall provide that the tenant shall not further sublet the premises or any part thereof without the prior consent in writing of the Board of Managers; that the Board of Managers shall have the power to terminate such lease and to bring summary proceedings to

evict the tenant in the name of the landlord thereunder, in the event of a default by the tenant in the performance of such lease; that in the case of default by the Unit Owner, the Board of Managers shall have the right to require the tenant to pay its rent to and attorn to the Board on demand; that the Unit Owner or tenant will maintain liability insurance naming the Condominium as an additional insured party, if available, and that the Board of Managers shall have the right to terminate the lease on not less than thirty (30) days' prior written notice upon foreclosure of the lien granted by Section 339-z of the New York State Real Property Law.

The foregoing restrictions on leasing and the contents of leases contained in this Section shall not apply to a Unit owned by Sponsor, or to a Unit owned by a mortgagee who took title for its own account in foreclosure or by deed in lieu of foreclosure. The foregoing restrictions shall also not apply to a Unit Owner or his spouse or to any of his children over the age of 18 years or to his parent or parents or to his brothers or sisters, or any one or more of them, or to a trust established for the benefit of any of them.

G. Review of Real Estate Tax Assessments.

The Board of Managers reserves the right, on behalf of all Unit Owners, to challenge any assessment at the expense of the Condominium. However, if the Board of Managers fails to do so, it shall be the responsibility of the individual Unit Owners, at their sole cost and expense, to review the real estate tax assessments of their Units and, if they so desire, to take any steps necessary to review and challenge such assessments.

H. Amendments to Condominium Declaration and By-Laws.

Each Unit shall be entitled to cast one vote at all Unit Owners' meetings. Generally, when a quorum is present at any meeting, the vote of both Unit Owners (100% of the common interest of the Condominium) present in person or represented by written proxy shall decide any question brought before such meeting. Since there are two managers, any Board action, including amendments to the Declaration or By-Laws, requires the unanimous vote of both managers (except as otherwise provided in the Declaration or By-Laws, respectively). Upon a dispute, the matter may be submitted to Arbitration. See Article XIV of the By-Laws.

The Declaration and By-laws may be amended upon a vote of both of the Unit Owners, held at a duly called meeting of Unit Owners, provided however, that:

1. The notice of the meeting shall contain a full statement of the proposed amendment, or both Unit Owners must waive notice of the meeting;
2. The amendment shall be set forth in a duly recorded amendment to the Declaration.
3. No amendment shall be passed which shall impair or prejudice the rights and priorities of the Sponsor without the Sponsor's consent.
4. No amendment will affect or impair the validity or priority of the Unit Owner's

interest and the interests of holders of a mortgage encumbering a Unit or Units.

Subject to the foregoing restrictions, and pursuant to the Power of Attorney executed by Unit Owners, the Board of Managers is also appointed the attorneys-in-fact for each Unit Owner to vote on and make such amendments to the Declaration and By-Laws as it may deem necessary or appropriate in its business judgment.

For further information relating to amendments to the Declaration or By-laws, See Article IX of the By-laws of the Condominium.

I. Unit Owner Power of Attorney.

Upon the transfer of title to any Unit, the Unit Owners will be required to execute a Power of Attorney in favor of the Board of Managers and the Sponsor to exercise certain rights on behalf of the Condominium, such as: (i) exercising or waiving a right of first refusal to purchase a Unit (to the extent applicable)(and taking such steps as may be needed to implement such action); (ii) borrowing funds to repair the Common Elements pursuant to Real Property Law Section 339-jj; (iii) protesting the Condominium's real estate tax valuations with the City of New York; (iv) file applications and protests (or employ persons to do same) with respect to the assessed valuation of one or more Units and to execute all documents and pay all costs in connection therewith; and (v) vote to supplement or amend any provision of the Declaration and By-Laws on behalf of one or more Unit Owners, as the Board may deem necessary or appropriate, so long as (if fewer than all Unit Owners are affected) no such amendment materially increases the financial obligations of a Unit Owner, requires a material, physical modification to a Unit, or changes the percentage of Common Interest or voting rights of a Unit. In the unlikely event that a Unit Owner neglects or fails to execute a Power of Attorney, the Board of Managers will be unable to exercise the aforementioned rights on behalf of the Condominium without first calling a special meeting of Unit Owners pursuant to the By-Laws of the Condominium and voting on the issue, an unnecessarily inconvenient and time-consuming process.

The Power of Attorney will also extend to the Sponsor to exercise certain rights on behalf of the Condominium, such as amending the Declaration, By-Laws and Regulations of the Condominium and executing any documents that may be required to be filed with the City of New York in order to complete construction of the Common Elements of the Condominium, to correct ministerial or technical defects in the Declaration and By-laws, which changes will not adversely affect the rights or obligations of any Unit Owner or mortgagee, to comply with the requirements of any lending institution or secondary market insuring agency, or title insurer as a condition of making a loan in connection with the purchase of a Unit, or to make an alteration to an Unsold Unit permitted under the Declaration and By-Laws.

The form of Power of Attorney appears as Exhibit B in Part II of the Plan.

20. REAL ESTATE TAXES

A. Generally.

After the closing of title, each Unit will be taxed as a separate tax lot for real estate tax purposes. As a result, a Unit Owner will not be responsible for the payment of, nor will his or her Unit be subjected to, any lien arising from the non-payment of taxes on other Units.

Under Section 339-y of the Real Property Law of the State of New York, the aggregate assessments of all Units cannot exceed the assessment of the Property if the Property were assessed as a single parcel. Moreover, under Section 581 of the Real Property Tax Law, real property owned on a Condominium basis cannot be assessed at a higher amount than if the parcel were not owned on a Condominium basis. Thus, the assessing authority, the New York City Department of Finance, customarily bases its calculation of assessed valuation as if the Property were a rental property, and each Unit were rented. Once such valuation is established, generally the assessed valuation of each Unit is calculated based on the percentage of Common Interest of each Unit in the deemed assessed valuation of the Property.

The estimated taxes are based on the projections of assessed value set forth in the opinion letter dated August 9, 2022 of Metropolitan Realty Exemptions, 118 Middleton Street, Brooklyn, NY ("**Tax Consultant**") which is included immediately after this section. Under applicable tax laws, Tax Class 1 properties like 108 King Street are subject to an annual assessment cap of 6% over the previous year's assessed value, and a 20% cap within any five-year period. Furthermore, since construction had been completed (pending inspections) by the end of 2021, and the 2022/23 assessed valuation already represented a substantial increase over the 2021/22 assessed value, the Tax Consultant believed that the increased final AV for 2022/23 reflected the post-construction AV, and accordingly, would not increase in tax year 2023/24. Accordingly, based on the Tax Consultant's projections, , the real estate taxes for the Property for the first year of Condominium Operation from January 1, 2023 through December 31, 2023 will be the sum of (a) \$12,951.70 (one half of annual taxes of \$25,903.40 for the 2022/23 tax year), based on a final assessed valuation of \$129,757 and a tax rate of \$19.963 per \$100 of assessed value, plus (b) \$13,728.59, one half of a 6% increase in taxes over the taxes during the 2022/23 tax year allocable to the period July 1-December 31, 2023, for total taxes of \$26,680.29. The projected real estate taxes payable by Unit Owners in Schedule A to the Plan were calculated by taking the total real estate taxes for the First Year of Condominium Operation and multiplying such figure by the percentage of Common Interest for each respective Unit.

The Sponsor makes no representation as to the accuracy of the projected assessed value of the Property, tax rate, method of assessing real property used by the Tax Consultant or the City of New York's allocation of taxes based on a Unit's Common Interest.

Frequently, there is a delay between the establishment of the Condominium and separate billing from the City to each Unit Owner. If the Units have not been separately assessed for real estate tax purposes prior to the closing of title to a Unit, each Unit Owner will place in escrow with the Condominium an amount equal to the real estate taxes allocable to the Unit for the next

succeeding half tax year after the half-year in which the closing occurs in accordance with the provisions of Section 15(A)(3)(a) of the Plan, "Escrows with and Payments to Condominium at Closing", until such separate assessment has been made. The tax assessment for each Unit may be allocated on a basis that differs from the allocation of Common Interest.

Section 5 of Article III of the By-Laws provides that the Board of Managers has the power to request a reduction in the taxable assessed valuation of the Condominium on behalf of all Unit Owners. Each Unit Owner has delegated such right to the Board of Managers by Power of Attorney executed at the closing.

In no event will the Sponsor, the Sponsor's Counsel, the Board of Managers of the Condominium, the selling agent, managing agent (if any) or any other person be liable if the Property's real estate taxes exceed the amounts described herein or if there are changes in the applicable statutes or regulations. No tax certiorari proceedings are currently pending.

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August 9, 2022

108 King Partners, LLC
106-16 Jamaica Avenue
Richmond Hill, NY 11418

RE: 108 King Street
Brooklyn, NY
Block & Lot: 546 - 47

Letter of Opinion Regarding Real Estate Tax Liabilities
Two (2) Residential Condominium Units

Dear Sir,

You have requested us to advise you with our opinion in respect to determining the projected Annual Assessment and tax liabilities in regard to the above captioned real property according to our experiences.

The New York City Department of Finance assesses the values in regard to all New York City residential and commercial properties annually. Based on the assessor's determination of the assessment on taxable status date January 5th, the Department of Finance releases tentative assessments of the property value in January of every year and final assessments every May, prior to the beginning of each tax year, which commences July 1st.

Real Property tax rates set each year by the City Council are applied to these property values, to determine each homeowner's annual tax liability.

The property tax assessment process commences when the city's assessors determine the market value of the property. In regard to one-, two- and three-family homes (tax class 1), Finance estimates market values based on comparable sales. Finance's records indicate that the

METROPOLITAN Realty Exemptions, Inc.

assessor's assessment on market values, only deviate from actual sales prices by 15 percent or less.

In rendering this opinion, we have relied upon the following facts and information that you have provided us with:

- The subject property is located at 108 King Street, Brooklyn, NY 11231, and is known as Block: 546, Lot 47, with the NYC Department of Finance ("DOF").
- The proposed is to construct two (2) condominium units.
- There will be separate condominium tax lots filed with the DOF for each residential unit.
- The property is currently classed as Tax Class 1 with the DOF.
- Based on the explanation below, the DOF Surveyor's Office shall class the structure as a tax class one (1) and thus levy the assessed value on a 6% rate of the market value.

Tax Class 1 CAP

Per New York Real Property Tax Law Section 1805, tax class one (1) properties are subject to an assessment cap of 6%. Specifically, the law states that an assessor of any special assessing unit "shall not increase the assessed value of any tax class 1 property" in a single year by more than 6% of the previous year's assessed value, as listed on the assessment roll. Additionally, the assessor may not increase the tax class one (1) property's assessed value by more than 20% within any five-year period. The assessment cap does not apply to increases in assessed value due to physical alterations or the expiration of any tax exemptions or abatements.

We believe there will be an increase in value for 2023/24 as a result of the new construction, and that such increase will be placed on the assessment roll immediately and not subject to the limitation on increases described above.

In future years increases in assessed value cannot exceed 6% annually and 20% over any five-year period.

Property tax is only levied on a portion of the market value. This portion is called the assessed value. In regard to 1-3 family homes and Condominiums with no more than three (3) dwelling units, provided such property was previous classified as class one (1), the assessed values are levied on 6% of the market value. In regard to all other properties, taxes are levied on 45% of the market value.

2022/2023 Assessed Value and Tax Liability

The Final Taxable Assessed Value of the property for tax year 2022/2023 (the first year of condominium operation), is \$129,757 and the property is classified by DOF as a tax class 1. Assuming the 2022 tax rate of 19.963% for tax class 1 (i.e., \$19.963 per \$100 of AV), the Projected Tax Liability will be approximately \$25,903. This amount will be the tax liability for tax year starting July 1, 2022 and ending June 30, 2023.

The aforementioned values are based on an increase already applied by the NYC Department of Finance (DOF) due to the construction of the new building; however, following receipt of the Certificate of Occupancy the amounts may or may not increase for the 2023/2024 and subsequent tax years, but since there was already a substantial increase, we anticipate the post completion assessment to be approximately as indicated above, and with the annual 6% increase, the tax will be approximately \$27,457 for the 2023/2024 tax year .

METROPOLITAN Realty Exemptions, Inc.

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

Disclaimer

Though 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 made, may be lesser or greater based on the interpretation of the administrative code and the applicable rules and regulations of the City of New York.

Although we believe our opinions are well-founded, they are not intended, and should not be construed as warranties or guaranties or representations as to future assessed valuations of the property under discussion and we accept no responsibility or liability in the event that the figures or projections set forth herein are incorrect or inaccurate. In no event will this firm, 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.

Sincerely yours,

A handwritten signature in cursive script that reads "Martin Joseph".

Martin Joseph
Metropolitan Realty Exemptions, Inc.

21. INCOME TAX DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF CONDOMINIUM

The Sponsor has been advised by its attorneys, Smith, Buss & Jacobs, LLP, 733 Yonkers Avenue, Yonkers, New York 10704 that for Federal income tax purposes, under Sections 163 and 164 of the Internal Revenue Code of 1986, as amended, a Unit Owner will be entitled to a deduction for interest paid or accrued with respect to any mortgage indebtedness encumbering the Unit(s) and for real estate taxes paid or accrued with respect to the Unit. It is also the opinion of Sponsor's Counsel that each Unit Owner for New York State and New York City income tax purposes, will be entitled to a limited deduction equivalent to that which is allowed for Federal income tax purposes for such mortgage interest and real estate taxes paid or accrued during the taxable year.

On January 1, 2018, the federal "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 home ownership. Among other changes, the Act provides that the deduction available to home owners for state and local taxes, including real estate taxes, available to home owners is limited to \$10,000. In addition, taxpayers may not seek to deduct qualified residence interest on acquisition indebtedness for a mortgage in excess of \$750,000 (\$375,000 for a married individual filing a separate return). Further, investment interest may no longer be deducted.

It should also be noted that such deductions may be curtailed if (among other events): (i) the Unit is not occupied by the Unit Owner as his or her first or second home; (ii) mortgage indebtedness exceeds the purchase price of the Unit (plus the costs of any improvements thereto); (iii) the Unit is utilized for professional or business use or for the production of income; and/or (iv) the Unit Owner is subject to Alternative Minimum Tax.

Specific exemptions from real estate taxes may be available for veterans, senior citizens, or government rebate programs. Purchasers are advised to consult their attorneys to determine if this or any other exemption may be available to them.

All Purchasers are advised to consult with their counsel to determine their tax liability for the particular circumstances.

Each Unit Owner's proportionate share of the income received by the Board of Managers will either be includable by the Unit Owner as taxable income for Federal and New York State income tax purposes, or taxed on the Condominium itself. If the Condominium is required to pay taxes, the amount thereof will be levied as an additional Common Charge. In such event this additional Common Charge may also be subject to tax.

Under Section 528 of the Internal Revenue Code, a Condominium may be eligible to be exempt from taxation on Common Charges collected from the Unit Owners, provided the requirements of Section 528 are met. One of the requirements to be met is that at least eighty-five percent (85%) of the total square footage of the Units must be used by individuals as residences or (if unoccupied) zoned for individuals as residences. As currently used, the Condominium meets

this criterion and therefore, the Condominium may elect to be taxed as a homeowners association under Section 528.

In the opinion of Counsel, it does not appear that the Condominium's members would incur substantial taxes even if Section 528 did not apply, i.e., if the Condominium is treated either as their agent or as a partnership for tax purposes. If, as anticipated, its income is largely offset by expenses, the ultimate income tax payable would be small. Hence, the major concern, if Section 528 is not available, would lie in assuring that the net taxable income derived from the Condominium's activities in any year is minimal. With careful attention to the various accounting and other administrative details, this would not be difficult to accomplish. For example, assessments for capital expenditures would be made and held in trust by the Board of Managers until the funds were disbursed, and careful documentation to this effect should be prepared on each occasion.

The opinion of Sponsor's Counsel is not a guarantee. It is based upon existing rules of law applied to the facts and documents referred to above. No assurances can be given that the tax laws upon which Counsel base this opinion will not change. In no event will the Sponsor, the Sponsor's Counsel, the Board of Managers of the Condominium, the selling agent, managing agent (if any) or any other person be liable if the Unit Owners cease to meet the requirements of the Internal Revenue Code of 1986, as amended, or the New York State tax law, as amended, if there are changes in the facts on which Counsel relied in issuing its opinion, or if there are changes in the applicable statutes or regulations.

22. OPINION OF COUNSEL re: DEDUCTIBILITY OF TAXES

**Smith Buss
& Jacobs LLP**

733 YONKERS AVENUE, SUITE 200, YONKERS, NY 10704 T 914 476 0600 SBJLAW.COM
YONKERS / GARDEN CITY / NEW YORK CITY

March 21, 2021

108 King Partners LLC
18 Main Street
Roslyn, New York 11576

Re: 108 King Street Condominium
108 King Street, Brooklyn, New York

Dear Sir/Madam:

You have requested our opinion with respect to the deductibility for Federal and New York State income tax purposes of mortgage interest and real estate taxes paid by a person (a “**Unit Owner**” or an “**Owner**”) who purchases a Unit (a “**Unit**”) under the Plan for the above-referenced condominium (the “**Plan**”). The Plan provides for the condominium conversion of the building to four (4) residential condominium units.

In connection with this opinion, we have reviewed the Plan, including the schedules and exhibits thereto. The opinions expressed in this letter are based upon the assumptions that the Plan becomes effective and is consummated in accordance with its terms so that valid condominium ownership of the premises known as 108 KING STREET CONDOMINIUM, 108 King Street, Brooklyn, New York 11231 (the “**Condominium**”) is established upon the filing of a condominium declaration. In our opinion, pursuant to the Plan:

A. A Unit Owner will own fee simple title to his or her Unit and an undivided interest in the common elements;

B. Each Unit, together with its appurtenant interest in the common elements, will be a separate tax lot for purposes of New York County and City of New York real estate taxation, and the Unit Owner will be directly liable for the real estate tax assessment with respect to his or her Unit, but not with respect to any other Unit;

C. Subject to certain restrictions described in the Declaration and By-Laws of the Condominium, a Unit Owner may mortgage his or her Unit as he or she wishes, and the Unit will

not be subject to the lien of any mortgage placed on other Units; and

D. A Unit Owner may transfer his or her Unit subject, with certain exceptions, to certain rights of the Board of Managers as described in the Plan.

Under the Plan, the Condominium will be managed by a Board of Managers whose members will be elected by the Unit Owners (and by the Sponsor of the Plan, to the extent that the Sponsor owns any Units). We also understand that the Condominium will, at least initially, be an unincorporated association under New York law. The Plan and the By-Laws provide that the expenses incurred in the operation and maintenance of the Condominium exclusive of the Units themselves (the “**Common Expenses**”) shall be borne by the individual Unit Owners and assessed (in proportion to each Unit Owner's Common Interest) and collected by the Condominium Board on behalf of the Condominium (the “**Common Charges**”).

Based upon the foregoing, it is our opinion that an individual Unit Owner who purchases a Unit as his or her principal or second residence and who itemizes deductions will be entitled, under present tax laws and regulations, to deduct from adjusted gross income, for Federal income tax purposes, real estate taxes, if any, assessed against such Owner's Unit, as well as qualified residence interest on acquisition indebtedness up to \$750,000 (\$375,000 for a married individual filing a separate return) secured by a Unit (See Sections 163(h) and 164 of the Internal Revenue Code of 1986, as amended (the “**Code**”). We express no opinion as to the availability of such deductions under applicable requirements of the Code with respect to payment of alternative minimum tax under Sections 55-59 of the Code, or as to the availability of such deductions to the owner of a Unit which is not used as the Unit Owners' principal or second residence (e.g., a rental Unit).

Where an owner does not occupy the condominium Unit but holds it instead as an investment, current Federal tax law now does not allow investment interest to be deducted. An investor-owner should obtain the opinion of his own tax advisor to determine the effect of the investment interest limitation.

Common Charges will be borne by Unit Owners and assessed and collected by the Board of Managers. If the Condominium is treated for tax purposes as merely the agent of the Unit Owners, the income received by the Board of Managers and the Condominium, and the expenses incurred would be deemed to be income and expenses of the individual Unit Owners, in proportion to their respective interests, and the amount of such income less such expenses would be taxable to them in the same proportion. See, e.g., Rev. Rul. 74-563.

The law in this area is uncertain, though. If the Internal Revenue Service asserts that the Condominium constitutes an association under the default rules of Section 301.7701-3(b), it would be taxable as a partnership unless it elects to be taxable as a corporation. If so, members of the Condominium would be subject to Federal income tax on their pro-rata share of the Condominium's income.

Receipts by the Condominium from capital or special assessments are not taxable income where the funds are properly treated as trust funds, or set aside in separate bank accounts for a

specific purpose, designated as such and properly accounted for. See GCM 36188; Rev. Rul. 75-371. Interest earned on these funds would be taxable income as discussed below. Annual assessments in excess of annual expenses will also be includable in the Condominium's income, unless the member-owners are given the option to have excess assessments returned to them at the end of each year. See Rev. Rul. 70-604; TAM 9539001; Mission Heights Homeowners Association v. US, 96-2 USTC ¶ 50,489 (S.D. Cal).

Under Section 528 of the Internal Revenue Code, a Condominium Management Association may elect to be exempt from Federal tax on membership fees, dues, assessments and other "exempt function income" received from the owners of the condominium Units who are members of the association. To be exempt function income, the income must be received by the association as part of the obligation of ownership of the residential property and not as payment for private services. For example, annual fees for special facilities such as tennis courts are exempt but guest fees, rentals of a clubhouse for a private party and interest earned by the association are not. The association is taxed on its non-exempt function income less any expenses directly connected with the production of this taxable income.

To qualify for the above election, which must be made annually, the following requirements must be met:

1. It must be organized and operated to carry out exempt functions such as management, maintenance and care of association property.
2. At least sixty percent (60%) of gross income must consist of membership dues, fees or assessments from the owners of the residences.
3. At least ninety percent (90%) of annual expenditures must be to acquire, construct, manage, maintain, care for or improve association property.
4. No part of net earnings may inure to the benefit of any private shareholder or individual.
5. Substantially all (at least 85%) of the total square footage of the Units must be used by individuals as residences or (if unoccupied) zoned for individuals as residences.

Based on the information provided to us regarding the use of the Units, it appears that the Condominium may elect to be taxed as a homeowners association under Sec. 528, and accordingly, its membership income will not be subject to Federal tax.

However, it does not appear that the Condominium's members would incur substantial taxes even if Section 528 did not apply, i.e., if the Condominium is treated either as their agent or as a partnership for tax purposes. If, as anticipated, its income is largely offset by expenses, the ultimate income tax payable would be small. Hence, the major concern, if Section 528 is not available, would lie in assuring that the net taxable income derived from the Condominium's activities in any year is minimal. With careful attention to the various accounting and other administrative details, this would not be difficult to accomplish. For example, assessments for capital expenditures would be made and held in trust by the Board of Managers until the funds

were disbursed, and careful documentation to this effect should be prepared on each occasion.

Please note further that it is also possible that other sources of income, such as interest on interim investments by the Board of Managers and income from concessions or rentals, if any, may be subject to federal or state income taxation.

The New York State Department of Taxation and Finance is likely to take the position that the Condominium is subject to the New York State Corporation Franchise Tax even though the Condominium does not (absent an election) constitute an association taxable as a corporation for Federal income tax purposes. In addition, regardless whether or not the Condominium is subject to any corporate taxes, the New York City Department of Finance may take the position that the Condominium is subject to the New York City Unincorporated Business Tax.

We express no views as to any Federal or New York State tax consequences, or as to any aspects of the Plan, other than those aspects explicitly discussed in this opinion, or as to any tax status of the Plan under the laws of any other jurisdiction. Thus, this opinion does not deal with tax consequences which may result from ownership of a Unit in connection with a Unit Owner's trade or business, or for the purposes of investment or the production of income, or which may result to a foreign Unit Owner by reason of his or her foreign status. This opinion also does not deal with the tax consequences which may arise if Units or common elements are acquired, sold, and/or leased by the Board of Managers. Thus, each person contemplating the purchase of a Unit is strongly advised to consult his or her own tax advisor as to all such tax matters (as well as with respect to the tax matters discussed in this opinion).

Tax laws, regulations and rulings are subject to change by the federal and state governments and their agencies, and also by judicial interpretation. Moreover, facts and conditions assumed in this opinion are subject to change. To the extent that such changes may occur, no warranties or assurances are made that the Internal Revenue Service or the New York State Department of Taxation and Finance will allow income tax deductions. Neither the Sponsor nor the Counsel to the Sponsor will be liable if such changes occur and as a result it is determined that the income tax deductions referred to herein are not allowable in whole or in part.

We note that 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 home ownership. As a result, unit owners' ability to deduct mortgage interest and state and local taxes (including real estate taxes) could be significantly limited. In particular, the Act provides that the deduction available to home owners of state and local taxes, including real estate taxes, is limited to \$10,000. In addition, the "Tax Cuts and Jobs Act of 2017" has not been interpreted in detail by applicable governmental or judicial authorities and detailed regulations have not been issued by the Internal Revenue Service or the Treasury Department with respect to particular provisions of the Act. Neither the Sponsor nor the Counsel to the Sponsor will be liable if it is determined that the income tax deductions referred to herein are not allowable in whole or in part based on rulings or interpretations issued by any judicial or governmental authority after the date hereof.

Tax laws, regulations and rulings are subject to change by the federal and state

governments and their agencies, and also by judicial interpretation. Moreover, facts and conditions assumed in this opinion are subject to change. To the extent that such changes may occur, no warranties or assurances are made that the Internal Revenue Service or the New York State Department of Taxation and Finance will allow income tax deductions. Neither the Sponsor nor the Counsel to the Sponsor will be liable if such changes occur and as a result it is determined that the income tax deductions referred to herein are not allowable in whole or in part.

We note that 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 home ownership. As a result, unit owners’ ability to deduct mortgage interest and state and local taxes (including real estate taxes) could be significantly limited. In particular, the Act provides that the deduction available to home owners of state and local taxes, including real estate taxes, is limited to \$10,000. In addition, the “Tax Cuts and Jobs Act of 2017” has not been interpreted in detail by applicable governmental or judicial authorities and detailed regulations have not been issued by the Internal Revenue Service or the Treasury Department with respect to particular provisions of the Act. Neither the Sponsor nor the Counsel to the Sponsor will be liable if it is determined that the income tax deductions referred to herein are not allowable in whole or in part based on rulings or interpretations issued by any judicial or governmental authority after the date hereof.

Tax laws, regulations and rulings are subject to change by the federal and state governments and their agencies, and also by judicial interpretation. Moreover, facts and conditions assumed in this opinion are subject to change. To the extent that such changes may occur, no warranties or assurances are made that the Internal Revenue Service or the New York State Department of Taxation and Finance will allow income tax deductions. Neither the Sponsor nor the Counsel to the Sponsor will be liable if such changes occur and as a result it is determined that the income tax deductions referred to herein are not allowable in whole or in part. **All Purchasers are advised to consult with their counsel to determine their tax liability for the particular circumstances.**

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Compliance with RPL Section 339-i. We have reviewed the allocation of Common Interest among the units of the Condominium. In our opinion, the allocation of common interest complies with the requirements of Section 339-i of the New York State Real Property Law. In that it has been allocated to each condominium unit based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of common elements for exclusive or shared use, and the overall dimensions of the particular Unit, in accordance with Section 339-i (1) (iv) of the New York State Real Property Law, and that such allocation was based on measurements and calculation of net square footage made by the Sponsor's architect.

We hereby authorize the use of this opinion, or reproduction thereof, in the Plan.

Very truly yours,

SMITH, BUSS & JACOBS, LLP

By: /s/ Kenneth Jacobs
Kenneth R. Jacobs, Partner

23. RESERVE FUND

The budget for operations of the Condominium reflects a reserve for capital repairs and replacements equal to approximately 10% of the operating budget. There is no separate reserve fund other than that contained in the operating budget. This reserve conforms substantially to guidelines established by FNMA and FHA in connection with the review of applications for financing by individual unit owners. FNMA and FHA may approve a different amount based on a reserve study conducted by the Board of Managers. While the Sponsor controls the Board, the moneys collected on account of this budget line item will be deposited into a separate Reserve Fund account.

The Sponsor believes that the amount budgeted for reserves under Schedule B (plus amounts budgeted for repairs and maintenance and contingencies by the Condominium Board) will be sufficient to pay for major capital expenditures in the Building which are reasonably foreseeable within five (5) years following the first closing under the Plan. However, the Sponsor makes no representation or warranty to that effect. Neither the Department of Law nor any other governmental agency has passed upon the adequacy of the fund. While the Sponsor controls the Board, any Reserve Fund shall not be utilized to reduce the projected common charges in the Plan.

If additional funds are required, the Condominium has several options to raise funds. It may increase Common Charges, assess the Unit Owners or borrow money either on an unsecured basis, or secured by a lien on Common Charges. In addition, under State law, the Condominium has the right to borrow money and place a lien on the Common Elements of the Condominium, provided that more than fifty percent (50%) of the Unit Owners have consented to such lien.

24. WORKING CAPITAL FUND.

At the closing of title to each Unit, the Sponsor will collect an amount equal to two (2) months of Common Charges (as set forth in Schedule A) from each Purchaser for the working capital fund of the Condominium (the “**Working Capital Fund**”). Within ninety (90) days after the First Closing, the Sponsor shall pay into the Working Capital Fund the equivalent of two (2) months of Common Charges for any remaining Unsold Units. Thereafter, when title to an Unsold Unit is conveyed by the Sponsor, the Purchaser of such Unit shall reimburse the Sponsor at the closing of title for the amount contributed to the Working Capital Fund. This fund is to be used initially to pay any of the Condominium's closing adjustment expenses incurred at the First Closing.

In the event that the closing adjustments with the Condominium Board as set forth in the 14(B) of the Plan result in a net credit to Sponsor, the Board of Managers may be required to draw on the Working Capital Fund to pay such adjustments to Sponsor. After deducting net closing adjustments, the Working Capital Fund may be held or used at any time for working capital, to make repairs or for such other appropriate purposes permitted under the Declaration and the By-Laws as will be determined by the Board of Managers in its sole discretion.

No provision has been made in the Condominium's budget for a reserve fund in excess of the amount contributed to the Working Capital Fund and the capital reserve assessments supplementing the building's operating budget as described in Schedule B. If additional funds are required, it may be necessary to increase Common Charges or assess the Unit Owners.

As long as the Sponsor retains control of the Board of Managers, the Working Capital Fund shall not be used to reduce estimated Common Charges.

NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENTAL AGENCY HAS PASSED UPON THE ADEQUACY OF THE WORKING CAPITAL FUND.

25. MANAGEMENT AGREEMENT AND OTHER CONTRACTUAL ARRANGEMENTS.

It is expected that the Condominium will be self-managed after the second Unit is sold. Until such time it will be managed by the Sponsor. The Sponsor and Owner-occupants may have inherent conflicts on how the Condominium should be managed. For example, an owner-occupant who is purchasing a Unit as a home may have views on repairs and capital expenditures which differ from the Sponsor who owns unsold units for the purpose of investment. However, the Sponsor, as the managing agent, will (i) work in the best interests of the condominium and its unit owners; and (ii) not engage in sweetheart deals.

When a Condominium is self-managed, then in lieu of a management company, the Board of Managers generally will enter into service contracts (e.g., electricity, window cleaning, rubbish removal, fuel oil, security services, vermin extermination and other services or such of them as shall be advisable); bill Unit Owners and maintain accounting records, reports and books (other than books of account maintained by the Condominium's accountants) for the Building or the operation thereof; hire and fire staffing, as necessary. In a Condominium with only two units, the Board of Managers may elect not to execute any service contracts, but to seek assistance on an "as needed" basis. As of the date of this Plan, the Sponsor has not entered into any service contracts.

The annual financial statements with respect to the Condominium will be prepared at the request of the Board in a form reasonably satisfactory to the Board.

Sponsor represents that at the time of the First Closing there shall be no service contracts which will be binding upon the Condominium, except for the maintenance service contracts which are described in Schedule B (if any).

26. IDENTITY OF PARTIES.

Sponsor

The Sponsor of the Plan is 108 King Partners LLC, a New York limited liability company with an office at 18 Main Street, Roslyn, New York 11576. The managing members of the Sponsor are Soleyman Dardashtian and Joshua Dardashtian. Soleyman Dardashtian is a builder and developer with more than 20 years' experience. He has built rental properties at 1858 Palmetto St. Queens, NY, 726-728-730 East 218th St. Bronx, NY, 89-14 South Conduit Ave., Queens, NY, and 1&5 Ridgewood Place, Queens, NY. He has also been a principal of the condominium development at 71-45 and 71-49 160th Street, Fresh Meadow, NY, 200 Remsen Avenue, Brooklyn, NY, 3446 Fort Independence Street, Brooklyn, NY and 180 Richards Street, Brooklyn, NY. Joshua Dardashtian is also a builder and developer with more than 10 years' experience in residential and condominium construction, having participated in the construction of the same properties. Both principals of the Sponsor have more than ten years experience in management of residential properties, including 1 & 5 Ridgewood Place, Brooklyn, NY, 94-20 Albert Rd, Ozone Park, NY, and 108-15 & 108-17 91st Ave, Richmond Hill, NY.

Neither the Sponsor nor its principals own more than 10% or more of any condominium developments. The Sponsor is also current with respect to its obligations in such other condominium developments. The Sponsor acquired title to the Property in 2019.

There are no prior bankruptcies, convictions, injunctions or judgments outstanding against any individuals who own or control ten percent (10%) or more equity interest in the Sponsor that may be material to the Plan or to an offering of securities generally and that occurred within the 15 years prior to the submission of the proposed Plan. There is no pending litigation or judgments against the Sponsor or its principals that may be material to this offering.

Selling Agent

The Corcoran Group, with its principal office at 1 Pierrepont Plaza, 15th Floor, Brooklyn, New York 11201, is the Selling Agent. The Corcoran Group is a licensed real estate broker and has served and/or is currently serving as Selling Agent for a number of New York condominium and cooperative offerings including Third + Bond, 233 Pacific Street, and 527 Court. The Corcoran Group has been engaged in the sale of luxury condominium and cooperative apartments in New York City for more than 18 years. The Corcoran Group also maintains offices in Manhattan, Brooklyn, the Hamptons, the North Fork, Shelter Island, Delray Beach and Palm Beach, Fla. Neither the Selling Agent nor any principal thereof has been convicted of a felony or been the subject of any conviction that may be material to the offering plan or any offer of securities generally, that occurred within 15 years of the submission of the Plan. Neither the Selling Agent nor its principals have any relationship to the Sponsor; the Selling Agent will, however, be paid a fee for services rendered.

Architects and Engineer

The architect who compiled the floor plans and the Description of Property and Building Condition is Sion Associates NY, LLC, 245-02 Jericho Turnpike, Floral Park, NY 11001. The Architect is a full-service architectural firm that offers master planning, site plan development and redesign, construction supervision, and due diligence reports. The architect has been a licensed engineer for over 20 years, with a concentration in the boroughs of New York City, specifically in Brooklyn, the Bronx, and Queens. The firm has overseen over 300 new construction and existing building rehabilitations within New York City.

The mechanical engineer projecting utility consumption within the Condominium, including Schedule B-1 hereunder, is Guth DeConzo Consulting Engineers, P.C., 242 West 30th Street, New York, NY 10001 (the "Engineer"). The Engineer has relevant experience in forecasting utility costs for both commercial and residential properties. Since 1991, the Engineer has provided engineering consulting services to clients ranging from developers and private corporations to public sector institutions and municipalities. The Engineer has prepared utility projection reports in connection with several condominium offerings in New York City, including 185 Plymouth Street, Brooklyn, 192 Water Street, Brooklyn and 701 Union Street, Brooklyn.

Neither the Architect nor the Engineer has any relationship with the Sponsor nor has any financial interest in the Property, except that they will be paid a fee for their services.

Counsel to Sponsor for Offering

The Sponsor has retained the law firm of Smith, Buss & Jacobs, LLP, with an office at 733 Yonkers Avenue, Yonkers, New York 10704, to represent it in the preparation of the Plan. Kenneth Jacobs, Esq. of this law firm prepared the Declaration, the By-Laws, this Plan, the form of Purchase Agreement, the form of deed and all other documents necessary in connection with the formation of the Condominium, and is advising the Sponsor in connection with all legal matters incidental thereto. Sponsor's Counsel is also the Escrow Agent for down payments under the Plan. Counsel's role as closing counsel for the Sponsor will not affect its ability to act as Escrow Agent under the Plan.

No separate counsel has been retained to represent the Condominium. It is suggested and expected that each Purchaser will consult and be represented by his own counsel in connection with this offering.

The above-noted Counsel has no financial interest in the Property or the Sponsor, except that they will be entitled to a fee for their services.

27. REPORTS TO UNIT OWNERS.

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

1. a financial statement of the Condominium prepared by a certified public accountant or public accountant by April 30th of each calendar year, which report shall be certified while the Sponsor controls the Board of Managers;

2. prior notice of annual Unit Owners' meetings no earlier than ten (10) nor later than fifty (50) days before the meeting; and

3. a copy of the proposed annual budget of the Condominium no later than fifteen (15) days prior to the date set for adoption thereof by the Board of Managers, which budget shall be certified as adequate by an independent expert while the Sponsor controls the Board of Managers.

28. DOCUMENTS ON FILE.

The Sponsor shall keep copies of the Plan, all documents referred to in the Plan and all exhibits submitted to the Department of Law in connection with the filing of the Plan, on file and available for inspection without charge, and copying at a reasonable charge, at the offices of the Sponsor for a period of six (6) years from the date of the closing of the First Unit. The Sponsor shall deliver to the Board of Managers a copy of all documents filed with the appropriate recording office at the time of the First Closing.

29. SPONSOR'S STATEMENT OF SPECIFICATIONS OR BUILDING CONDITION.

Attached in Part II of the Plan is the Architect's Description of Property and Building Condition detailing the work to be performed by the Sponsor in constructing the Building.

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

Purchasers should review the entire Architect's Report for more information regarding the nature of the renovation work performed at the Building.

30. GENERAL.

A. Each Unit Owner shall be required to comply with and abide by the Declaration, the By-Laws and the Regulations of the Condominium made in accordance therewith and to pay the Common Charges levied by the Board of Managers. Such obligations shall be enforceable by the Board of Managers by foreclosure of the statutory lien against the Unit for the amount of any such unpaid Common Charges or by suit to collect the same by action for damages, by injunction or by other appropriate relief.

- B. There are no lawsuits or other legal proceedings pending which would materially affect this offering, the Purchasers of Units, the Property, Sponsor's capacity to perform all its obligations under the Plan, the Condominium or the operation thereof.
- C. The Property has not been the subject of any prior public offering.
- D. The Declaration and By-Laws of the Condominium are made part of this Plan.
- E. Annexed to the By-Laws are the Regulations of the Condominium which shall apply unless amended by the Board of Managers.
- F. This Plan contains an accurate summary of the pertinent provisions of the various documents referred to herein and copies thereof are on file with the Sponsor for inspection purposes. Any information, data, or representation not referred to in this Plan and not contained in the various documents mentioned herein, must not be relied upon. This Plan does not knowingly omit any material fact or contain any untrue statement of a material fact. No person has been authorized by the Sponsor to make any representation which is not expressly contained in the Plan.
- G. If there is an amendment to the Plan that materially adversely affects Purchasers, the Sponsor will grant Purchasers a right of rescission for a period not less than fifteen (15) days after the date of presentation of the amendment to exercise the right. The Sponsor must return any deposit or down payment to Purchasers who rescind. The Sponsor may condition the return of the down payment to interim lessees (if any) to their vacating the Unit.
- H. Sponsor hereby represents that neither it, nor any of its agents, will refuse to sell or offer, or will otherwise discriminate against any person or persons by reason of their sexual orientation, race, religion, color or place of national origin in the sale, transfer or lease of Units described in this Plan.
- I. The Sponsor represents that as of the date the Plan is accepted for filing, all of the Units are vacant and none of the Units have been occupied by residential or commercial tenants.
- J. The Sponsor has not taken any deposits or advances of funds, nor entered into any contracts or agreements, or taken any reservations for Units at the Premises, as of the date the plan is accepted for filing.
- K. As of the date of this Plan, there are no pending litigations or judgments against the Sponsor or the principals thereof that may be material to the offering.
- L. This Plan may not be changed or modified orally.

108 King Partners, LLC
Sponsor

PART II

**108 KING STREET CONDOMINIUM
BROOKLYN, NEW YORK 11231**

PURCHASE AGREEMENT

108 KING STREET CONDOMINIUM BROOKLYN, NEW YORK 11231

Unit No.: ____		Percentage of Common Interest: ____%
Purchaser		Tel. No.
Address		Fax No.
		SSN:
Purchaser		Tel. No.
Address		Fax No.
		SSN:
Purchaser's Attorney		Tel. No.
Address		Fax No.
		Email:
Co-Broker		Tel. No.
Address		Fax No.
Purchase Price	\$	
Down Payment	\$	(Payable to "Smith, Buss & Jacobs, LLP, as Escrow Agent")
Balance Due at Closing	\$	

Statement of Seller. 108 KING PARTNERS, LLC, a New York limited liability company, with an address c/o Pinnacle Real Estate Ventures Inc., 18 Main Street, Roslyn, NY 11576 (“Seller”), has promulgated a Plan of Condominium Ownership (“Plan”) for 108 King Street Condominium, 108 King Street, Brooklyn, New York 11231 (“Condominium”) pursuant to which the land, with appurtenances, and the units (“Units”) being constructed thereon by Seller, located in the City of New York, County of Kings, will be declared to be a condominium under the provisions of Article 9-B of the Real Property Law of the State of New York on the terms and conditions more particularly set forth in the Plan.

Statement of Purchaser. Purchaser acknowledges as follows:

Purchaser has received and read a copy of the Plan and all filed amendments thereto. The Plan and amendments, which include the Declaration to be made by the Seller and to be recorded in the Office of the New York City Register, the schedules, By-Laws and Rules and Regulations attached thereto, are incorporated herein by reference and made part of this Agreement with the same force and effect as if fully set forth herein.

PURCHASER HAS HAD THE OPPORTUNITY TO REVIEW THE OFFERING PLAN AND ANY FILED AMENDMENTS FOR NOT LESS THAN THREE (3) DAYS.

Purchaser desires to purchase the above-referenced Unit, as designated in the Declaration and on the floor plans filed or to be filed in the aforesaid City Register’s Office, together with an undivided interest in the Common Elements appurtenant thereto (the above-numbered Unit and the undivided interest being hereinafter collectively called the “Unit”).

Agreement Between Seller and Purchaser. For good and valuable consideration, receipt of which is hereby acknowledged, Seller and Purchaser mutually agree as follows:

1. Payment for Unit. Seller hereby agrees to sell and Purchaser hereby agrees to purchase the Unit for the Purchase Price stated above.

2. Acceptance by Seller. Within twenty (20) days after delivery to Seller or its Agent by Purchaser of this Purchase Agreement and Down Payment, executed by Purchaser, Seller will either:

(a) accept this Agreement and cause to be returned to Purchaser a fully executed counterpart thereof; or

(b) reject this Agreement offer and refund the Down payment tendered by Purchaser. If Seller takes no action within the aforesaid twenty (20) day period the Purchase Agreement shall be deemed null and void and the Down Payment shall be returned.

3. First and Second Installments of Down Payment and Payment of Balance Due.

(a) The Down Payment stated above will be paid in two installments, as follows:

(i) The first installment of the Down Payment in the amount of 10% of the Purchase Price upon the signing of this Agreement, receipt of which by check, subject to collection, is hereby acknowledged by Seller; and

(ii) The second installment of the Down Payment in the amount of ten (10%) percent of the Purchase Price of the Unit is due at the earlier of (y) sixty (60) days from the date of the Purchase Agreement or (z) fifteen (15) days following the date that an amendment is accepted for filing disclosing that the Plan is declared effective.

(c) The balance due at closing shall be payable at the closing of title, as hereinafter provided in Paragraph 3, by unendorsed certified check of Purchaser, or teller's or cashier's check, drawn on a bank or trust company which is a member of the New York Clearing House Association, to the order of the Seller or as Seller may direct.

4. Closing of Title. The closing of title shall take place on no less than thirty (30) days written notice to Purchaser at such place as Seller may designate, at an hour and on a date (hereinafter called the "Closing Date") to be specified by Seller. The closing of title may be adjourned by Seller to such later date as the parties may agree upon in writing, or otherwise as set forth in the following Paragraph, and the adjourned date shall then be deemed the Closing Date hereunder. Purchaser shall be entitled to one reasonable adjournment of up to thirty (30) days, on five (5) days written notice by Purchaser to Seller, subject to the provisions of Paragraph 7. However, Purchaser may not seek an adjournment of any kind based upon any provision set forth in Paragraph 18 herein. **TIME WILL BE OF THE ESSENCE AS TO THE CLOSING DATE, AS SUCH MAY BE ADJOURNED.**

The Seller shall be entitled to reasonable adjournments in the closing of title in the event of delays by reason of weather conditions, strikes or material shortages, or delays in inspections and reports thereon, or other circumstances beyond the reasonable control of Seller. Seller may also adjourn the closing of title at its discretion in order to facilitate the fulfillment of its obligations in connection with the sale, construction or otherwise under the Plan. However, Purchasers are entitled to all protections afforded by Article 23-A of the General Business Law and the Attorney General's regulations relating to the timetable for delivery of title.

At the closing of title, Seller shall deliver to Purchaser a bargain and sale deed in the form contained in Part II of the Plan, with covenants against grantor's acts, conveying the Unit to Purchaser, executed and acknowledged by Seller in form for recording.

Title to the Unit will close only after, or concurrently with, the occurrence of the events set forth in "Conditions for Closing of Title to Individual Units" in Section 14 of the Plan, entitled "Terms of Sale."

5. Limited Financing Contingency.

(a) The obligations of the Purchaser under this Purchase Agreement are conditioned upon issuance on or before the 45th day after the date of the Purchase Agreement (the "Contingency Period") of a written commitment from Bank of America, 1133 Avenue of the

Americas, New York, NY 10036 Att: David Dessner (917) 991-9307 (c). (“**Sponsor Designated Lender.**”)

The financing contingency described herein is subject to the following conditions and limitations:

(a) The financing contingency is only applicable to mortgage financing of no more than seventy-five percent (75%) of the purchase price (or such lesser amount as Purchaser shall apply for) at the Sponsor Designated Lender’s prevailing rate of interest and for a customary loan term, secured by a first mortgage on the Unit;

(b) Purchaser shall apply to the Sponsor Designated Lender for such first mortgage loan within ten (10) days after the date of the Purchase Agreement;

(c) Purchaser shall furnish accurate and complete information to the Sponsor Designated Lender relating to Purchaser, as required;

(d) Purchaser shall pay all fees, points and charges required in connection with such application and any other “points” or charges if the Purchaser accepts the commitment.

(e) Purchaser shall pursue such application with diligence, and generally cooperate in good faith with such Sponsor Designated Lender to the end of securing such mortgage. Purchaser shall notify the Sponsor promptly of the name and address of the Sponsor Designated Lender or other lender to which Purchaser has given an application. Purchaser shall furnish Seller with a copy of such commitment promptly after receipt thereof. If Purchaser fails to obtain such a commitment from the Sponsor Designated Lender on or before the expiration of the Contingency Period, Purchaser shall have the right to cancel the Purchase Agreement by giving notice to Seller by the 50th day after the date of the Purchase Agreement. Upon cancellation, the down payment and accrued interest shall be promptly refunded to Purchaser, and neither party shall have any further rights against, or obligations or liabilities to the other by reason of the Purchase Agreement.

If Purchaser does not give notice to Seller on or before the 50th day after the date of the Purchase Agreement, the Purchase Agreement shall not be terminated by virtue of this Paragraph and the Purchase Agreement shall remain in full force and effect, except that Purchaser’s right to cancel under this Paragraph shall be deemed waived.

A mortgage commitment conditional upon the Purchaser’s selling any property that Purchaser owns, the liquidation or reduction of any existing installment debt prior to closing, or the furnishing of documents and information reasonably available to Purchaser, shall be deemed a firm mortgage commitment which satisfies the mortgage contingency clause in the Purchase Agreement.

(f) If Purchaser obtains a financing commitment from the Sponsor Designated Lender and the commitment lapses or expires before the actual closing date

through no fault of Purchaser, Purchaser shall make a good faith effort to extend the commitment, including payment of a reasonable and customary extension fee to the Sponsor Designated Lender and acceptance of changes in the interest rate to reflect prevailing market conditions. However, if the Sponsor Designated Lender is still unwilling to extend the commitment on those terms, Purchaser shall have the right to cancel the Purchase Agreement by notice given to Sponsor within ten (10) days after receiving the Sponsor Designated Lender's notice of refusal to extend the commitment.

(g) In the event a Purchaser uses a lender other than the Sponsor Designated Lender, no financing contingency will apply to the Purchase Agreement. As a result, Purchaser will not have the right to cancel the Purchase Agreement if the Purchaser fails to obtain mortgage financing, or if the Purchaser's mortgage financing lapses or is canceled.

6. Condition of Title.

(a) Seller agrees to convey to Purchaser title in fee simple to the Unit, free and clear of all liens and encumbrances other than those set forth in the Plan (specifically in Part I thereof in the Section entitled "Terms of Sale") and Exhibits submitted in connection therewith. Notwithstanding the above, the existence of unpaid taxes or liens of any kind at the time of title closing shall not constitute an objection to title, provided that a reputable title insurance company licensed to do business in the State of New York shall be willing to insure against collection of same from the Unit herein described. The parties agree that the Seller may pay and discharge any liens and encumbrances upon the Property, not provided for in the Plan or this Agreement, out of the monies to be paid by the Purchaser at the time of closing title.

(b) Purchaser agrees that all terms and provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgage now or hereafter encumbering the Property thereon, and any payments or expenses which at any time were or may be incurred pursuant to the terms thereof, incidental thereto or to protect the security thereof, without the execution of any further legal documents by Purchaser. This subordination shall apply whether such lien is voluntary or involuntary and whether made in accordance with the loan documents or accelerated thereunder by virtue of lender's rights to make advances in the event of a default by Sponsor. However, at closing the Unit will be conveyed free and clear of all mortgage liens.

7. Expenses of Closing and Closing Adjustments.

(a) Purchaser will pay the closing costs and expenses referred to in the Section of the Plan (as same may be amended to date) entitled "Unit Closing Costs and Adjustments," including the following:

- (i) fee title insurance;
- (ii) deed, power of attorney and any mortgage agreements recording fee;
- (iii) mortgage costs chargeable by the lender, mortgage title insurance, and mortgage taxes;

(iv) two (2) months of common charges for the working capital fund;

(v) attorneys' fees of Seller (as detailed in the Plan), Purchaser and Mortgage Lender (if any);

(vi) New York State and New York City Real Property transfer taxes attributable to the transfer of the Unit, as described in the Plan. (Transfer taxes relating to the sale of a Unit are normally paid by the Seller. However, by contractual arrangement, the statutory obligation to pay these taxes is being transferred to Purchaser);

(vii) Escrow for real estate taxes payable with respect to the Unit for the next tax payment period following the Closing Date; and

(viii) If the purchase price of the Unit exceeds \$1,000,000, an additional New York State tax due under Article 31 of the Tax Law, currently equal to one percent (1%) of the purchase price for sales between \$1,000,000 and \$2,000,000, 1.25% for sales between \$2,000,000 and \$3,000,000, and further increasing for sales over \$3,000,000.

Purchaser should refer to Section 15 of the Plan for a detailed description and calculation of the estimated closing costs and adjustments to be borne by Purchaser.

(b) If Purchaser adjourns the Closing, the Purchaser will be liable for all common charges and real estate taxes assessed against the Unit from and after the scheduled Closing Date; and interest on the purchase price at the rate of twelve percent (12%) per annum from the scheduled Closing Date until the actual Closing Date to reimburse the Sponsor for its lost opportunity costs with respect to the unpaid purchase price.

(c) Except as otherwise provided in this agreement, real estate taxes and common charges and expenses shall be adjusted between Seller and Purchaser as of midnight preceding the Closing Date in accordance with the provisions of the Plan. Any such expenses or adjustments payable to Seller in excess of Two Hundred Dollars (\$200.00) will be paid by certified check or bank check.

8. Power of Attorney to Board of Managers and Seller. At the closing of title and simultaneously with the delivery to Purchaser of the deed conveying the Unit, Purchaser shall execute and acknowledge the power of attorney to the Board of Managers and the Seller in the form contained in Part II of the Plan. Purchaser agrees to deliver such power of attorney to Seller at the closing of title for recording and to pay the recording fee.

9. Default by Purchaser.

(a) If Purchaser shall fail to pay any portion of the purchase price when due; fail to close title on the date, hour and place specified by Seller pursuant to Paragraph 3 hereof; fail to perform any of Purchaser's other obligations hereunder; or if any of Purchaser's representations in this Agreement shall be untrue in any respect, Purchaser shall be in default, and

Seller may send a notice to Purchaser to cure the default within thirty (30) days. If within the thirty (30) day period Purchaser shall fail to cure the default, Seller, at its option, may cancel this Agreement by notice of cancellation to Purchaser. If Seller shall elect to cancel this Agreement, Seller shall certify to its Counsel that title has not closed because of Purchaser's default and that Seller has elected to cancel this Agreement by reason thereof Counsel shall thereupon pay over to Seller as liquidated damages the Down Payment and the interest earned thereon, if any. Upon such payment being made each of the parties hereto shall be relieved of any further liabilities or obligations hereunder. If this Agreement shall be canceled by Seller, Seller may sell the Unit to any third party and shall be under no obligation to account to Purchaser for any part of the proceeds of such sale. Counsel may rely upon the truth and accuracy of the facts contained in Seller's certification and the authority of the person or persons executing the same and shall have no liability as a result of such reliance.

(b) TIME IS OF THE ESSENCE AS TO PAYING THE DOWN PAYMENT AND THE BALANCE DUE, AND AS TO CURING ALL DEFAULTS WITHIN ANY GRACE PERIODS GRANTED HEREUNDER. FAILURE TO MAKE A PAYMENT WITHIN THE GRACE PERIOD AFTER A PURCHASER IS CALLED UPON TO MAKE SUCH PAYMENT MAY RESULT IN LOSS OF THE DOWN PAYMENT AND CANCELLATION OF THE PURCHASE AGREEMENT. Purchaser should consult his or her own attorney prior to executing a Purchase Agreement.

(c) In the event of an uncured default by Purchaser in his or her obligations under the Purchase Agreement, the entire Down Payment, plus any interest earned thereon and the cost of any special work performed for the Purchaser, may be retained as liquidated damages. Seller agrees not to seek the remedy of specific performance in connection with Purchase Agreements as to which there has been a default by Purchaser. No Down Payment or other monies shall be released pursuant to an uncured default by Purchaser before the First Unit Closing.

10. Agreement Subject to Plan Becoming Effective; Seller's Right to Cancel. This Purchase Agreement is contingent upon the Plan being declared effective. The Plan may be abandoned by Seller at any time prior to its being declared effective and shall be abandoned and deemed abandoned if it has not been declared effective within the time prescribed by the Plan. If the Plan is abandoned or does not become effective this Purchase Agreement shall be deemed canceled, and the plan terminated and not later than forty-five (45) days thereafter, all monies paid by Purchaser hereunder shall be refunded in full, and upon such repayment no party shall have any claim against any other party, person or entity, and all parties shall be released from all obligations hereunder and under the Plan. Seller may cancel this agreement if any of the following occur: (a) any government bureau, department or subdivision thereto shall impose restrictions on the manufacture, sale, distribution, or use of materials necessary in the construction of residential housing and such restrictions shall prevent the Seller from obtaining such materials from its regular suppliers or from using same in the construction or completion of the dwellings; or (b) Seller is unable to obtain materials from its usual sources due to strikes, lockouts, war, military operations and requirements, national emergencies, acts of God or if the installation of public utilities is restricted or curtailed. If Seller elects at any time to cancel this agreement pursuant to any rights granted under the Plan, Seller's cancellation shall be effective by forwarding its check in the full

amount paid by the Purchaser and interest earned, together with a notice in writing, addressed to the Purchaser at his address set forth on page 1.

11. Agreement May Not Be Assigned. Purchaser shall have no right to assign this Agreement without the express prior written consent in writing of Seller, which may be given or withheld by Seller in its sole discretion. Any purported assignment of this Agreement in violation hereof shall be void *ab initio*. If the Sponsor were to consent to an assignment, it would not charge an additional fee as a condition of consent.

12. Survival. The closing of title to the Unit and the delivery of the deed thereto shall be deemed full compliance by Seller with each and every term of this Purchase Agreement, except as to any item specifically listed and excepted therefrom.

13. No Representations. Except as specifically set forth herein or in the Plan, Purchaser acknowledges that he has not relied upon any architect's plans, sales plans, selling brochures, representations, warranties or statements of any nature, whether made by Seller, the Selling Agent, Seller's Counsel, or otherwise, including, but not limited to, any relating to the description or physical condition of the Buildings or the Unit, the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the building services, the estimated common charges and expenses allocable to the Unit, the availability of any tax benefits, or the right to any income tax deduction on account of any real estate taxes or mortgage interest paid by Purchaser. Purchaser agrees that Seller shall have no liability or responsibility to Purchaser if the layout or dimensions of the Unit or any part thereof or of the Common Elements as shown on the floor plans or on the architectural plans and specifications for the Buildings are not accurate or correct provided such layout or dimensions conform substantially to the floor plans and the architectural plans and specifications for the Buildings and the site as modified or supplemented in accordance with the Plan and that Purchaser will not be relieved from his obligations hereunder by reason of any minor inaccuracy or error.

14. Execution of Documents; Recording of Deed and Power of Attorney. At the closing of title, Purchaser will execute all documents required by Seller in order to effect the transfer of title to Purchaser in accordance with the Plan, including (but not limited to) the deed, Power of Attorney, transfer tax returns, related acknowledgments and undertakings. At closing, Purchaser shall deliver the executed deed received from Seller and executed and acknowledged power of attorney to the representative of the title company, if any, or to Seller for recording in the Office of the City Register, County of Kings. Such deed and power of attorney will be in the forms annexed hereto (and made a part hereof) as set forth in Part II of the Plan.

15. Monies to be Held in Trust, Payment of Purchase Price; Notice of Closing. The required Down Payment pursuant to this Agreement will be ten (10%) of the purchase price for the Unit as set forth in the Plan, as amended, paid in accordance with Section 11. Smith, Buss & Jacobs LLP is the escrow agent under this Agreement ("Escrow Agent"). All monies received by Seller through its agents or employees pursuant to this Agreement will be deposited in an account of Escrow Agent at The Westchester Bank, 2001 Central Park Avenue, Yonkers, New York 10710, in an account or accounts entitled "108 King Street Condominium – Special Escrow Account" or similar name, which account or accounts shall be interest-bearing for the benefit of the Purchaser

in accordance with Section 71-a(3) of the Lien Law. Such funds will be held in trust in accordance with the escrow and trust provisions of Sections 352(h) and 352-e(2)(b) of the New York General Business Law, and Regulations, if any, promulgated pursuant to said Section 352-e(2)(b). Such funds will be disbursed only upon the signature of Counsel for the Sponsor as follows: (i) to Seller if the Plan is declared effective and title closes hereunder or if Purchaser defaults hereunder; or (ii) to Purchaser if the plan is abandoned or withdrawn or title does not close because of Seller's default, or this Agreement is canceled (without default by either party) in accordance with its terms. Down Payments, with any accumulated interest, shall remain the Property of the Purchaser except as provided by law.

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

The parties acknowledge that the Escrow Agent for the Down Payment is also Counsel for the Sponsor. Purchaser agrees that in case of any dispute relating to the disposition of the Down Payment, Counsel for the Sponsor may continue to represent the Sponsor.

The provisions of Section 11, subsections (A) and (B) of the Plan are incorporated into this Agreement as if set forth in full herein.

16. Equipment and Furnishings. The Purchaser is purchasing a vacant Unit, Seller will provide Purchaser only with fixtures, equipment, hardware, appliances and furnishings referred to in the Plan, which are included in the purchase price of the Unit. Furnishings, equipment, appliances and decorations in any model unit or sales office that are not referred to in the Plan are excluded from this sale unless specifically included by a rider to this Purchase Agreement. The cost of any such special items will be an addition to the purchase price. In all other respects, Section 9 shall apply.

17. Acceptance of Condition of Unit; Risk of Loss.

(a) Purchaser shall accept title without abatement in or credit against the purchase price, and without provision for escrow, notwithstanding that Seller may not have completed construction of (i) minor details of the Unit or the Building; (ii) another Unit; or (iii) portions of the Common Elements that do not materially affect Purchaser's access to and use of the Unit.

(b) Purchaser acknowledges that it has read and accepted the terms of the Warranty set forth on Exhibit B attached hereto and made a part hereof, which Warranty is given in lieu of and replaces all other warranties on the construction and sale of the Unit and its components, both express and implied (including any warranties of merchantability or fitness for a particular purpose). The purpose of the Warranty is to identify the Sponsor's responsibilities for construction defects of a latent or hidden nature that could not have been found or disclosed on final inspection of the Unit.

(c) (i) The risk of loss from fire or other casualty with respect to each Unit shall remain with Seller until the closing of title, but without any obligation or liability by Seller to repair or restore any Unit. In case of damage or destruction of a Unit due to fire or other casualty prior to the closing, Seller will have the right to elect whether to repair or restore the Unit, which election shall be in the Seller's sole discretion. If the Seller elects to restore the Unit, the Purchase Agreement shall continue in full force and effect, and the Purchaser shall not have the right to reject title or receive a credit or abatement against the purchase price for the Unit. In that event the Seller shall be entitled to a reasonable period of time within which to complete the repair or restoration, and any insurance proceeds shall belong solely to the Seller. If the Seller elects not to restore the Unit, or (if the damage occurs after the establishment of the Condominium but before closing of title to the Unit) the Board of Managers elects not to restore the Common Elements of the Condominium, the Purchase Agreement shall be deemed cancelled, the Seller shall return to Purchaser all sums deposited thereunder (together with interest), and the parties shall have no further liability to each other. Purchaser may nullify such cancellation (provided the damage relates solely to an individual Unit and does not affect the Common Elements of the Condominium) by notice given within Ten days thereafter, agreeing to take title subject to the damage without abatement or reduction in the purchase price, but with an assignment of all insurance proceeds allocable to the repair of the Unit. In that case, at closing the Seller shall assign to the Purchaser all insurance proceeds allocable to the Unit and the Seller shall have no further responsibility to repair the Unit. The foregoing rights apply only if Purchaser is not in default. If Purchaser is in default under the Purchase Agreement at such time, the Purchaser may not nullify the Seller's option to cancel and the Seller may retain all sums paid as liquidated damages.

(ii) Notwithstanding part (i), if Purchaser enters into actual possession of a Unit prior to the closing of title, the Purchaser shall bear the risk of loss or other casualty with respect to that Unit, i.e., the Purchaser will be obligated to bear the cost of restoring the Unit to the same extent as if the Purchaser had already taken title.

18. Inspection, Condition of Units. Units are being sold in "AS IS" condition as of the date of this Purchase Agreement. Sponsor shall have no obligation to repair or improve the Unit, any portion of Property, or the appliances, equipment, or fixtures attached to or used in connection with the Unit or the Property except as expressly set forth in the Warranty attached as Exhibit B.

19. Possession of Unit Prior to Closing. If the Unit is vacant, it is expressly understood and agreed that the Purchaser shall in no event take possession of the unit prior to the time of the delivery of the deed and full compliance by the Purchaser with the terms of this agreement, and should the Purchaser violate this provision, the Purchaser consents that the Seller shall have the right to remove him from the Unit as a squatter and intruder by summary proceedings. Upon the Purchaser's unauthorized possession, the Purchaser shall be deemed in default hereunder at the option of the Seller, and if the Seller so elects, the Seller may cancel this Agreement and the amount deposited hereunder shall belong to the Seller as liquidated damages deemed earned hereunder. It is further understood and agreed that the Seller will not be responsible for damage or loss to any property belonging to Purchaser, whether same is delivered to the property before, on or after the closing of title herein. Notwithstanding the foregoing, the Sponsor reserves the right to enter into

an Interim Lease with the Purchaser subject to and in accordance with the provisions of Section 10 of the Plan, in which case occupancy prior to closing will be permitted pursuant to the lease.

The risk of loss with respect to damage to the Unit remains with the Sponsor until the closing of title to the Unit. However, a person in possession under an Interim Lease assumes all risk of loss not covered by the Sponsor's insurance, such as for damage to personal property of the Purchaser or personal injury occurring within the Unit.

20. Limitation of Seller's Liability. Except as may otherwise be required by law, the Seller's liability under this agreement for failure to complete any portion of the Unit or Buildings, or deliver title for any reasons whatsoever shall be limited to the return of the money deposited hereunder (with interest, if any), and upon the return of said money, this Agreement shall be null and void and the parties hereto released from any and all liability hereunder. In any event, the Seller shall not be required to bring any action or proceeding or otherwise incur any expense to render the title to the Unit marketable or to cure any objection to title.

21. Definitions. The term "Purchaser" shall be read as "Purchasers" if more than one person is purchasing the Unit, in which case their obligations shall be deemed joint and several. The terms used herein shall have the same meanings as ascribed thereto in the Plan.

22. Gender. The use of the masculine gender in this Purchase Agreement shall be deemed to refer to the feminine gender or to an entity whenever the context so requires.

23. Other Agreements. This Purchase Agreement supersedes any and all understandings and agreements between the parties and constitutes the entire agreement between them and no oral representations or statements shall be considered a part hereof.

24. Amendment of Purchase Agreement. This Purchase Agreement may not be amended, altered or discharged except by agreement in writing signed by the party sought to be charged therewith or by his, her or its duly authorized agent.

25. Brokerage. Purchaser represents and warrants to Seller that Purchaser did not negotiate with any broker for the purchase of the Unit other than the selling agent described in the "Identity of Parties" section of the Plan ("Selling Agent") and the agents set forth on page 1 of this Agreement (if any). Purchaser hereby agrees to indemnify, defend and hold harmless Seller, the Selling Agent, and their respective agents, Counsel and employees, from any claims by any other broker that alleges that it has dealt with Purchaser in connection with the purchase of the Unit.

26. Governing Law. This Purchase Agreement shall be governed by and construed in accordance with the law of the State of New York.

27. Jury Waiver. Purchaser hereby waives trial by jury in any action, proceeding, or counterclaim involving any matter whatsoever arising out of, or in any way connected with this Purchase Agreement, or the relationship of the parties as Purchaser and Seller, or the right of Purchaser to any statutory relief or remedy.

28. Binding Effects of Declaration, By-Laws, Plan, Rules and Regulations. Purchaser hereby agrees to be bound by the Declaration, By-Laws, the Rules and Regulations and the Plan.

29. Notices. Any notice to be given hereunder shall be in writing and sent by registered or certified mail or personal delivery as follows: if to Purchaser, at the address set forth on page 1 or at such other address as Purchaser may hereafter designate in writing; and if to Seller, to: 108 King Partners LLC, c/o Pinnacle Real Estate Ventures Inc., 18 Main Street, Roslyn, NY 11576 Att: Joshua Dardashtian with copy to Smith, Buss & Jacobs, LLP, 733 Yonkers Avenue, New York, 10704, Attn: Kenneth Jacobs, Esq. The date of mailing shall be deemed to be the date of the giving of notice, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address.

30. Conflict with Plan. Any conflict between the Plan and this Purchase Agreement will be resolved in favor of the Plan.

31. Captions. The captions in this Purchase Agreement are for convenience and reference only and in no way define, limit or describe the scope of this Purchase Agreement, or the intent of any provision hereof.

32. No Recording. This Purchase Agreement shall not be recorded. Recording of the Purchase Agreement is an event of default hereunder.

33. Bona Fide Purchase. Purchaser represents that:

- (a) he or she is an individual over eighteen years of age;
- (b) he or she is a bona fide Purchaser for occupancy or investment; and
- (c) he or she is not an employee, shareholder, member or limited partner of the Sponsor, Selling Agent, or any principal thereof, nor is he or she related by blood, marriage or adoption or as a business affiliate to the Sponsor or the Selling Agent.

Purchaser shall execute an Affidavit confirming the representations set forth above, in the form attached as Exhibit A.

34. Binding Effect. This agreement shall not be effective or binding on Seller until a counterpart hereof is executed by Seller and delivered to Purchaser. Subject to the provisions hereof, this Purchase Agreement shall bind and inure to the benefit of the parties hereto, their heirs, personal representatives, successors and assigns.

35. Fax, Scanned E-Mail and Counterpart Agreements Acceptable. This Agreement may be signed by fax or scanned e-mail, and such signatures will be deemed valid. This Agreement may be signed in counterpart, and such counterparts will be deemed part of a single document.

36. Smoking Policy of the Condominium. Purchaser represents and acknowledges that they have received and reviewed the Condominium's Smoking Policy, as set forth in the House

Rule #29 of the Rules and Regulations of the Condominium By-laws (the “Smoking Policy”). A copy of Condominium’s Smoking Policy is attached hereto as Exhibit C.

[Balance of page intentionally left blank]

In witness whereof, each party has signed this Agreement.

Dated: _____

Purchaser

Purchaser

Accepted:

Dated: _____

108 King Partners, LLC

By: _____

EXHIBIT A

AFFIDAVIT OF GOOD FAITH

(FOR USE ONLY WITH PURCHASE AGREEMENTS COUNTED
TOWARD THE NUMBER REQUIRED TO DECLARE THE PLAN EFFECTIVE)

STATE OF NEW YORK)
 ss:
COUNTY OF)

_____, being duly sworn, deposes and says:

1. I (we) am (are) the prospective Purchaser of Unit ____ at 108 King Street, Brooklyn, New York.

2. Purchaser represents that:

(a) he or she is an individual over eighteen years of age;

(b) he or she is a bona fide Purchaser of the unit for occupancy or investment;
and

(c) he or she is not an employee, shareholder, member or limited partner of the Sponsor, Selling Agent, or any principal thereof, nor is he or she related by blood, marriage or adoption or as a business affiliate to the Sponsor or the Selling Agent.

Sworn to before me this
____ day of _____, 20____

Notary Public

EXHIBIT B

WARRANTY

SPONSOR: 108 KING PARTNERS, LLC
c/o Pinnacle Real Estate Ventures Inc.
18 Main Street
Roslyn, NY 11576
Attn: Joshua Dardashtian

NAME OF PURCHASER(S): _____

ADDRESS OF PURCHASER(S): _____

ADDRESS OF UNIT WARRANTED: Unit No. _____
108 King Street Condominium
108 King Street
Brooklyn, NY, 11231

COMMENCEMENT DATE: The date that Purchaser takes title to the Unit or the date that any person begins residential occupancy to the Unit, whichever is earlier ("Warranty Date").

This Warranty excludes all consequential, incidental, special and indirect damages. In addition, Sponsor's obligation to pay for the cost of repairing any defect, damage or injury to property is limited to \$60,000.

THIS WARRANTY IS GIVEN IN LIEU OF AND REPLACES ALL OTHER WARRANTIES ON THE CONSTRUCTION AND SALE OF THE UNIT AND ITS COMPONENTS. BOTH EXPRESS AND IMPLIED (INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE). THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE FACE HEREOF. THE PURPOSE OF THIS WARRANTY IS TO IDENTIFY THE SPONSOR'S RESPONSIBILITIES FOR CONSTRUCTION DEFECTS OF A LATENT OR HIDDEN NATURE THAT COULD NOT HAVE BEEN FOUND OR DISCLOSED ON FINAL INSPECTION OF THE UNIT.

NOTWITHSTANDING ANYTHING CONTAINED IN THIS WARRANTY TO THE CONTRARY, THIS WARRANTY SHALL NOT RELIEVE THE SPONSOR OF LIABILITY, SUBJECT TO AND IN ACCORDANCE WITH APPLICABLE LAW, FOR DEFECTS DUE TO SPONSOR'S FAILURE TO CONSTRUCT THE UNIT SUBSTANTIALLY IN ACCORDANCE WITH APPLICABLE BUILDING CODES AND FILED BUILDING PLANS AND SPECIFICATIONS OR LOCALLY ACCEPTED BUILDING PRACTICES FOR ITEMS NOT COVERED BY CODE .

1. This Is A Limited Warranty. This is a limited Warranty which excludes any other promises or guarantees that Sponsor could make (also known as “express warranties” or “implied warranties”) regarding the renovation of your Unit and its components, including any warranties of merchantability or fitness for a particular purpose. There are no warranties which extend beyond the face of this document.

2. Limit On Sponsor Liability. As noted on page 1 of this Warranty, Sponsor is not obligated to pay for any defect, damage or injury not caused directly as a result of a defect covered by this Warranty. In other words, this Warranty excludes “consequential”, “incidental”, “special” and “indirect” damages, except as required by state law. In addition, Sponsor's obligation to pay for the cost of repairing any defect to property is limited to \$25,000 (“Sponsor's Limit of Total Liability”).

3. Warranty Only To You. This Warranty is given only to you while you own your Unit. It will end automatically if you transfer the Unit to any other person at any time.

4. Warranty Made Exclusively By The Sponsor. This Warranty is made exclusively by the Sponsor whose name appears on page 1.

5. Warranty Coverages And Periods. The Warranty Period for all coverages begins on the date that you take title to the Unit or any person begins residential occupancy of the Unit, whichever date is earlier. It ends at the expiration of the applicable coverage period shown below. **TIME IS OF THE ESSENCE WITH RESPECT TO THESE WARRANTY COVERAGE PERIODS. WARRANTY COVERAGE PERIODS WILL NOT BE EXTENDED.**

6. Final Inspection Of The Unit. Before you move into the Unit or accept the deed, the Sponsor will set up an appointment for final inspection of the Unit with you. 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 home, or any unfinished work caused by back-orders beyond the Sponsor's control.

All defects or flaws found on final inspection of the Unit will be itemized on a Final Inspection Sheet, which will be signed by you and the Sponsor before occupancy of the Unit or transfer of the deed.

When you move into the Unit or accept the deed, the Sponsor's responsibility is limited to:

(a) completion of items in accordance with the Punch List Sheet (if any) attached hereto as Schedule A, and

(b) performance of warranty obligations under the provisions of this Warranty, as listed below. The purpose of the Warranty is to identify the Sponsor's responsibilities for construction defects of a latent or hidden kind that would not have been found or disclosed on final inspection of the Unit.

7. What Is Included In The Warranty.

(a) Sponsor makes the following warranties to you solely with respect to the new elements of your Unit, as described in the Description of Property and Building Condition in Part II of the Plan. For six (6) months, the Unit will be free from: (1) defects caused by workmanship or materials that do not meet the standards of the applicable building code, or (for items not covered by code) locally accepted building practices; (2) defects caused by unskillful installation of the Plumbing and Electrical Systems, and (3) Material Defects in the structural elements (foundation, floors, walls, roof framing) which make it unsafe or unlivable. In addition, for one (1) year the Unit will be free from defects caused by unskillful installation of the Heating, Cooling and Ventilation Systems exclusively serving the Unit (if any). Capitalized terms in this subsection are defined in subsection (c) below.

(b) Sponsor will not be liable unless the defect, damage or injury was caused by one of the following:

(1) defective workmanship by Sponsor or any agent or subcontractor of or person working for Sponsor;

(2) defective materials supplied by Sponsor or any agent or subcontractor of or persons working for Sponsor; or

(3) defective design provided by the architect, or subcontractor, engineer or other design professional or subcontractor engaged solely by the Sponsor.

(c) Definitions: As used in this Section 7, the following words and phrases have the following meanings:

(1) “Material Defect”: means actual physical damage to the following load-bearing parts of the Unit which affects their load-bearing functions to the extent that the Unit becomes unsafe, unsanitary or unlivable: foundation systems and footings, beams, girders, lintels, columns, walls and partitions, floor systems, and roof framing systems.

(2) “Plumbing System”: means 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.

(3) “Electrical System”: means all wiring, electrical boxes, switches, outlets and connections up to the public utility connection.

(4) “Heating, Cooling and Ventilation System”: means all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.

(d) Sponsor's Warranty does not extend to any other type of defect.

8. What Is Excluded From Warranty Coverage. The following items are excluded from Sponsor's Warranty:

(a) Any defects in appliances sold by Sponsor with your Unit, unless the defect was caused by Sponsor's failure to install the appliance in a skillful manner. However, Sponsor will transfer to you any manufacturer's warranties which it receives.

(b) Any defect which was obvious (or would have been obvious if you had inspected your Unit) before purchase or occupancy, including defects shown on the Final Inspection Sheet.

(c) Any normal wear and tear or deterioration in your Unit.

(d) Any normal settling or shifting of your Unit (including, without limitation, expansion or contraction of the walls or floor, concrete cracks which do not impair the structural soundness of the Unit or Building, or separation between baseboards and the floor)

(e) Minor defects, such as nails popping; lumber shrinkage; door sticking due to weather; door warping; cracking, discoloration or separation of caulking or grouting; normal plumbing or heating noises; floor discoloring; or leaks due to your failure to install storm doors or windows.

(f) Damage to personal property.

(g) Any damage to the extent that it is caused or made worse by:

(1) negligence, improper maintenance, or improper operation by anyone other than Sponsor, its employees, agents, or subcontractors;

(2) failure by you or anyone other than Sponsor, its employees, agents or subcontractors, to comply with the warranty requirements of manufacturers or suppliers of appliances, fixtures or items of equipment;

(3) your failure to give notice to Sponsor of any defects or damage within a reasonable time;

(4) changes in the grading of the ground by anyone other than Sponsor, its employees, agents or subcontractors;

(5) changes, alterations or additions made to the Unit by anyone after the Warranty Date shown on page 1; or

(6) dampness or condensation due to your failure to maintain adequate ventilation.

(h) Any condition which does not result in actual physical damage to the Unit.

(i) 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, mudslide, earthquake, volcanic eruption, wind-driven water, and not reasonably foreseeable changes in the underground water table.

(j) Loss or damage caused by seepage of water unless such loss or damage is the direct result of a construction defect.

(k) Any damage caused by soil movement for which compensation is provided by legislation or which is covered by other insurance.

(1) Any damage which you have not taken timely action to minimize.

(m) Insect damage.

(n) Bodily injury or damage to personal property.

(o) Sponsor's failure to complete construction of the Unit.

(p) Loss or damage which arises while the Unit is being used primarily for nonresidential purposes.

(q) Loss or damage due to abnormal loading on floors by you which exceeds design loads as mandated by the Building Code or building standards.

(r) Costs of shelter, transportation, food, moving, storage or other incidental expenses related to relocation during repair.

(s) Consequential damages (except where required by state law).

(t) With respect to a claim for a Material Defect, damage to non-load bearing portions of the Unit including (but not limited to) the following: 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 (if any) 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; and insulation.

(u) Loss or damage caused by defective workmanship performed by any person other than the Sponsor or an agent or subcontractor of the Sponsor working under the direction and supervision of the Sponsor.

(v) Loss or damage caused by defective materials supplied by any person other than the Sponsor.

(w) Loss or damage caused by defective design provided by any person other than a design professional retained exclusively by the Sponsor.

(x) 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)(if any); site 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.

(y) Any defects, whether material or otherwise, which arise from those portions of the Unit or Building that are not newly constructed by the Sponsor.

(z) Any claim not filed in a manner set forth below in Section 10, "How to Make a Warranty Claim".

9. Warranty.

(a) If a defect occurs in an item covered by this Warranty, Sponsor will repair, replace or pay to you the reasonable cost of repairing or replacing the defective item 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.

(b) In no event will Sponsor's total liability for deficiencies under this Warranty exceed the Sponsor's Limit of Total Liability, as described in on page 1 and Section 2 on page 2. However, if any of the Warranty provisions set forth herein fail to meet or exceed the applicable building code, or in the absence of such relevant specific standard, a locally accepted building practice, or fail to ensure that the Unit is habitable by permitting conditions to exist which render the home unsafe, then such provision shall be void as contrary to public policy. In addition, the Sponsor will remain liable in accordance with applicable law for defects due to Sponsor's failure to construct the Unit substantially in accordance with filed building plans and specifications, subject only to applicable statute(s) of limitations.

(c) Repair, replacement or payment of reasonable cost for any Material 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 Material Defect which made the Unit unsafe, unsanitary or otherwise unlivable.

(d) 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.

10. How To Make A Warranty Claim.

(a) If you believe that you are covered under this Warranty, you must send to Sponsor a **Notice of Warranty Claim**. The Notice of Warranty Claim is a letter, sent by certified mail, return receipt requested to the following address:

**108 KING PARTNERS, LLC
c/o Pinnacle Real Estate Ventures Inc.
18 Main Street
Roslyn, NY 11576**

The letter must identify the Unit, give the Warranty Date, explain your claim, and include your name, address and work and home phone numbers.

(b) You must notify Sponsor of your claim within 30 days after the last day of the warranty period for the defective part, as described in Sections 5 and 7, or you will lose your right to have it repaired by Sponsor under this Warranty.

(c) Within a reasonable time after Sponsor receives your complete letter, it will make an appointment to inspect the defective part of your Unit with you. Sponsor is not obligated to make any repair if it is unable to get into your Unit to inspect (or you did not keep an appointment) after reasonable efforts.

(d) Upon completion of inspection and testing, the Sponsor will determine whether to accept or reject the claim. If the Sponsor rejects the claim, the Sponsor will give written notice of that decision to you at the address shown on the Notice of Claim. If the Sponsor accepts the claim, the Sponsor will take corrective action within a reasonable period of time and, upon completion, will give written notice of completion to you at the address shown on the Notice of Claim Form.

(e) If Sponsor confirms that a repair must be made, it will start the repair within a reasonable time and continue working until the repair is completed.

(f) If you and Sponsor disagree about whether Sponsor is liable, you may elect to have the claim arbitrated following the rules of the American Arbitration Association. If you sue Sponsor, though, you may no longer demand that your claim be arbitrated unless Sponsor consents.

IF YOU DO NOT FOLLOW ALL OF THE ABOVE PROCEDURES, YOU WILL BE BARRED FROM MAKING A WARRANTY CLAIM. SPONSOR WILL NOT EXTEND ANY TIME PERIODS FOR MAKING A CLAIM UNDER ANY CIRCUMSTANCES.

11. Additional Protections For Sponsor In Response To Your Claim.

(a) No steps taken by Sponsor, you or any other person to inspect, test or correct defects will extend any time period under this Warranty. If Sponsor elects to respond to a complaint or request which is not made in the form of a proper and timely Notice of Warranty Claim, the fact that Sponsor has chosen to respond will not affect or reduce any of Sponsor's rights under this Warranty. Sponsor will continue to have all of its rights under this Warranty, including its right to receive a timely and properly completed Notice of Warranty Claim.

(b) In response to a Notice of Warranty Claim, or any other complaint or request by you, Sponsor will have the right to inspect and test the portion of the Unit to which the claim

relates. You must provide reasonable access to Sponsor and its agents during normal business hours to complete inspection, testing and repair or replacement.

(c) 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.

12. Legal Actions. No claim under this 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 has been received by Sponsor in a timely and properly completed Notice of Warranty Claim Form as provided in paragraph 10 above.

13. General Provisions.

(a) This Warranty is governed by the laws of New York State.

(b) If any part of this Warranty is deemed unenforceable by a court, the remainder will remain enforceable.

(c) This Warranty may not be changed in any way without the written consent of the Sponsor.

(d) As used in this Warranty, “including” means “including but not limited to”; “or” means “and/or”; use of one gender includes the other gender; and the singular includes the plural and vice versa.

(e) The Warranty shall not limit the Sponsor’s obligation to construct the Premises substantially in accordance with all applicable building codes and filed building plans and specifications, as set forth in the Plan.

SCHEDULE A
PUNCH LIST SHEET

Unit: _____

Date: _____

Unit Owner:

(Print Name Underneath)

(Print Name Underneath)

EXHIBIT C

CONDOMINIUM SMOKING POLICY

Smoking shall be permitted within individual units. Smoking shall be prohibited everywhere else in the Building including, but not limited to, the indoor and outdoor common areas and limited common areas of the Building including, but not limited to, the laundry room, roof deck, the roof, the passenger elevator, the stairwells, any area of the basement, the hallways of any and all floors, the lobby, and within 25 feet of the building entrance or of any operable openings or air intakes. No owner shall smoke, or permit smoking by any occupant, agent, tenant, invitee, guest, friend, or family member anywhere smoking is prohibited at the Building.

Smoking shall include carrying, burning, or otherwise handing or controlling any lit or smoldering product containing tobacco, or cloves, or marijuana, or any similar plant product or using a similar type of lighted, smoldering or vapor-producing product in any manner or form, including but not limited to cigarettes, cigars, pipes, e-cigarettes or vaping apparatus.

Violations of this rule will be enforced as follows:

- a. \$250.00 First Offense;
- b. \$500.00 Second Offense; and
- c. \$1,000.00 Each Offense thereafter.

Smoking in violation of this rule shall constitute a nuisance. A Unit Owner that smokes or allows others to smoke in their Unit or elsewhere in the Building is responsible for ensuring that the smoke does not affect other Unit Owners and residents of the Building or infiltrate any other parts of the Building. If the Board of Managers or managing agent receives a complaint about smoke emanating from a Unit, the Unit Owner will be notified and required to immediately address the problem, including, if necessary, the following measures:

- (i) Install a silent room air purifier (clean-air delivery rate (CADR) of 300 or better) in each and every room in which smoking occurs and it must be USED while smoking and for at least 1 hour after smoking;
- (ii) Install insulating gaskets for all outlets and light switches;
- (iii) Caulk all baseboards in rooms adjacent to neighboring apartments;
- (iv) Install a door sweep on the front door to the apartment and the service door;
- (v) Provide documentation to building management that items (i)-(iv) above have been satisfied; and
- (vi) Allow building staff to timely inspect the Unit and perform such tests as the Board of Managers may deem advisable to confirm that smoke from the Unit is not infiltrating other Units and/or other areas of the Building.

POWER OF ATTORNEY

I. I (we) _____, residing at _____, the owner(s) of Condominium Unit No. _____ in the Condominium known as the 108 King Street Condominium (“**Condominium**”) covering the property located in the City of New York, County of Kings, do hereby irrevocably nominate, constitute and appoint the members of the Board of Managers of the 108 King Street Condominium (“Condominium Board”) and their successors, jointly, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution in my (our) name and on my (our) behalf pursuant to the plan of Condominium ownership evidenced by the Declaration and By-Laws filed with respect to the Condominium to (1) to vote on, exercise or waive any right of first refusal to purchase a Unit available to the Condominium under the By-Laws of the Condominium, subject to any other limitations contained in the By-Laws; (2) to acquire, in their own name or in the name of their designee by deed on behalf of all owners of Condominium Units in said property, any Condominium Unit whose owner desires to abandon the same or whose owner desires to sell the same or which shall be the subject of a foreclosure sale or in lieu of a foreclosure sale at such price and on such terms as the said attorney-in-fact shall, in its sole discretion, deem proper; and thereafter to convey, sell, lease, sublease, mortgage, vote or otherwise deal in such Condominium Unit so acquired at such terms as the attorney-in-fact may in its sole discretion determine, granting to said attorney-in-fact the power to do all things in the said premises which the Unit Owner could do if such Unit Owner were personally present; (3) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Condominium that the Condominium Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution, or requirement of the Department of Buildings, the City Planning Commission, the Zoning Board and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, rehabilitation, alteration, repair or restoration of the Condominium, or (b) any consent, covenant, restriction, easement or declaration, or any amendment to the Declaration of Condominium or By-Laws affecting the Condominium or the Common Elements that the Condominium Board deems necessary or appropriate, subject to the other limitations contained in the By-laws; (4) to file applications and protests (or employ persons to do same) in the name and stead of the Unit Owner with respect to the assessed valuation of individual Units, and to execute all documents and pay all costs in connection therewith; (5) to borrow funds to repair the Common Elements pursuant to Real Property Law Section 339-jj; or (6) act as the agent and attorney-in-fact on behalf of individual Unit Owners, at such Unit Owner’s expense, to take such action against any tenant or occupant of a Unit, including (but not limited to) maintaining summary proceedings for eviction or engaging in other litigation, as the Condominium Board may deem necessary in order to protect the interests of the Condominium if (i) such tenant or occupant remains in possession of the Unit after any lease or occupancy for the Unit has been terminated or expires; or (ii) such tenant or occupant violates the terms of the Condominium Documents or any lease or occupancy agreement between the Unit Owner and such tenant or occupant. In addition, notwithstanding anything to the contrary contained herein, the Board of Managers may not exercise any such power granted to it under the power of attorney so as to (i) adversely affect any rights or privileges of the Sponsor, or (ii) increase the financial obligations of fewer than all Unit Owners or change the percentage of Common Interest allocated to any Unit.

The acts of a majority of such persons constituting the Condominium Board shall constitute the acts of said attorneys-in-fact.

II. 108 KING PARTNERS, LLC

The undersigned (does) (do) hereby irrevocably nominate, constitute and 108 KING PARTNERS, LLC and its members, managers, officers, successors and assigns, severally (individually and collectively, "Sponsor") as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to:

(a) amend from time to time the Declaration, By-Laws and the Rules and Regulations of said Condominium, or any of said documents, when such amendment shall be required (1) to correct ministerial or technical defects in the Declaration and By-laws, which changes will not adversely affect the rights or obligations of any Unit Owner or mortgagee; (2) to reflect any changes in Unsold Units or the reapportionment of the Common Interests of the affected Unsold Units resulting therefrom made by the Sponsor in accordance with the Declaration; (3) by (i) an institutional lender or secondary market insurance agency as a condition of making a mortgage loan secured by a mortgage on any Unit, (ii) any governmental agency having regulatory jurisdiction over the Condominium, or (iii) any title insurance company insuring title to any Unit. However, no amendment made pursuant to the terms of this paragraph shall (x) change the Common Interest of the undersigned's Unit, (y) require a material, physical modification to the undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any mortgage held by an institutional lender covering the undersigned's Unit unless the undersigned (in the event described in subdivision (z) of this paragraph) shall consent thereto by joining in the execution of such amendment;

(b) execute any documents that may be required to be filed with the City of New York in order to complete construction of the Common Elements of the Condominium or to make an alteration to an Unsold Unit permitted under the Declaration and By-Laws of the Condominium; and to cause the Board of Managers and all of the Unit Owners and their successors and/or assigns, to take such action, and/or to execute, acknowledge, deliver and record on their behalf such instruments and documents (including, but not limited to deed(s), lease(s), zoning lot agreement(s), declaration(s) and/or lot line window declaration(s) required to implement the rights of the Sponsor described above.

The foregoing powers shall be deemed to be coupled with an interest and be irrevocable. The terms, covenants and conditions contained in, and the powers granted to the Sponsor pursuant to, this paragraph shall remain in full force and effect until such time as Sponsor shall cease to own any Unit in 108 King Street Condominium.

Notwithstanding anything to the contrary contained in the foregoing, the consent of the Board of Managers is not required in order for the Sponsor to make alterations or additions to Unsold Units, whether or not such alterations are structural or nonstructural, ordinary or extraordinary, so long as they do not materially adversely affect the structure or utility systems of the Building. The Condominium hereby appoints the Sponsor as its attorney-in-fact, coupled with an interest, to execute such documents on behalf of the Condominium as may be required in order

to obtain any necessary licenses or permits to make or complete an alteration, and grants to the Sponsor an easement of access, ingress and egress to make any such alterations.

This power of attorney is coupled with an interest and is irrevocable.

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

STATE OF NEW YORK)
) SS.:
COUNTY OF _____)

On the ____ day of _____ in the year ____ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

NOTARY PUBLIC

STATE OF NEW YORK)
) SS.:
COUNTY OF _____)

On the ____ day of _____ in the year ____ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

NOTARY PUBLIC

UNIT DEED

THIS INDENTURE made the ____ day of _____ between 108 KING PARTNERS, LLC (“Grantor”) a limited liability company existing under the laws of the State of New York having a place of business at 18 Main Street, Roslyn, NY 11576 and _____ (“Grantee”).

WITNESSETH:

That the Grantor, in consideration of Ten Dollars (\$10.00), lawful money of the United States and other good and valuable consideration, paid by Grantee, does hereby grant and release unto the Grantee, their heirs and successors and assigns of the Grantee forever,

The condominium unit (the “Unit”) known as Unit No.____ in the building designated as 108 KING STREET CONDOMINIUM (the “Condominium”) in the Declaration establishing a plan for Condominium Ownership of said premises under Article 9-B of the Real Property Law of the State of New York (the “New York Condominium Act”) dated _____ recorded in the Office of the Register of Kings County (the “Register’s Office”) under CRFN _____ and also designated as Tax Lot ____ in Block _____ of the Borough of Brooklyn on the Tax Map of the Real Property Assessment Department of The City of New York and on the floor plans of said building certified by _____, and filed with the Real Property Assessment Department of the City of New York on _____ as Condominium Plan No. _____, and also filed in the City Register’s Office on _____ as Map No._____. The premises within which the Unit is located (the “Property”) is more particularly described in Schedule A attached hereto and made a part hereof.

Together with an undivided _____% in the common elements of the Condominium to said premises. Together with the appurtenances and all the estate and rights of the Grantor in and

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

SUBJECT TO the provisions of the Declaration, By-Laws, and Floor Plans of the Condominium recorded or filed simultaneously with and as part of the Declaration, as the same may be amended from time to time by instruments recorded or filed in the Office of the City Register of the County of Kings, which provisions, together with any amendments thereto shall bind any person having at any time any interest or estate in the Unit, as though such provisions were recited at length herein.

TO HAVE AND TO HOLD the premises herein granted unto the Grantee, the heirs or successors and assigns of the Grantee forever.

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

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

By acceptance of this deed, Grantee ratifies the provisions of the Declaration and the By-laws of the Condominium recorded simultaneously with and as part of the Declaration and agrees to comply with all the terms and provisions thereof, as the same may be amended from time to time by instruments recorded in the Office of the New York City Register, County of Kings, and to comply with the Rules and Regulations of the Condominium.

The use for which the Unit is intended is that of residential occupancy subject to the applicable governmental regulations and the restrictions contained in the Declaration.

This conveyance was authorized by a vote of the holders of two thirds of the membership interest of the Grantor a meeting duly noticed and called for that purpose.

The word "party" shall be construed as if it read "parties" whenever the sense of the indenture so requires.

IN WITNESS WHEREOF, the Grantor has duly executed this deed and the Grantee acknowledges this deed, on the day and year first above written.

Grantor: 108 KING PARTNERS, LLC,
a New York limited liability company

By: _____

Grantee:

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

On the ____ day of _____ in the year ____ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

NOTARY PUBLIC

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

On the ____ day of _____ in the year ____ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

NOTARY PUBLIC

SCHEDULE A
PROPERTY DESCRIPTION

[TO BE INSERTED]

Engineer's Report
Description of Property and Proposed Building
September 21, 2022

PROJECT: 108 KING STREET CONDOMINIUM

108 King Street, Brooklyn, NY 11231

SION CONSULTING ENGINEERING P.C.
245-02 Jericho Turnpike
Floral Park, NY 11001

A. Location and Use of Property

1. **Address:** 108 King Street, Brooklyn, NY 11231
2. **Block #: 546**
Tentative Lot #: 47
Zoning Map #: 16a
3. **Zoning District:** The building lies within general residence district R5 General Residence District.

Zoning exhibit 1 (certificate) and zoning exhibit 3 (zoning lot description) are recorded in the city register and the CRFN is 2019000316649 & 2019000316650.
4. **Permissible Use:** As per The New York City Zoning Resolution, Section 22-12, the proposed residential development will be a 2-dwelling unit residential building.
This is a permitted use within use group 2 as of right in an R5 zoning district. The property and proposed use will comply with all zoning and use requirements.

B. Status of Construction

1. This building is presently under construction, and it is anticipated that the construction will be substantially completed on or about September 2022 unless delayed by weather, strikes, lockouts, act of God, shortages of or inability to obtain, materials, equipment or labor, government restrictions or preemption, damage by fire or the elements or any other cause over which the Sponsor has no control.
2. **Certificate of Occupancy:** After completion of construction, the Sponsor will apply for a temporary Certificate of Occupancy for the building from the New York City Department of Buildings (NYC-DOB).
The building will not be occupied before temporary or final C of O is issued by DOB. The buildings will be classified as two-family dwelling. All the issues related to certificate of occupancy will be resolved in accordance with all applicable laws, codes, rules and regulations
3. **Class of Construction:** The building will be classified as noncombustible construction Type III-A and shall conform to all applicable regulations of the 2014 NYC Building Code.

As per approved drawings by NYC DOB the fire-ratings of each building element is as follows:

Building exterior structural metal frame walls (load bearing and non-load bearing, have a 2hr fire-resistance ratio.

Unit separation walls have a 2hr fire-resistance ratio.

Floor assemble have a 2hr fire-resistance ratio.

Stair enclosure wall have a 2hr fire-resistance ratio.

Filings:

- One (1) New Building application (for Architectural design) was filed by NYC Department of Buildings (NYC-DOB) under application # 321961846. This is not a Directive -14 or Professional Certified application.
 - A PAA Doc#02 was filed on 08/09/2021 to address the energy violation (SUMMONS #039032841Y) and amend the plans. Was approved on 03/15/2021.
 - A PAA Doc#03 was filed on 01/07/2021 to amend schedule "B" and was approved on 03/15/2021.
 - A PAA Doc#04 was filed on 04/02/2021 to address the energy violation (SUMMONS #039032841Y) and amend drawings & schedule "B". Was approved on 07/13/2021.
 - A PAA Doc#05 was filed on 07/20/2021 to amend drawings & schedule "B". Was approved on 08/09/2021.
 - A PAA Doc#06 was filed on 08/16/2021 to amend drawings & schedule "B". Was approved on 08/30/2021.
 - A PAA Doc#07 was filed on 09/08/2021 to add water riser diagram on the drawings. Was approved on 09/20/2021.
 - One (1) Alteration III application was filed by NYC-DOB for Builder's Pavement Plan under application # 321822765.
4. Where materials, appliances, equipment and fixtures and other construction and design detail are specified in this report, sponsor has reserved the right to substitute in their place similar materials, appliances, equipment and fixtures of equal or better quality

C. The Site

1. **Lot Area:** 2,500.00 sq. ft.
2. **Building Size:** One (1) 3 Story building.
3. **The Site:** The site contains 25 feet of frontage on street known as King Street.
4. **Streets**
 - i. The street known as King Street is paved with an asphaltic topping and is in good condition.

- ii. The street is pitched to drain into the New York City storm water draining system.
- iii. The street lightings are provided by the City of New York.
- iv. There are no streets owned or maintained by the project.

5. Drives, Sidewalks & Ramps

The sidewalk in front of the subject building on King Street will be finished with concrete slab. The existing concrete sidewalk will be replaced with a new concrete sidewalk as is required for all new buildings.

The sidewalk and curbs shall comply with NYDOT's /Local Law requirements.

The sidewalk drains into the street.

All these items will be repaired or replaced as directed by NYC Department of Transportation when construction is completed.

The new sidewalks providing access to the building shall be new, free of tripping hazard and ponding.

The new curb cut shall be free of tripping hazards.

There will be a new decorative stone paving composition (or similar material) driveway at the grade level at the side yard area of the site, which will provide access to the open parking space and the enclosed parking garage.

The driveway will be accessible from King Street. The new driveway shall be sloped, as to drain water away from the foundation of the building.

The condominium will be responsible for maintaining the sidewalk and Curb cut in accordance with the requirements of the Authority Having Jurisdiction

D. Utilities

1. Electricity will be provided by Consolidated Edison Company (Con Edison) or equal, a regulated company. The electricity consumed by the common areas will be on its own meter. Each residential unit will be individually metered by Con Edison.
2. Gas: Gas will be provided by National Grid or other gas company. The gas consumed by each unit in the building will be individually metered by National Grid or other gas company.
3. Water and sewer service will be provided by the City of New York Department of Environmental Protection (NYC-DEP). The water consumed will be metered by the NYC-DEP. The cost of the water and sewer will be calculated and divided, based on the percentage of the common interest that unit shall have.
4. Cable will be provided by Time Warner, or other cable company.
5. Phone service will be provided by Verizon a regulated company, or other telephone company.

E. Sub-soil Conditions

The site used to be a vacant lot and there was no prior use of the property.

There has been no uneven foundation movement or settling at the premises.

The previous owner of the property had violations dating back to the 1990's for having a concrete slab and storage shed without a permit. He also installed an illegal curb cut. Many of these violations have been corrected, and Sponsor is in the process of scheduling an inspection to remove the remaining violations. The curb cut is now legalized as per the approved BPP Plans.

The foundation walls are made of reinforced concrete and there is no evidence of moisture or seepage or ground water infiltration.

The property located is in a "X" Flood Zone with base flood elevation of 12.0 (NAVD 88). According to FEMA, Zone X has a 0.2% annual chance flood hazard with average depth less than one foot or with drainage areas of less than one square mile. FEMA has proposed to remap the area as Zone "AE." An AE flood zone is defined as an area with an annual flood risk of 1%. Flood insurance is not required in Zone X, but would be required if the neighborhood were re-designated at Zone "AE. This building is built to meet all FEMA flood specifications.

All residential floors and equipment are located above the base flood elevation.

The crawl space is located above ground with a base elevation of 10.3 feet. The crawl space contains flood vents so that in the event of flooding, water would drain from the crawl space without affecting the first floor or building equipment.

There is no evidence of any damage from mudslide and erosion.

The last known flooding (of the vacant lot) was During Super storm Sandy in October of 2012.

The site and surrounding properties are relatively flat and there is no apparent potential for mudslides or erosion from the surrounding properties.

There will be no subgrade drainage piping for the foundation. Foundation walls shall be treated with troweled on, mastic waterproofing at below grade surfaces.

Drainage will be facilitated at the foundation walls by providing gravel fill adjacent to the exterior of the mastic coated foundation walls.

Freezing stresses will be negated by the mastic coated foundation walls, gravel fill adjacent to the foundation walls and the fact that the level of the footings, approximately ten feet below average grade, will be much greater than the level of the frost line for the region, which is approximately three feet below the adjacent grade. In addition, the cellar areas will be mostly heated in the cold season.

No environmental issues or hazardous materials, environmental restrictions, little E, RD and easements, are present on the property.

F. Landscaping & Enclosure

1. **Grass cover:** There shall be grass area 18.0'x7.0' in the front of building reflecting on the approved Plot plan.
Rear yard will be finished with 3-4" of crushed bluestone gravel, with an underlayment of Landscape Fabric Pro Commercial Weed Barrier Heavy-Duty Driveway Gardening Mat Polypropylene Ground Cover.
2. **Plantings:** No tree planting will be provided inside of the property and if provided they will be at the sole option of the sponsor.
3. **Trees:** None.
4. **Fencing:** Fencing will be placed along the perimeter of the rear yard (sides and rear) and shall be constructed of horizontal cedar slats.
5. **Gates:** None.
6. **Garden walls:** None.
7. **Retaining walls:** None.
8. **Display pool and fountains:** None.

G. Building Size

1. The buildings will consist of First, Second and Third floor with Bulkhead and will have a total building height of approximately 33.0 feet measured from base flood elevation up to the top of the 3rd Floor roof.
2. The floor to ceiling heights of the units will be approximately 9'-0" for 1st and 2nd floor, and 10'-0" on 3rd floor except in areas within dropped ceiling and soffit, where the height will be around 8'-0" or less.
The crawl space below the first floor is located above ground and has a height of 2.7 to the bottom of the 1st floor joists.
3. There shall be a sprinkler room, electric meter the common front part of the 1st floor level of the building, two-piece bathroom in the rear part of the garage, used in conjunction with the unit's in the 1st Floor.
There shall be D/W inside each condominium unit.

- 4 The 12' extended above the roof surface parapet wall on the roof shall be made of metal stud, dense glass boards and finished with stucco on the rear and side walls and combination of paneling-brick finish on the front wall, and metal railing 3'-6" h. in total.
- 5 There will be a crawl space in the building with front and rear entrances for access and louvers for ventilation and natural flow of water in case of flood and a door for access if is needed.
Doors to Crawl space shall be custom welded iron door painted in rust resistant paint, with side hinges and latches. Opening shall be approximately 6" W X 2" H in the rear of the building. Openings shall be approximately 2.5" W X 2" H in the front of the building.

H. Occupancy

1. There will be two apartment units in compliance with the requirements of the New York City Zoning Resolution.
2. Parking Area – One enclosed parking spaces will be provided.
Parking space will be assigned to certain Condominium as Limited Common Element.

I. Building Structural System

1. Structural System.

The building is being constructed as per plans which were filed with, examined and approved by the Brooklyn Office of the N.Y. City Department of Buildings.

The structural system for the building will consist of exterior 12" & 10" metal stud framed walls and metal floor c-joint 1200JR200.54 at 16"o.c. spanning between the side walls.

The foundation walls and footings shall be new.

The footings will consist of reinforced concrete L and T shape footings which will support the exterior foundation walls.

The foundation walls shall be poured, reinforced concrete supported and will be tied to the concrete footings with steel re-bars.

The interior floor-ceiling assembly, on the upper floors shall be supported by the metal C-joint 1200JR200.54 at 16"o.c. spanning between the metal frame walls.

A 3/4" plywood on top of the assembly.

The spaces between the steel studs at the assembly between crawl space and 1st floor, shall be fitted with fiberglass, batt insulation with a minimum R value of 38.

The roof-ceiling assembly at the roof areas shall be a buildup single ply ruberoid roofing finish on 3/4" plywood, which in turn will be supported by c-joint

spanning between the metal frame walls with R-38 batt insulation in between the joists.

All the below-grade foundation walls as per the approved plan by NYC DOB shall be waterproof and shall be protected below grade with water proofing membrane and clean gravel fills adjacent to the walls at the exterior side.

The exterior wall composition has been designed to have a maximum thermal performance value (U) and shall comply with the New York City Energy Code and the New York State Energy Conservation Construction Code.

No underpinning is proposed.

No sub-grade drainage system is provided

2. Exterior walls.

Exterior front facade wall shall be a 12" assembly wall consisting of a 4" brick facing in Outside, one-inch air space, paper felt, R-12.7ci and two layers of 5/8"th. exterior sheathing, 4-inch metal stud at 16"o.c.

The space between metal studs shall be fitted with R-13 open cell spray foam insulation for front and rear façade and R-14 closed cell spray foam insulation for the side walls, two layers of 5/8"th. gyp. board type "X" on the interior side and paint latex finish.

The exterior walls shall have a minimum fire rating of two hours. The exterior wall composition has been designated to have a maximum thermal performance value which will comply with the N.Y.C. and N.Y.S. Energy Code.

All unit ceilings will be single layer painted of 5/8"th. gypsum board.

The lateral support for wind and seismic forces is resisted by metal beams and bearing walls on both directions.

As per approved drawings by NYC DOB the building exterior structural metal frame walls (load bearing and non-load bearing, have a 2hr fire-resistance ratio.

Exterior structural metal frame walls Staircase bulkhead walls have a 2hr fire-resistance ratio.

3. Ceilings: All unit ceilings will be single layer 5/8" painted Type "X" gypsum board applied to the bottom of ceiling under resilient furring channel.

The insulation in the ceilings between each floor is 6" Roxul by Rockwool Soundproof insulation. Installed is Iso-step 5 mm floor underlayment above the sub floor.

The noise impact is not less than 50 S.T.C.

4. Windows

- i. The windows at all floors shall be aluminum & wood unit windows, double- glazed, which are manufactured by Pella Windows (or equal).

The manufacturer guarantees one year, parts and hardware and five years glazing. Windows sills shall be constructed of metal or wood.

The window installation will be in accordance with rules and requirement of Building Code for Natural Light and Ventilation

- ii. Windows will comply with minimum requirements of the NYS Energy Code.
Continuous sealant with backer rod between windows and wall will be provided. A wood stool and gypsum board head and jamb returns will be provided on the interior. The glazing shall be set in wood frames with a rigid, vinyl or aluminum exterior finish.
Windows set in wood frames will not have thermal breaks as the wood will be the insulation material. Windows with aluminum frames will be equipped with thermal breaks. Windows will also be equipped with non-corrosive hardware. The building plans were examined and approved by the N.Y.C. Department of Buildings including compliance with the light and air requirements.
The window perimeter shall be fitted with a latex-based, caulking compound at the interior and exterior surfaces.
Air infiltration rate of windows shall not exceed 0.3 cfm per s.f. and will comply with the N.Y. State Energy Code.
The manufacturer guarantees one year, parts and hardware and five years glazing.
- iii. The window installation will be in accordance with rules and requirement of Building Code for Natural Light and Ventilation. The perimeter of the windows shall be fitted with a latex-based, caulking compound at interior and exterior surfaces.
Air infiltration rate of windows shall not exceed 0.3 cfm per square foot and shall comply with the New York State Energy Conservation Construction Code.
- iv. Manufacturer shall provide a warranty for one (1) year limited to glass and One (1) year for product and components other than glass. Contractor's warranty shall also be for one (1) year on workmanship and installation.
The Sponsor reserves the right to provide windows by different manufacturers which are equal to or better than noted above.
Window guards shall be installed as necessary by each unit's owner at the windows within each unit that a child of ten years old or younger will reside.
There will be no lot line windows.

5. Landmark status.

The building does not have landmark status. No municipal approvals are required for the style of window being used.

6. Parapets and Copings:

There shall be a minimum of 3'-6" high parapet wall and mtl. railing above roof as the continuation of the metal stud walls and shall be built of corrosion resistant metals.

7. Chimneys and Caps:

There will be horizontal, galvanized steel, gas flues and caps provided, for the ventilation of the mechanical equipment and the Mechanical Room in the 1st floor level.

The flue shall be Ameri-Vent model. Chimneys will be double wall steel Class "B" gas vents NFPA 211-1988.

In addition, there will be through roof exhaust fans for kitchens & bathrooms.

All enclosures of openings through the ceilings and Roof will be 2 HR rated.

The Sponsor, reserves the right to provide flues by different manufacturers which are equal to or better than noted above.

8. Decks, Terraces & Balconies:

There will be a private balcony at 3rd floor, finished with porcelain tile.

Balcony shall remain open, as per the approved plans, in compliance with the N.Y.C. Building Code.

The deck finish of balconies will be non-slip broom swept.

The surface will be pitched away from the face of the building.

Balcony shall be protected at the perimeter with a child proof non-corrosive wrought Iron railing, 3 feet 6 inches high above the finished balcony level.

The roof terrace shall have vertical iron bar railings.

Railings of the roof terrace are 3'- 6" (min.) high child proof wrought steel railings painted in rust resistant black paint.

The railings do not create a ladder effect, as the balustrades are vertical bars

The balustrades are manufactured of steel.

All doors to balconies are aluminum / metal doors, insulated, which are manufactured by Pella Doors (or equal) with integral weather stripping.

All balconies and terraces will be provided with exterior wall mounted incandescent lighting wall sconces lighting fixtures.

All exterior materials including fasteners shall be of corrosion resistant material.

The soffit areas of cantilevered balconies shall be finished with stucco

There will be a roof terrace above 3rd floor. The roof terrace shall be in compliance with the N.Y.C. Building Code.

Roof shall be protected with metal stud wall along the perimeter and shall be capped with aluminum copings.

All the exterior metals including fasteners shall be corrosion resistant material.

All balconies and terraces will be provided with exterior wall mounted incandescent lighting wall sconces lighting fixtures.

The soffits are constructed of black aluminum bent over the parapet to protect from leakage.

The Sponsor reserves the right to provide Doors to roof terraces by different manufacturers which are equal to or better than noted above.

Parapet walls at terraces shall be capped with rubber and aluminum coping which shall be anchored to the walls with non-corrosive steel dowels.

The flat roof area is finished with rubberoid membrane and cellulosic glass reinforced facer, as manufactured by Firestone.

The roof limited common area, maintained by the Unit 2, is finished with porcelain pavers tiles by MS International (MSI) - Vulkan Grey 24 x 24, over S1-7X Octagon 5/8 thick Pedestals to withstand daily foot traffic.

The Maximum Number of Occupant is 64 occupants.

Bond or guarantee:

The roof has 10-year guarantee for the labor and Firestone is providing a 10 year warranty on the installation of the installed Firestone APP 160 modified bitumen membrane for a period of 10 years beginning on March 3rd, 2020.

Warranty is 10 yr. for labor from the Installer, 10 years on Material from Firestone. Installation of roof deck does not void warranty as installed

Flashing materials including counter flashing:

All roof penetrations (eg: vent stacks, vents and fans) will be flashed and waterproofed and will include aluminum cap or base flashing where necessary.

Drains:

All roof areas will be internally or externally drained to the NYC existing sewer system. Drain materials are 4" Cast Iron Roof Drains.
Gutters and leaders. K-style 30degree black aluminum gutters and 2x3 black aluminum leaders.

Door to balconies:

The doors to the balcony and terrace areas shall be sliding glass doors as manufactured by Pella.

The doors shall be equipped with insulated double paned glass, set in wood framing which shall be finished with a rigid, aluminum cladding.

Balcony and terrace doors shall be equipped with entry type locksets.

Balcony doors shall be of glass set in wood frames (nonmetallic), with a rigid, vinyl exterior cladding, therefore, inherently constructed with a nonconductive, thermal break, material.

Door to rooftop is a fireproof, self-closing, hollow core, steel doors, with a minimum rating of one- and one-half hours. All doors shall be mounted on steel frames. Doors are manufactured by Exclusive Doors.

There is no leak management system. Unit 2 is responsible for leak damage to the residential unit below.

Unit 2 shall be responsible for maintaining the drains.

9. Exterior Entrance:

i. Exterior doors and frames:

All exterior entrances to the building shall be free of tripping hazards and ponding. All the building entrances shall comply with the N.Y. C. Building Code.

All the exterior drainage system will consist of cast iron area drains which will be connected to the building storm drainage system. The drainage system will be adequate and shall comply with the N.T.C. Building Code and N.Y.C. Department of Environment Protection.

There will be a common steel exterior steps leading to a common exterior entrance stoop located in the front of the building.

There will be two exterior entrance doors. One will be the access entrance to the unit number one.

The other one is leading to the 2nd & 3rd floor through a wood stair, providing access to the unit number two.

There will be steel steps and railings, service entrance from the rear yard to the 1st floor, providing accesses to the unit one.

All the railing and fasteners, if any, at exterior entrances shall be of corrosion resisted materials.

There on the front yard open area will be also two concrete independent surface areas 10.0' x 18.0' & 7.5' x 10.0'.

Paved service entrance from the front yard in front of the exterior wall which will be providing access to the utility gas and electric meters and the storage space located on the crawl space level and the common utility spaces and accessory spaces in conjunction with the units on the 1st Floor.

There on the rear yard open area will be also a concrete independent surface area of 25.0' x 8.0'. Paved service entrance from the rear of the exterior rear wall which will be providing access to the crawl space area and is in conjunction with the units on the 1st Floor.

All the main entrance doors shall be single-hinged, self-closing, double paned glass doors set in extruded aluminum framing.

Exterior glass doors shall be equipped with an entry type lockset.

All the railing and fasteners, if any, at exterior entrances shall be of corrosion resisted materials.

Front door shall have 1 wall mount exterior wall sconce with a 60-watt equivalent LED bulb next to each front door. In addition, each front door shall have an exterior recessed light set into the cantilevered area directly over each front door.

Rear door shall have 1 wall mount exterior wall sconce with a 60-watt equivalent LED bulb next to the door.

Doors to Crawl space shall be custom welded iron door painted in rust resistant paint, with side hinges and latches. Opening shall be approximately 6" W X 2" H in the rear of the building. Openings shall be approximately 2.5" W X 2" H in the front of the building.

ii. Vestibule/Lobby doors and frames:

Vestibule: N.A.

iii. Exterior Stairs:

All the exterior drainage system will consist of cast iron area drains which will be connected to the building storm drainage system. The drainage system will be adequate and shall comply with the N.T.C. Building Code and N.Y.C. Department of Environment Protection.

There will be a common steel exterior steps leading to a common exterior entrance stoop located in the front of the building.

There will be two exterior entrance doors. One will be the access entrance to the unit number one.

The other one is leading to the 2nd floor through a wood stair, providing access to the unit number two.

There will be steel steps and railings, service entrance from the rear yard to the 1st floor, providing accesses to the unit one.

All the railing and fasteners, if any, at exterior entrances shall be of corrosion resisted materials.

iv. **Mailboxes:**

Mailboxes shall be individual residential wall mounted, units by Salisbury Industries, black mat painted (or equal).

v. **Intercom made by:**

Each front door shall be equipped with a Ring Video Doorbell Pro. The Ring Video Doorbell Pro comes with a 1-year warrantee from purchase.

vi. **Railing:**

The sides of the exterior steps at the rear, shall be protected with wrought iron guardrails, with a minimum height of 3'-6" high child proof wrought iron railings.

The maximum spacing between the vertical mullions of the railings shall be approximately four inches (4") as required by the N.Y. C. Building Code.

vii. **Service entrances:**

N.A.

viii. **Lighting:**

There shall be wall mounted, exterior incandescent outdoor lighting fixtures provided to the main entrance at 1st Floor level and rear entrance.

The lighting fixtures shall be capable of providing an aggregate illumination of at least one hundred and fifty watts incandescent illumination, or equivalent as each entrance.

Lighting requirements shall comply with the N/Y/C/ Housing Maintenance Code

All lighting fixtures shall be installed by a N.Y. State licensed electrician.

Lighting fixtures shall comply with the New York City Electrical Code.

Gates: There will be no service entrance gate.

10. Roof and Roof Structures

Type of Roofing:

There shall be a flat roof area located above the 3rd floor level and partially sloped roof in the front.

Material: The building's roof shall be constructed of rubberoid roofing finish, as manufactured by Firestone (or equal quality), on rigid insulation supported by metal joist beams. The roof composition shall comply with New York City Energy Conservation Construction Code.

The roof limited common area, maintained by the Unit 2, is finished with porcelain pavers tiles by MS International (MSI) - Vulkan Grey 24 x 24, over S1-7X Octagon 5/8 thick Pedestals to withstand daily foot traffic.

The Maximum Number of Occupant is 64 occupants.

Insulation: As per the approved drawings the spaces between the C-Joists supporting the plywood shall be fitted with fiberglass, batt insulation with a minimum R value of 38.

Surface finish: The flat roof areas shall be finished with ply rubberoid membrane as manufactured by Firestone (or equal quality).

Bond or guarantee: The roof has 10-year guarantee for the labor and Firestone is providing a 10 year warranty on the installation of the installed Firestone APP 160 modified bitumen membrane for a period of 10 years beginning on March 3rd, 2020.

Warranty is 10 yr. for labor from the Installer, 10 years on Material from Firestone. Installation of roof deck does not void warranty as installed

Flashing materials including counter flashing: The perimeter of the roofed areas at parapet walls shall be fitted with copper fabric flashing and counter flashing. Penetration of ducts, pipes vent stacks and fans, shall be properly flashed and waterproofed with galvanized steel or stainless-steel base and cap flashing.

Drains: Flat roof areas shall be pitched at approximately 1/8" per foot and will have two roof drains installed.

Vertical roof drains, leaders, gutters shall be of cast iron and shall be connected to the building drainage system.

There is no leak management system. Unit 2 is responsible for leak damage to the residential unit below.

There is no secondary roof drainage (emergency overflow) type provided.

Skylights: Skylights are located on the 3rd floor, above unit 2, at the front of the building on the pitched roof. The non-operable skylights are manufactured by Sunglass, Inc and are constructed of a black aluminum frame and double paned argon gas filled low-E3 glass with 99.9% UV protection, laminated glass, engineered flashing system designed to ensure safe rainwater drainage. Skylights have a 3 year warranty, initiated on March 15, 2021.

Bulkheads: There shall be a bulkhead above 3rd Floor roof level. The Bulkhead is for the interior common staircase, there shall be installed a window 2'-0" x 3'-6" with a louver.

The exterior walls of the stair bulkhead shall be wall shall be a 10"th. exterior wall with aluminum facing with R 7.5ci insulation, 2 layer of 5/8"th. exterior sheathing. type applied to exterior side of 6S205X138 metal stud at 16"o.c.; with R-13insulation to interior side of metal studs. interior side with two layers of 5/8"th. type x gyp. bd.

The roof areas shall be finished with a rubberoid roofing finish supported on dragon board over the metal "c" joists.

The spaces between the "c" joists shall be fitted with R-38 fiberglass batt insulation and the interior surfaces shall be painted.

Metal Work at Roof Level: Metal work at the roof level consists of vents. All metal work shall be weather protected and flashed at each roof penetration.

Vertical Ladders. NA.

Private Roof Terrace:

The entire roof terrace (limited common area) above 3rd floor, including the bulkhead structure, the sloped roof area in the front w/ skylights, are owned, maintained and will be responsibility of the Unit No.: 2.

Insulation: Under roofing the insulation shall be with a minimum "R" value of 38 & U-factor: 0.035. Roof warranty is 10 years. All exterior materials including fasteners shall be of corrosion resistant material.

There is no presence of any rooftop antenna, cell phone tower, satellite dishes or lightening protection equipment proposed or installed on the roof.

Rooftop access is designed I compliance with 2014 NYC Fire code, Section, FC 504.4 (Rooftop Access).

10. Yards and Courts.

There will be two-yard areas, one to the front and one to the rear of the building.

- i. **Front Yard:** In the front of the building facing King Street, will be approximately 18.0 feet by 25.0 feet space, measured perpendicular to the front façade of the building, at the 1st Floor level from the front property line.
- ii. **Side Yard:** There is no side yard on the property.

- iii. **The rear yard:** There will be approximately 25 feet by 30 feet deep in-depth rear yard space covered partially with gravel, measured perpendicularly from the rear property line to the rear wall.
The condenser mounted structure platform shall be installed at the elevation of 13.0 feet, one foot above the flood elevation to protect the equipment from possible flooding.
The rear yard drainage storm system of the rear yard will consist of area drain and will be adequate and shall comply with the N.Y.C. Building Code.
There shall be a wall mounted exterior lighting fixture in the front and rear of the building.
The lighting fixtures shall be capable of providing an aggregate illumination of at least one hundred and fifty watts incandescent illumination, or equivalent as each entrance.
The building plans were examined and approved by the N.Y.C. Department of Buildings including compliance with yard requirements.
- iv. **Railings:** Railings of the exterior stairs will be 3'- 6" high child proof wrought iron railings.
- v. **Fences:** There will be 4 feet height fences along the rear and side property lines of the building.
- vi. **Courts:** N/A.
- vii. **Paving:**
The front yard areas will be partially paved with concrete, reinforced with welded steel, wire fabric, at the access ramp and walkway. The other areas of the front yard will be planted with grass.
- viii. The access to the rear yard is through the 1st floor unit apartment.

10. Interior Stairs

- i. There will be one public interior wood pine stairs from first, second, third floors and bulkhead. The stair will be enclosed with 2-hour rated partition walls and shall be painted.
- ii. **Handrails:** The handrails will be 3'± high child proof wood railings with steel posts and balusters.
- iii. **Stringers:** The stringers shall be constructed of wood channels.
- iv. **Treads:** The treads shall be constructed of wood.
- v. **Risers:** The risers shall be constructed of wood.
- vi. **Balustrade:** The balustrades are manufactured of wood.

11. Interior Doors and Frames

Unit Entrances: Exterior glass doors shall be equipped with an entry type lockset. The entrance glass door shall be 1 ½ hour rated, fireproof, self-closing, single-hinged, double glazed glass door set in extruded aluminum framing and mounted on steel frame.

Exterior doors shall be metal type with integral weather stripping. Doors to be fitted with key lock set and to comply with New York State Energy Code.

All metal fasteners, railings if any at exterior entrances shall be of corrosion resistant metals.

All doors to terraces shall be metal and aluminum sliding doors, insulated double glass, which are manufactured by Pella Windows & Doors with integral weather stripping or similar. The sliding door at the private terrace shall be equipped with double glass panels, set in wood framing which shall be finished with a rigid, vinyl cladding, and shall be equipped with entry type locksets.

The apartment entrances will have fire rated self-closing hollow metal doors with hollow metal frames. Each door to have a mortise lockset by Kwikset (or similar).

12. Interior Doors

All bathroom and bedroom doors shall be approximately 1 3/8" hollow wood flush doors with wood frames. All closet doors will be approximately 1 3/8" hollow wood flush doors on pivot hinges. Bathrooms will have privacy lockset Kwikset (or similar). All interior doors will be painted. Mechanical Rooms will have fire rated self-closing hollow metal doors with hollow metal frames.

13. Fire Escapes: None

14. Elevators: None.

15. Lighting:

Lighting fixtures shall be provided in public stairways and hallways on all floors.

Fixtures shall be capable of providing illumination of at least ten (10) watts per twenty-five (25) square feet of floor area. Each lighting fixture shall be provided with one or more lights of a total of not less than sixty (60) watts.

Lighting fixture provided is Hampton Bay 2-Light Flush-Mount Ceiling Classic Bronze Oval Fluorescent Light, Model # HBF1204P-263(or similar).

In addition, lighting fixtures shall be provided at the entrance way providing an aggregate illumination of one hundred and fifty (150) watts incandescent illumination or its equivalent and shall be operated by a light sensor device or timer.

Lighting fixture provided for outside & yard lighting is Westinghouse 67539 - 1 (or similar). Light Textured Black Wall Lantern Light Fixture, Manufacturer Code: 67539(or similar).

Stair halls and the boiler room will be illuminated with ceiling mounted incandescent fixtures.

Lighting fixture provided is Hampton Bay 2-Light Flush-Mount Ceiling Classic Bronze Oval Fluorescent Light, Model # HBF1204P-263 (or similar).

J. Garages and Parking Areas

1. **Parking:** There will be an enclosed parking garage located inside the yard.
The enclosed parking garage will be assigned to Units #1 as Limited Common Element.
The floor-ceiling height of his parking garage will be 13'-0".
2. **Garages:** There will be an enclosed parking garage inside the building 20'-0"x 9'-6".
Metal frame with stucco finish on the exterior and on the interior metal frame walls 2hr fire rates and roll down metal entrance door.

Parking spaces may only be used for the parking of currently registered passenger automobiles, all of which must be validly registered with the Department of Motor Vehicles of any State of the United States of America.

The garage/parking surface shall be porcelain tile, with a 3" pitch out towards the front yard.

No drainage within the parking area is proposed.
Parking does not have ventilation.

The house trap is located in the back-left corner of the garage as indicated on the architectural foundation plan and will have access for maintenance from the garage door. Although the House Trap is General Common Element, the access is obtained through an easement.

The Condominium will have an easement of access through the garage door of the Unit 1 to the House Trap and the Sprinkler Room in order to repair and maintain the House Trap and sprinklers.

Garage parking space surface is porcelain tile, with a 2" slope from the rear of the garage towards the front.

There is no proposed drainage in within the parking area.

As is required by the Table 4033 (for one enclosed car garage) of NYC Mechanical Code, a mechanical ventilation exhaust of 100 cfm. is provided in the enclosed garage.

Combination smoke and carbon monoxide detectors, hard-wired with battery back-up, by Fire X or equal will be provided on each level of each unit, and installed as per Local Law 62/82, R.S. 17 and Section 28-02 of the New York City Building Code.

K. Unit Information

1. Finish Schedule for the apartments :(for abbreviation see item 5)

<u>Space/Rooms</u>	<u>Floor</u>	<u>Wall</u>	<u>Base</u>	<u>Ceiling</u>
Living Room	WD	GWB/P	WD/P	GWB/P
Bedrooms	WD	GWB/P	WD/P	GWB/P
Kitchens	WD	GWB/P	WD/P	GWB/P
Bathrooms	CT	GWB/P	CT	GWB/P
Closets	WD	GWB/P	WD/P	GWB/P

2. Bathroom Fixtures

<u>DESCRIPTION</u>	<u>MANUFACTURER</u>	<u>MODEL #</u>
Toilet	KINGSMAN	MJ80 (or similar)
Lavatory	Resin Basin	(or similar)
Tub	DURAVIT	(or similar)
Cabinets	Custom made By Darius designs	(or similar)
Countertops	Quartz Stone in white color	(or similar)
Faucet & Shower	BRIZO	(or similar)

3. Kitchen Appliance

<u>DESCRIPTION</u>	<u>MANUFACTURER</u>	<u>MODEL #</u>
Refrigerator	LIBHER	CS1640B (or similar)
Microwave / Hood	BOSH	AMV5053U (or similar)
Range/Cooktop	BOSH	HE18056U (or similar)
Sink	Gerber 25" (or equal)	
Cabinets	Shaker style	(or similar)
Countertops	Quartz Stone	(or similar)
Oven	BOCH	AEI8056U (or similar)
Dishwasher	BOCH	SHV863W03N (or similar)

4 Finish Schedule of Other Spaces

Space	Floor	Wall	Base	Ceiling
Stairs	WD	GWB/P	WD	GWB/P

Abbreviations for finishes

CT	Ceramic Tile
CONC	Concrete
GWB	Gypsum Wallboard (Water resistant in all bathroom walls)
P	Paint
V	Vinyl
WD	Wood

The wood flooring shall be grade 1 oak or similar. The paint for the walls and ceiling of the units shall be Benjamin Moore or similar.

L. Auxiliary Facilities

1. **Laundry room:** Each apartment will be provided with hookups and outlets for stackable washer/dryer. Vented by a 6" aluminum vent to the exterior of the building. Each unit owner will be responsible for maintaining each machine.
There shall be a electric clothes washer provided by the Sponsor made by Electrolux (or similar).
There shall be a gas dryer provided by the Sponsor made by Electrolux (or similar).
2. **Refuse Disposal:** Refuse Disposal: Location of refuse shall be designated by the New York City Department of Sanitation. Pick-up schedule, and whether public or private provider: Refuse shall be removed by the New York City Department of Sanitation. Refuse shall be collected as per Department of sanitation requirements as per their schedule. Owners of the apartments will bring them to the curb side
3. **Swimming Pools:** None.
4. **Tennis Courts:** None.
5. **Package rooms, storage rooms, bicycle rooms:** N. A

M. Plumbing & Drainage

1. Water Supply

- i. Water will be supplied to the units through connections to the building from the New York Water Distribution System located in the street in front of the property. Water distribution will be supplied via the crawl space to the 1st floor distribution main extended to 3" copper water main conveying the water to the water meter located on 1st floor.
- ii. Each residential unit will be supplied with cold water from a minimum 1/2" copper piping.
- iii. Each residential unit will have its own hot water heater.
For the Unit #1 the hot water heater shall be located on the mechanical room located in the Mechanical Room, and for the Unit #2 shall be located on the closet at the 3rd floor.
- iv. The hot and cold-water piping throughout the building will be protected with a minimum 1/2" thick polyethylene, thermal insulation with a minimum R value of 2 as is required by the N.Y.S. Energy Conservation Construction Code.
- v. The building will rely on normal N.Y.C. water pressure for raising the water to the Roof level.
- vi. The main shutoff valve and the backflow preventer shall be located at the sprinkler room, at the cellar floor level, toward the front service entrance of the building.
- vii. All the sinks in the building shall be new and fitted with new attachments. When the installation have been completed; the underside of the sinks shall be checked for leaks.

2. Water storage tanks and enclosures: N.A.

3. Water Pressure:

- i. The building will rely on normal N.Y.C. water pressure to raise the water.

4. Sanitary Sewage System:

- i. Sanitary sewage piping shall be PVC and will be connected to the NYC sewer system. No pumps used.

5. Sewage System: N.A

6. Sewage Disposal:

- i. The sanitary waste will be conveyed to the N.Y.C. sewer system via new, extra heavy cast iron, located towards the front of the building at the cellar floor level. Beyond the house traps, there will be a new 6" extra heavy cast iron, sanitary drainpipe which will be connected to the existing 12" combined sewer located in the roadway beneath King Street.

7. Storm Drainage System:

- i. The onsite storm drainage system will consist of, aluminum roof scuppers and vertical exterior aluminum leaders, cast iron yard and area drains and below the grade horizontal cast iron drains and concrete drywells.

The storm drainage system shall be approved by the N.Y.C. Department of Environmental Protection.

8. Permit Required:

- i. A permit for the installation of plumbing fixtures shall be obtain form the Department of Buildings prior to the installation of all plumbing work within the building and on the site.
- ii. A site connection form and Hydraulic calculation application shall be filed, approved and permitted by the Department of Environmental Protection and the permit shall be obtained to connect to the existing N.Y. City sewer system.
- iii. All the plumbing work shall be done by a N.Y. State licensed Plumber.

9. Catch Basins:

- i. Catch basins are located at the public roadway along King Street.

10. Yard and Roof drains:

- i. On the roof shall be installed two roof drains. There are aluminum leaders and gutters, located at the bulkhead & mechanical room roofs, discharging the storm water from the roof areas.
- ii. Cast iron area drains shall be located at the front and rear yard areas of the building.

11. **Piping:** Interior, vertical, storm and waste pipes shall be PVC.

12. **Ejector Sump pumps:** N.A.

N. Fire Protection System

1. Fire Protection System:

- i. There will be a wet pipe, sprinkler and fire alarm system installed throughout the building.
A separate sprinkler Application Number B00442378 was filed with N.Y.C. Department of Buildings, and all the required permits shall be obtained prior to the installation of the sprinkler system.
- ii. Sprinkler heads shall be concealed, pendant type sprinkler heads which will be located throughout the entire building. Sprinkler heads will be omitted in bathrooms and closets less then 75 square feet in area.

- iii. Although the sprinkler room is General Common Elements, the access is obtained through an easement. The Condominium will have an easement of access through the garage and Unit 1 to the House Trap and the Sprinkler Room in order to repair and maintain the House Trap and sprinklers.
- 2. **Standpipes:** N.A.
- 3. **Hose racks, hoses and nozzle:** N.A.
- 4. **Siamese Connection:**
 - i. There will be a 4"x3"x3" flush mounted Siamese connection located adjacent to the entrance of the building at the 1st Floor level at least 18" above grade.
- 5. Combination smoke and carbon monoxide detectors, hard-wired with battery back-up, by Fire X or equal will be provided on each level of each unit, and installed as per Local Law 62/82, R.S. 17 and Section 28-02 of the New York City Building Code.
A separate sprinkler Application Number: 340665621 was filed TO the Brooklyn Office of the N.Y.C. Department of Buildings, by a N.Y.S. Licensed Mechanical Engineer and all the required permits shall be obtained prior to the installation of the sprinkler system. The smoke and carbon monoxide detector's manufacturer is "BRK" and model number will be 9120B (all rooms), Living rooms shall be "BRK" or similar) combo and model number is SC9120B.

Since the proposed and approved by NYC DOB building is a residential 2 family residential, no Fire Alarm is required, and no Fire Alarm is installed.

O. Heating / Air Conditioning:

Heating and cooling of each residential unit will be achieved by:

First Floor

Two (2) 4-ton Condenser by Fujitsu MODEL FO4813CSJNAA

One (1) 4-ton by Fujitsu Evaporator Coil MODEL FF115245PS92M 95% EFFICIENCY (gas)

The platform shall be constructed of elevated steel posts and a diamond plated platform. Platform strength shall be sufficient to hold the weight of Condensers.

Second Floor (Front)

One (1) 4-ton by Fujitsu Evaporator Coil MODEL FF115245PS92M 95% EFFICIENCY (gas)

Second Floor (Rear)

One (1) 2400BTU by Fujitsu MODEL FO4813CSJNNA (electric).

Third Floor

One (1) 5-ton by Fujitsu Evaporator Coil MODEL FF115245PS92M 95% EFFICIENCY (gas)

Roof

One (1) by Fujitsu Condenser 2400 BTU MODEL FO4813CSJNAA

One (1) 5-ton Condenser by Fujitsu Condenser MODEL FOR013CSJNAA

All the inside evaporators shall be equipped with individual thermostats.

1. Heating system will be adequate to maintain indoor minimum temperature of 72 deg. F. when the outside temperature is 15 deg. F.
2. Domestic hot water shall be provided for each residential unit by electric hot water heaters which will be located within the mechanical room in the 1st and on 3rd floor level.
3. There will be no instant hot water devices installed throughout the units.
4. The hot water heating system shall be designed to be capable of providing peak required services to each residential unit.

13. Piping Materials and insulation:

- i. Refrigerant lines shall be ACR tube per ASTM B280.
- ii. Refrigerant piping insulation: 1.5" thick preformed polyisocyanurate closed cell insulation with a k-factor of 0.27 at 75⁰F mean temperature and factory applied Polyvinylidene Chloride (PVDC) vapor retarder film. For outdoor pipe insulations, the jackets shall be made of 0.016" aluminum or stainless steel held with a friction type, Z-lock.

14. Type of Controls:

- i. Each hot water heater shall be equipped with thermostats.
- ii. 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 ASHRAE, 2001 Fundamentals Handbook, Climatic Design Information, Table 1 B, for New York City, JFK Airport). Indoor design temperatures will be in accordance with the New York State Energy Conservation Construction Code.

P. Ventilation

1. All bathrooms and kitchenettes will be provided with ducted systems connected to mechanical exhaust fans. Adjustable registers with fire dampers will be provided. The ventilation will be 50 CFM minimum exhaust from each bathroom and 100 CFM minimum exhaust from each kitchenette. The manufacturer of fans will be Broan (or equal) and model no. will be BR-688 series (or equal).
2. The spaces that require mechanical ventilation within the units are the interior bathrooms and toilet rooms and kitchen areas.
These spaces within the units shall be equipped with vertical ducts with a fan, which terminates to the outside air at the roof above the eighth floor. The minimum rate of exhaust ventilation shall be 50 cfm; for bathroom areas and approximately 3cfm per

square foot of floor area or a minimum of 150 cfm, for kitchen areas as required by the New York City Building Code. The mechanical/laundry closets within the residential units, shall be provided with exhaust ventilation ducts for furnaces, hot water heaters and dryers and fresh air intake ducts and registers for ventilation of the space.

The common utility area at the cellar level shall also be equipped with an exhaust mechanical ventilation fan of approximately 1,500 cfm.

The STC rating for air borne noise of the mechanical ventilation system, throughout the residential units, shall be not less than 50 as per Sect. 1207.2 of the N.Y. City Building Code.

3. All exhaust equipment shall be New York City M.E.A. or B.S.A. approved (or equal).

Q. Gas Supply

Gas: is supplied by National Grid or other utility company and utilized for cooking and heating.

Type: Natural gas

Meters: Each apartment will have its own individual gas meter located in front yard monitoring gas consumption for heating domestic hot water and cooking.

Piping: Black steel.

R. Electrical System

1. Electrical service will be provided by Con Edison Co. at 120/208V, 2-phase, 3-wire to building's electric service switchboard and distribution panels throughout. The service for each building will be as follows:
 - i. 200 amps for all units' electrical requirements.
 - ii. Typical apartment breaker unit: 15 circuits per unit
 - iii. 100 amps/208 volt/24 circuit panel per apartment.
 - iv. The electrical system for the building is adequate for modern usage.
2. Residential Units
 - i. The service to each residential unit will be single phase, 3 wire, 60 Hz, 120/208V AC. Electric service will be supplied to each residential unit via tenant's meter bank.
 - ii. The main service equipment shall be circuit breakers as required by code. The size of fuses shall be to suit the loads served.
 - iii. All residential units are designed with the proper number of wall receptacles, switches, appliance receptacles, etc. as required by the NYC Electrical Code.
 - iv. Switches lighting fixtures are provided in bathrooms, walk-in closets, foyers and kitchens. Switched receptacles are provided in bedrooms. Fixtures are incandescent type in foyers, dining areas, and walk-in closets, apartment, corridor lights and kitchen lighting are LED.
 - v. 20 amps, 120V circuits have been provided to handle lighting and general-purpose receptacles.

- vi. 20 amps, 120V circuits have been provided in the kitchen area for 120V kitchen appliances. Each appliance outlet is on separate circuits.
- vii. 20 amps, 208V single phase circuit for thru-the-wall HVAC units shall be provided.
- viii. Receptacles are provided in all rooms (average five (5) per room). Ground fault circuits are provided in bathrooms, kitchens and other wet locations as required by the National Electrical Code and the National Fire Protection Association.

Each unit have separate fixtures and convenience outlets installed in accordance with NYC Electrical Codes including separate outlets for air conditioning equipment.

Adequacy:

Service: Each unit has 30 circuits. The electrical system is adequate to handle all modern appliances and air conditioners.

Each unit has at least one hard wired/battery backup operated combine smoke/carbon monoxide detector at the hall to the bedroom area.

Lighting Schedule:

Item	Location	Description	Lamps/Power	Maker
1	Apartment Rooms	4" Recessed Daylight	18-watt E 120V	Atlantic Lighting (or similar)
2	Bathroom/Powder Rm	4" Recessed Daylight	26watt E 120V	Atlantic Lighting (or similar)
3	Bathroom/Vanity	Wall Mounted 3 light LED	36watt E 120V	Hampton Bay (or similar)
4	Kitchen Cabinets	None		
5.	Kitchen Lights	Ceiling Fixtures	Y Lighting	Hampton Bay (or similar)
5	Exterior Facade	Exterior Wall LED	32watt E 120V	Hinkley Lighting (or similar)
6	Utility Rooms/Storage	2x2 Fluorescent	17/32watt E 120V	HE Williams (or similar)

Electrical Safety

AFCI & GFCI shall be provided in areas as required.

Tamper-Resistant receptacles shall be installed in children play areas;

Water-Resistant receptacles shall be installed for exterior areas.

Three-way switches or occupancy sensors shall be provided in the cellar.

The building does not have a generator or other provisions to maintain power in the case of a power outage.

(ii) Lighting and Fixtures; There shall be at least one centrally located, overhead, incandescent, lighting fixture, provided in each bedroom, kitchen and bathroom within each residential unit, unless light is provided by 4" Recessed Daylight throw-out room. There shall also be an overhead fixture provided in hallways within the units. Each lighting fixture shall be capable of providing 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.

Audio Intercom and Buzzer Service: The buildings shall be equipped with an audio & video intercom manufactured by Aiphone GT- 1cC system. (or similar)

Intercom is located at the entrance Lobby. Aiphone warrants its products for a period of three years.

3. TV Reception Facilities and Telephone Services
 - i. The local cable television provider will provide cable TV service to the building.
Each unit owner will make separate applications for service and will be separately billed for the cost of cable TV service.
4. Combination smoke and carbon monoxide detectors, hard-wired with battery back-up, manufactured by "BRK" and will be provided on each level of each unit, and installed as per Local Law 62/82, R.S. 17 and Section 28-02 of the New York City Building Code.
5. Combination smoke and carbon monoxide detectors, hard-wired with battery back-up, by Fire X or equal will be provided on each level of each unit, and installed as per Local Law 62/82, R.S. 17 and Section 28-02 of the New York City Building Code.

S. Public Area Lightings

1. Lighting fixtures are provided in the entrance at the first-floor level.
Fixtures shall be capable of providing illumination of at least ten (10) watts per twenty-five (25) square feet of floor area. Each lighting fixture shall be provided with one or more lights of a total of not less than sixty (60) watts incandescent illumination.
Wall mounted; lighting fixtures shall be provided adjacent to the exterior entrances of the building; providing an aggregate illumination of one hundred and fifty (150) watts incandescent illumination, or its equivalent. All provided lights shall be LED.
There also shall be provided 7 exterior lighting fixtures, LED wall mounted at the front and rear yard area of the building, made by Mathis and Stanford (or equal).
The ceiling, lighting fixtures shall be flush mounted, manufactured by Nora Lighting.
The lighting fixtures at the exterior entrances shall be, wall sconces.

The public area lighting will be adequate and 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.

The public area lighting will be adequate and 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.

T. Permits and Certificates

1. Sponsor is responsible for approval only. Contractors to apply for and obtain requires work permits prior to starting work. All street improvements and obstruction (paving, curbs and sidewalks) must be approved by the NYC Department of Transportation.

2. The followings are the list of permits obtained for the project at Herkimer Street. by the Sponsor:

<u>PERMIT TYPE</u>	<u>AGENCY</u>
Fence	Department of Building
Sidewalk Shed	Department of Building
Foundation	Department of Building
General Construction	Department of Buildings
Plumbing	Department of Buildings
Sprinkler	Department of Buildings
Electrical	Department of Buildings
House Connection	Department of Environmental Protection
Builders Pavement (Construct new sidewalk)	Department of Buildings.

3. Signoffs from Department of Air Resources, Boiler/Burner, Fire Department and Building Department on installations are required prior to issuance of Temporary Certificate of Occupancy.

U. Violations

As the date of this report open ECB/DOB violation against this property are shown on the Property Profile Overview of DOB web site:

The sponsor will cure all the outstanding violations prior the first unit closing.

DOB Violation Number: VW 040590C06T04

DOB Violation Number: VW 102497C06HS02

OATH/ECB Violation Number: 34033250P

OATH/ECB Violation Number: 35490533P

ECB violations #: 39032725R Full Stop Work Order (SUMMONS NUMBER 039032841Y) was issued to comply with NYSECCC requirements for correct insulation installation.

The drawing was amended, and proposed changes are approved by NYC DOB energy plan examiner, that find them in compliance with NYSECCC requirements.

The Stop Work Order is lifted and is cured.

V. Inspections

1. Annual inspections: Inspection shall be submitted as required to the appropriate city agencies to the following systems annually.

Recurring Inspections performed after the building is in operation are as follows:

Sprinkler – yearly

Fire alarm – NA

Backflow preventer – yearly

2. Local Law 10/11 inspection not required.

W. Additional Information

1. ECCCCNYS Notes: As per the drawings approved by NYC DOB, these plans and specification are in compliance with the 2010 New York Energy Conservation Construction Code, using Table 2.
2. THE HOUSING MERCHANT IMPLIED WARRANTY: Effective March 1, 1989, a new law went into effect that grants to buyers of most of newly constructed units a Housing Merchant Implied Warranty. The following is a brief summary of that law.
 - i. Housing affected: Newly constructed single-family units and cooperative and condominium units in buildings of five stories or less.
 - ii. Coverage: For one year, the unit must be free from defects caused by workmanship or materials that do not meet the standards of the applicable Building code; for items not covered by code, the construction must be in accordance with locally accepted Building practices. For two years, the plumbing, electrical, heating, cooling and ventilation systems must be free from defects caused by unskillful installation. For six years, the unit must be free from physical defects in the structural elements (foundation, floors, walls, roof framing) that make it unsafe or unlivable.
 - iii. Not Covered: A defect not caused by defective workmanship, materials or design. A patent defect that was obvious or would have been obvious upon inspection. Defects in items sold with the unit, such as stoves, refrigerators, air conditioners, etc. There are implied warranties from the manufacturers of such goods that are described in other laws.
 - iv. Notice: Buyers must give notice of defects in their unit in writing no later than 30 days after the end of the warranty period.
 - v. For details of the Warranty and any limitations therein, see the offering plan.

3. We further certify that we are not owned or controlled by and have no beneficial interest in the Sponsor and that our compensation for preparing this Report is not contingent on the conversion of intended as a guarantee or warranty of property to a condominium or the profitability or price of the offering.
This statement is not intended as a guarantee or warranty of the physical condition of the property.
4. The separation element between the Unit 1 and Unit 2 crawl space is a nylon netting mesh to act as separating element.

Unit Information

1. The condominium will consist of 2 residential condominium units.
All required maintenance that may be needed for each unit shall be provided by that unit owner.
 - i. **Unit 1 will consist of:** Living & Dining area, Kitchen, three (3) bedrooms, two (2) Bathrooms and one (1) 2-piece bathroom, mechanical room, laundry closet, Mechanical closets, enclosed one parking garage and two outdoor storage spaces and rear yard.
 - ii. **Unit 2 will consist of:** Living & Dining area, Kitchen, three (3) bedrooms, three (3) Bathrooms, laundry closet, Mechanical closets, outdoor balcony, outdoor roof access

Unit Size

Unit 1 , Unit area at the 1 st floor, Living/Dining area, 1/2 -bathroom Unit:	945.08 sf.
Unit 1 , Unit area at the 2nd floor, 3-bedroom Unit/2 Bathroom Unit:	931.12 sf.
(LCE) Unit 1 , Front yard Space:	198.00 sf.
(LCE) Unit 1 , Rear yard Space:	750.00 sf.
(LCE) Unit 1 , Garage Space:	236.07 sf.
(LCE) Unit 1 , crawl space area in the rear of the building:	650.00 sf.
(LCE) Unit 2 vertical & horizontal circulation area at the 1 st floor	: 78.43 sf.
Unit 2 , Unit area at the 2nd floor, 1-bedroom /1 Bathroom Unit	: 443.88 sf.
Unit 2 , Unit area at the 3rd floor.	
Living/Dining area, 2-bedroom /2 Bathroom Unit	: 1,375.00 sf
(LCE) Unit 2 Balcony space	: 24.00 sf.
(LCE) Unit 2 Roof & bulkhead vertical & horizontal circulation area	: 1,450.85 sf.
(LCE) Unit 2 , crawl space area in the front of the building:	413.59 sf

The approximate square foot area of each residential unit is measured horizontally on each floor from the outer face of the exterior walls of the building to the center line of the wall separating the unit from corridors, stairs, mechanical spaces, vertically from the top of the floor slab below the unit to the underside of the floor slab above the unit.

No unit owner shall be deemed to own the structural walls, supporting columns, pipes, wires, conduits or other public lines running through the unit which are utilized for or serve more than one (1) unit. any area and/or installation which are designated on the floor plans as part of a unit shall be considered as part of said unit.

Ceilings have one coat of Fresh Start, high-hiding all-purpose interior grade primer by Benjamin Moore was applied throughout the building.

The paint for the walls and ceiling is Benjamin Moore interior grade paint.
The walls shall be eggshell finish. Ceilings shall be a flat finish.
All walls and ceilings are painted with 2 coats of paint.

The standing showers are built from, framing, concrete board, waterproofing and custom built with porcelain tile.

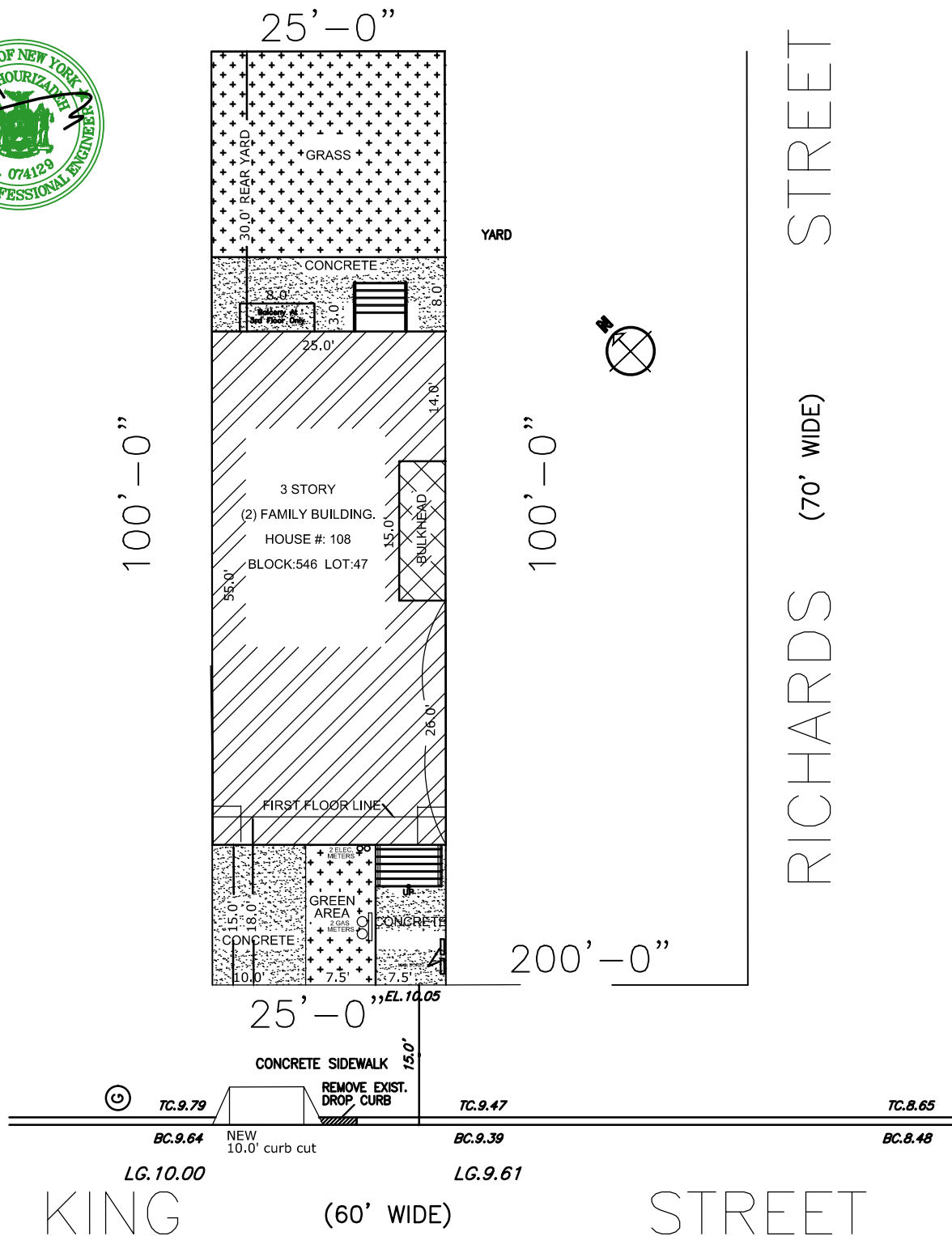
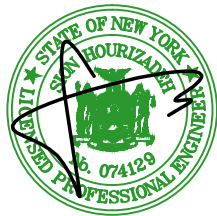
2. Floor plans for each unit are drawn to scale and showing room dimensions are herewith attached.
3. Plans attached
 - (1) Site plan attached shows landscape features, street, the outside dimensions of the building and designated common areas.
 - (2) Floor plan for each line or type of unit drawn to scale, indicating room dimensions and unit boundaries.
 - (3) Floor to ceiling heights of unit's area approximately 9'-0".
 - (4) Approximate total area of each unit is set forth on the unit layout.
 - (5) A master floor plan showing unit, boundaries, and the relationship of units to each other.
 - (6) The sponsor does not intend to add additional units to the building.
Floor plans for each unit are drawn in scale and showing room dimensions are Herewith attached.

To the best of my knowledge, belief and professional judgment, these plans and Specifications shall comply with the Energy Conservation Construction Code of New York State, using Chapter Five.

Sincerely Yours,



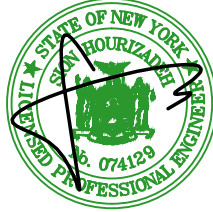
Sion Hourizadeh, PE



SITE PLAN

D-33

108 KING STREET, BROOKLYN , N.Y.



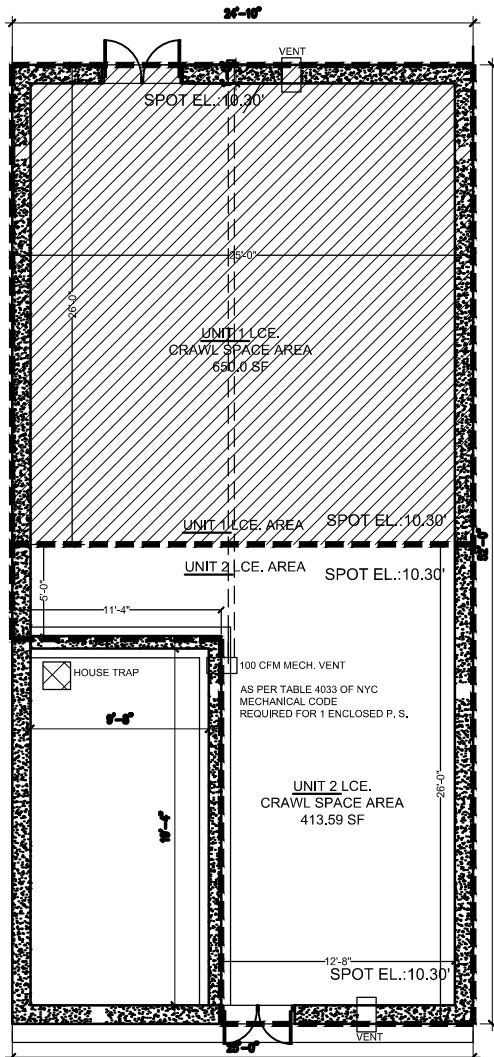
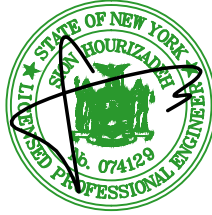
SOUTH ELEVATION

NORTH ELEVATION

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONDITION VARIANCES AND TOLERANCES.
THE COMPLETE TERMS ARE IN AN OFFERING PLAN AVAILABLE FROM THE SPONSOR.

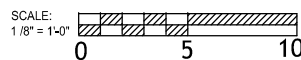
UNIT #1

Unit 1 - 1st Floor Unit area	- 945.08 sf.
Unit 1 - 2nd Floor Unit area	- 931.12 sf.
Front yard Space	- 198.00 sf.
Rear yard Space	- 750.00 sf.
Garage Space area	- 236.07 sf.
Rear Crawl Space area	- 650.00 sf.
Balcony Exterior Space	- 3.00 sf.



FOOTING & FOUNDATION PLAN

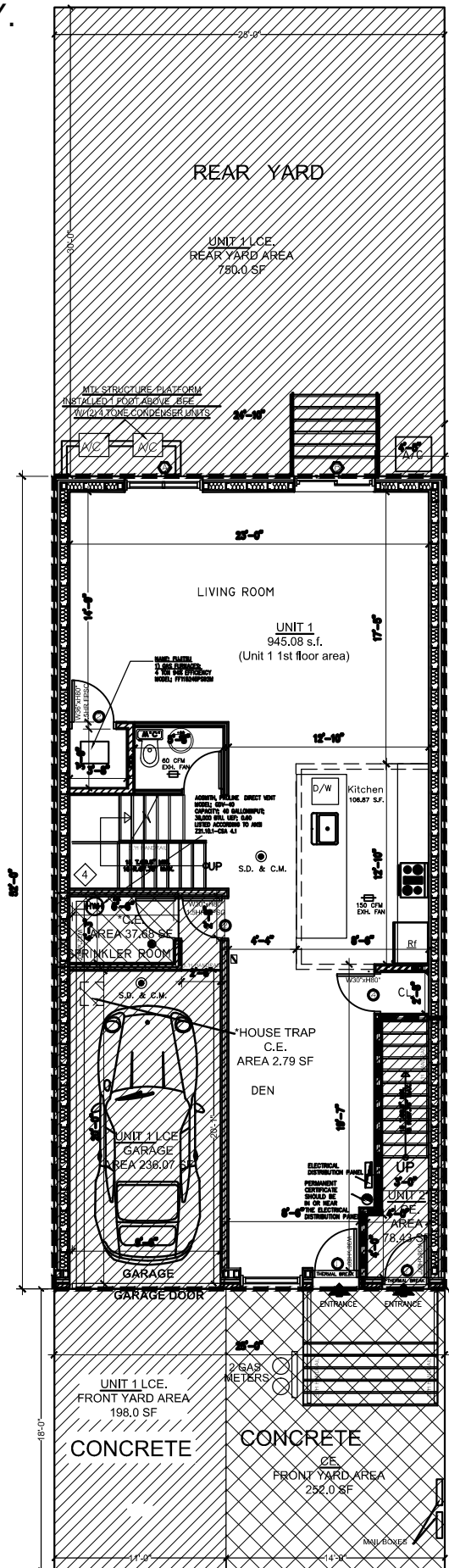
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONDITION VARIANCES AND TOLERANCES. THE COMPLETE TERMS ARE IN AN OFFERING PLAN AVAILABLE FROM THE SPONSOR.



LEGEND

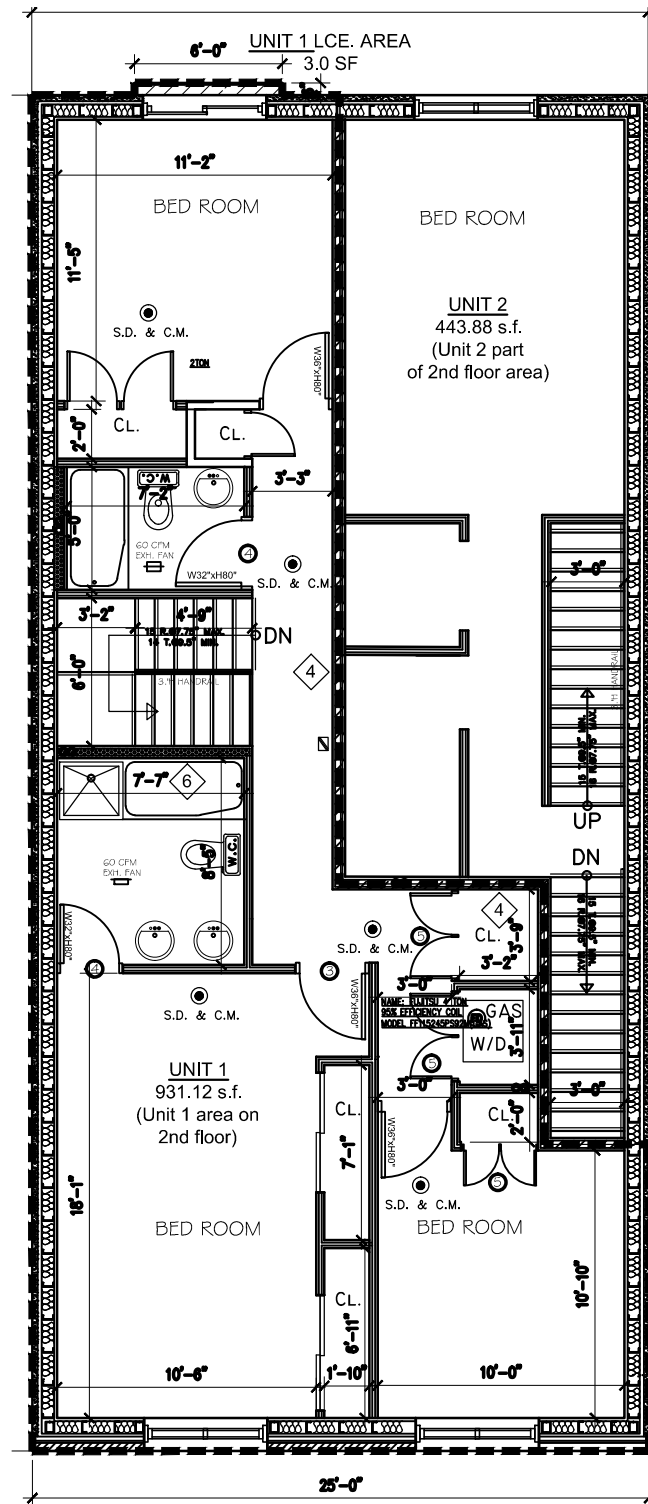
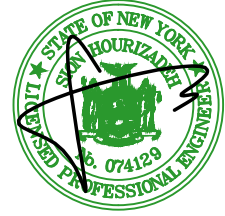
UNIT - SPACE	(U.S.)	
COMMON ELEMENTS	(C.E.)	
LIMITED COMMON ELEMENTS (L.C.E.)		

* Although the House Trap and the sprinkler room are General Common Elements, the access is obtained through an easement. The Condominium will have an easement of access through the garage and Unit 1 to the House Trap and the Sprinkler Room in order to repair and maintain the House Trap and sprinklers.

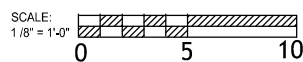


1ST FLOOR PLAN

108 KING STREET, BROOKLYN , N.Y.



2ND FLOOR PLAN



LEGEND

UNIT - SPACE

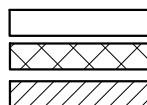
COMMON ELEMENTS

LIMITED COMMON ELEMENTS (L.C.E.)

(U.S.)

(C.E.)

(L.C.E.)

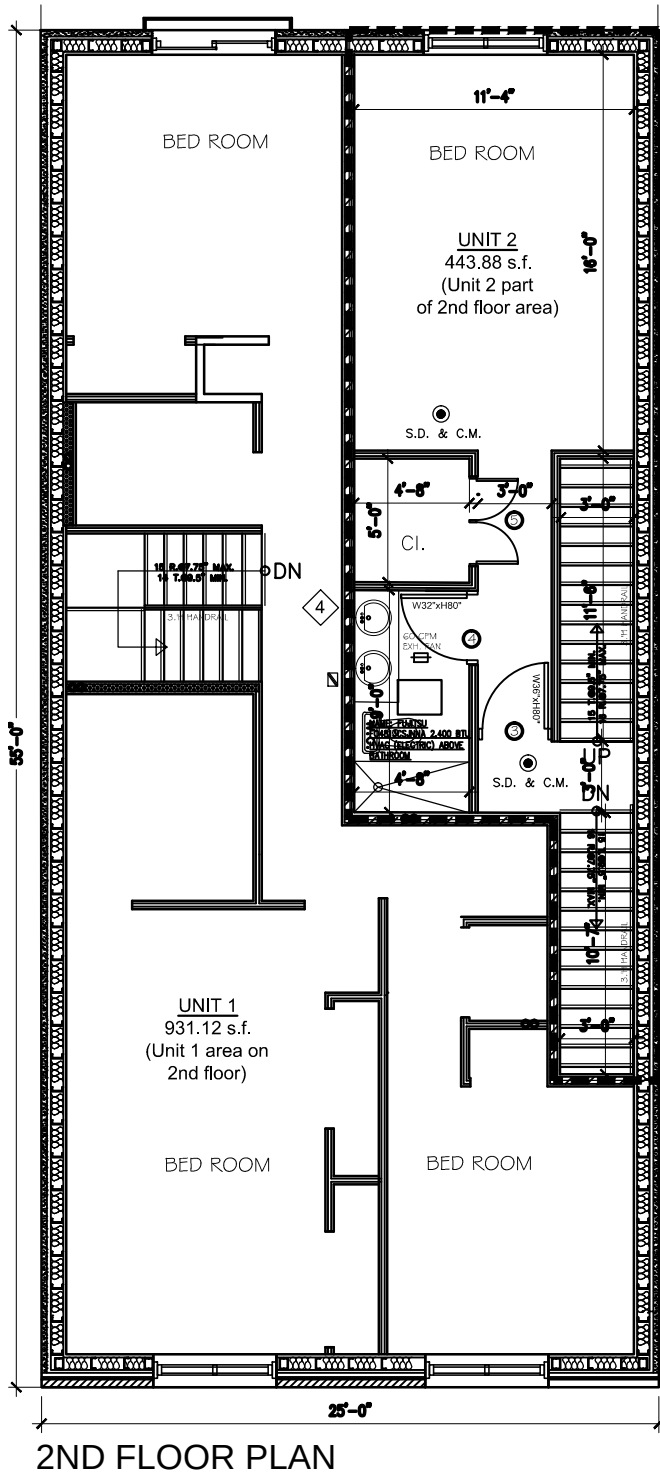


ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONDITION VARIANCES AND TOLERANCES. THE COMPLETE TERMS ARE IN AN OFFERING PLAN AVAILABLE FROM THE SPONSOR.

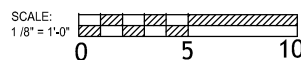


UNIT #2

Unit 2 - 1st Floor area	- 78.43 sf.
Unit 2 - 2nd Floor Unit area	- 443.88 sf.
Unit 2 - 3rd Floor Unit area	- 1,375.00 sf.
Balcony Exterior Space	- 24.00 sf.
Roof, Bulkhead	- 1,375.00 sf.
Bulkhead Roof area	- 75.85 sf.
Front Crawl Space area	- 413.59 sf.

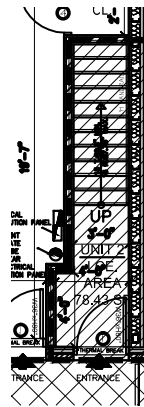


2ND FLOOR PLAN

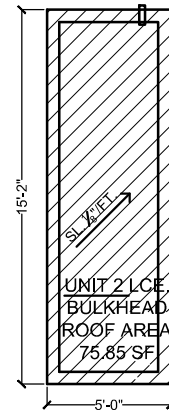


LEGEND

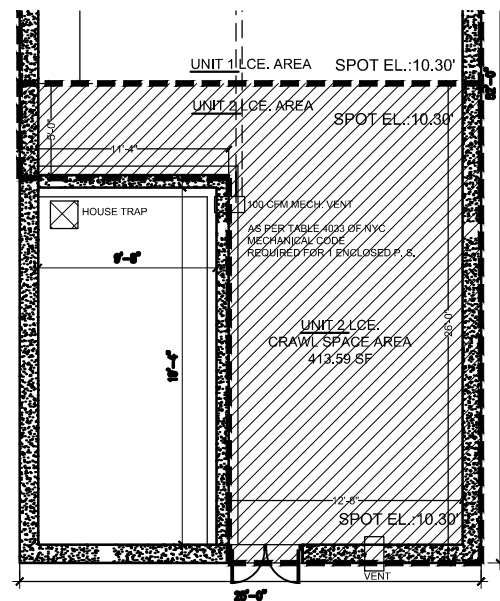
UNIT - SPACE	(U.S.)	
COMMON ELEMENTS	(C.E.)	
LIMITED COMMON ELEMENTS (L.C.E.)		



1ST FLOOR PLAN



BULKHEAD
ROOF PLAN



FOOTING & FOUNDATION PLAN

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONDITION VARIANCES AND TOLERANCES. THE COMPLETE TERMS ARE IN AN OFFERING PLAN AVAILABLE FROM THE SPONSOR.



DECLARATION OF CONDOMINIUM

108 KING STREET CONDOMINIUM

ESTABLISHING A PLAN OF CONDOMINIUM OWNERSHIP OF PREMISES LOCATED AT
108 KING STREET, BROOKLYN, NEW YORK
PURSUANT TO ARTICLE 9-B OF THE REAL PROPERTY LAW
OF THE STATE OF NEW YORK

DATE OF DECLARATION: _____

The land affected by the within instrument lies in Block _____
on the Tax Map of the Real Property Assessment Department of the City of New York,
Borough of Brooklyn, County of Kings and State of New York
in Lot: f/k/a Lot ____, n/k/a Lots 1101 and 1102

SPONSOR:

108 King Partners, LLC
18 Main Street
Roslyn, NY 11576

Record and Return to:

Kenneth R. Jacobs, Esq.
Smith, Buss & Jacobs, LLP
733 Yonkers Avenue, Suite 200
Yonkers, New York 10704

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DECLARATION OF 108 KING STREET CONDOMINIUM
PURSUANT TO ARTICLE 9-B OF THE REAL PROPERTY LAW OF
THE STATE OF NEW YORK

In the City of New York, County of Kings and State of New York as of this ____ day of _____, 20____, 108 King Partners, LLC, a limited liability company organized and existing under the laws of the State of New York, whose principal offices are situated at 18 Main Street, Roslyn, NY 11576, hereinafter referred to as the “Sponsor,” does hereby state:

FIRST
Submission of Property

By this Declaration the Sponsor submits the property described in this Declaration, including the land and the building and all other improvements erected and to be erected thereon, all easements, rights and appurtenances belonging thereto, and all other property, real, personal or mixed, intended for use in connection therewith, to the provisions of Article 9-B of the Real Property Law of the State of New York.

SECOND
Description of Property

The Sponsor owns all that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situated, lying and being in the City of New York, County of Kings, and State of New York, and more particularly described on Exhibit A annexed hereto (the “Property”).

THIRD
Certain Definitions

(a) A “Building” as hereinafter referred to shall be defined as a number of Units, all of which are constructed under a continuous roof. The Units are contained in a three-story building together with a crawl space having a street address of 108 King Street, Brooklyn, NY 11231.

(b) “Condominium” as hereinafter referred to shall mean 108 KING STREET CONDOMINIUM which is composed of the Unit Owners.

(c) “Repair” or “Repairs” means “repair, maintain or replace.”

(d) “Sponsor” as used herein refers to 108 King Partners, LLC, the Sponsor of an offering plan (the “Plan”) for the conversion of the Property to condominium ownership; (ii) any person deemed a Sponsor under the applicable definition under 13 NYCRR Part 20; or (iii) any person or entity designated by Sponsor to acquire title to a unit and which is specifically designated by Sponsor at the time of acquisition of such a unit to succeed to the rights and obligations of Sponsor in place of the former Sponsor under this Declaration with regard to any such unit, and any successor in interest to such a Sponsor-designee who is specifically designated by the then current Sponsor to succeed to the rights and obligations of Sponsor under this Declaration with respect to a unit. With regard to a unit owned by it, a Sponsor-designee shall have all rights and obligations as are set forth in this Declaration and the Plan for Sponsor.

(e) The Owner of each unit is hereinafter referred to as the "Unit Owner." Every Unit Owner shall be treated for all purposes as a single owner, irrespective of whether such ownership is joint, in common, or by the entirety. Where such ownership is joint, in common or by the entirety, the majority vote of such owners shall be necessary to cast the Unit Owner's vote referred to in Article Tenth of this Declaration. The term "Unit" and "Unit Owner" as used herein shall also be construed to mean Unit and Unit Owner as defined in Section 339-e of Article 9-B of the Real Property Law of the State of New York.

(f) (i) A "Unit," as hereinafter referred to, is defined as follows: The dimensions of Units are measured horizontally from the exterior face of exterior walls or windows to the midpoint of the demising partitions between Units or the unexposed face of the partition between a Unit and any Common Elements or the midpoint of any opposite interior wall between Units, and from the midpoint of demising walls between Units to the midpoint of the opposite wall, as applicable, and encompasses all columns and interior walls within the Unit. The Unit runs vertically from the top of the subfloor of the Unit to the unexposed face of the Unit's drywall or plaster ceiling, as applicable. Partitions, shafts, chases and similar inaccessible areas located entirely within the measurements a Unit are included in the measurement of the square footage of that Unit. However, the Unit itself excludes those exterior walls, partitions, shafts, chases, joists, vestibules, and other elements and facilities specified more particularly as common elements in the definition of the common elements set forth herein. In addition, certain doors, windows, and interior walls are part of the Unit, as specified more particularly in the definition of the common elements set forth herein. The description of the Units set forth herein pertains to the location of the walls, floors and roof and boundaries of the Units as they are finally set forth in the floor plans certified by Thomas Barry, R.A., to be filed simultaneously with the recording of this Declaration.

(ii) Each Unit includes, and each Unit Owner shall be responsible for, any doors to or within such Unit (other than the front entrance door), smoke detectors, carbon monoxide detectors, for cleaning purposes, the exterior glass surfaces of all windows, all plumbing, gas and heating fixtures and equipment, such as, refrigerators, dishwashers, heating, ventilating and air conditioning units (if any), heating equipment, ranges and other appliances, as may be affixed, attached or appurtenant to such Unit and serving such Unit exclusively. Plumbing, gas and heating fixtures and equipment as used in the preceding sentence shall include exposed gas and water pipes from branch or fixture shut-off valves attached to fixtures, appliances and equipment and the fixtures, appliances and equipment to which they are attached, and any special pipes or equipment which a Unit Owner may install within a wall or ceiling, or under the floor, but (subject to the following sentence) shall not include gas, water or other pipes, conduits, wiring or ductwork within the walls, ceilings or floors. Each Unit shall also include (i) all lighting and electrical fixtures and appliances within the Unit, (ii) any special equipment or fixtures affixed, attached or appurtenant to the Unit, and (iii) any wiring for such appliances or fixtures to the extent that such wiring runs from a panel or junction box serving or benefiting only that Unit. The front entrance doors to Units shall be deemed Limited Common Elements (as described further in this Declaration), nevertheless Unit Owners shall be responsible for repairing and maintaining the interior surface of the front entrance door to the Unit, and any locks, bells or peepholes within the front entrance door. Notwithstanding anything contained in this Article to the contrary, each Unit Owner will have the right, exercisable at any time, to install, at such Unit Owner's sole cost and expense, decorations, fixtures and coverings (including, without limitation, painting, finishing, wallpaper, carpeting, pictures, mirrors, shelving and lighting fixtures) on the surfaces of the walls, ceilings and floors

that face the interior of such Unit Owner's Unit and to a depth of one inch behind such surfaces for the purposes of installing nails, screws, bolts and the like, provided that no such installation shall impair the structural integrity, and mechanical and electrical systems of such Unit of the Building.

FOURTH Community

The Sponsor is constructing the Building on the parcel of land described above and establishing a Condominium community known as 108 KING STREET CONDOMINIUM (the "Community") according to the plans filed simultaneously with the recording of this Declaration in the office of the Register of the County of Kings, which plans set forth a description of the Building stating the number of stories and the number of Units.

The Community will consist of two (2) Residential Units located in a three-story Building and the common elements appurtenant thereto, as set forth on the Plot Plan filed simultaneously herewith. As per the New York City Zoning Resolution, Section 22-12, this is a permitted use within use group 2 as of right in an R5 zoning district. A more detailed description of the Building is annexed hereto and made part hereof as Exhibit B. For the purposes of describing the location, approximate area, type and number of rooms of each Unit, and the common elements to which each Unit has immediate access, each Unit is numerically designated as set forth on Schedule A annexed hereto. Each Unit will be sold to one or more Owners, each Owner obtaining fee ownership in, and exclusive right of occupancy and possession of the Unit, together with an undivided interest in the common elements of the Community, as listed hereinafter in this Declaration and referred to as the "Common Elements", all of the above in accordance with Article 9-B of the Real Property Law of the State of New York. The designation of the number of rooms, interior partitions, and kitchen and bathroom facilities may be changed by mutual consent of the Sponsor and the Unit Owner at the time of construction or renovation of the Unit.

FIFTH Common Elements

(a) The Common Elements of the Condominium consist of the entire Property, including the land and all parts of the Building and improvements thereon, other than the Units. The Common Elements include, but are not limited to, those rooms, areas, corridors, spaces and other parts of the Building and all facilities therein for the common use of the Units and the Unit Owners or which are necessary or convenient for the existence, maintenance or safety of the Property. The limited Common Elements of the Condominium (the "Limited Common Elements") consist of those Common Elements which serve or benefit exclusively one Unit or Unit Owner, but not both Units or Unit Owners. A Common Element which is not a Limited Common Element is a "General Common Element."

(b) (i) The General Common Elements include the following, to the extent that they exist in the Building and on the Property:

1. The land on which the Building stands and all other land within the boundaries of the Property, together with all easements, rights and privileges appurtenant thereto (except as otherwise expressly provided in the Declaration);

2. All foundations, columns, beams, supports, bearing walls; those portions of the exterior walls and insulation beyond the unexposed face of the dry wall at the exterior face of the Building or, where applicable, those portions of the exterior walls beyond the interior face of the exterior wall; those portions of the walls and partitions dividing the Units from corridors, lobby and stairs located beyond the unexposed face of the dry walls enclosing the Unit; the subfloor and framing joists, including any framing attached to such joists from which the dry wall ceiling of the Unit below is attached; corridors, halls, stairs and stairway areas located beyond the unexposed face of the dry walls enclosing a Unit; storage and utility areas located beyond the unexposed face of the dry walls enclosing a Unit; all crawl space areas which are not included within a particular Unit and are used for the benefit of all Unit Owners; the entrances to and exits from the Building; and mail rooms or mailboxes. Notwithstanding the above, the foregoing excludes all windows and window frames of the Units (which are considered Limited Common Elements);

3. All central and appurtenant installations for services such as power, light, air conditioning (if any), intercom, telephone, television, gas, hot and cold water, heat (including all pipes, ducts, wires, shoots, cables and conduits used in connection therewith) and all other mechanical equipment spaces;

4. Water service pipes and sewer pipes;

5. All passages and corridors, mechanical and other rooms, tank room, meter room, areas and indoor or outdoor spaces located at the Property serving or benefiting one or more of the Units and which are not part of a Unit;

6. Copings, flashings, leaders, gutters and parapets appurtenant to the roof of the Building;

7. All stairs in the Building which are not part of a Unit;

8. Any portion of the Building's roof that is not reserved for the use of an individual Unit Owner;

9. The main entrance to the Building, the lobby, and the cellar;

10. storage room(s), access doors, crawl spaces for common use and serving the Units, and all passageways and ducts, chutes, or other facilities used in connection therewith;

11. Window glass and window frames located on the perimeter of (but not exclusively serving) a Unit, and all other window frames and window glass located in the common areas of the Building. Notwithstanding the foregoing, window glass and window frames exclusively serving a particular Unit are Limited Common Elements for that particular Unit; and

12. All other Common Elements other than Limited Common Elements.

(ii) The expense for the Repair of General Common Elements shall be referred to as "Common Expenses," and shall be apportioned among Unit Owners as provided by this Declaration.

(c) (i) Certain portions of the Common Elements are limited and further restricted in use to the owners of Units to which the Common Elements are appurtenant and are referred to as "Limited Common Elements". The Limited Common Elements remain subject to the right of the Board of Managers to enter upon any such Limited Common Element to make repairs and replacements to such Limited Common Element, subject to the By-Laws and Rules and Regulations of the Condominium.

(ii) The Limited Common Elements include, but are not limited to, the following (to the extent shown on the Floor Plans of the Condominium):

1. Windows and window frames located on the boundary of a Unit and serving exclusively that Unit;

2. Any balcony, terrace, patio or yard available for the exclusive use and service of certain Units, such as the rear yard and the portion of the front yard serving Unit 1, so long as the Board of Managers has not reserved in the Condominium Documents the right to terminate such use or change the location of such area;

3. Stairs leading from the rear of Unit 1 to the rear yard;

4. Garage and driveway appurtenant to Unit 1; and

5. Balcony at the third floor and the roof terrace appurtenant to Unit 2;
and

6. Equipment, pipes and distribution system constructed for heating or air conditioning an individual Unit and located outside of the boundaries of a Unit, but serving exclusively one Unit.

(iii) The Board of Managers may establish reasonable rules and regulations governing the use of Limited Common Elements.

(d) The Common Elements shall remain undivided and no Unit Owner shall bring any action for partition or division unless otherwise provided by law.

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

(f) The undivided interest in the Common Elements shall not be separated from the Unit to which it appertains and shall be deemed conveyed or encumbered with the Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument.

SIXTH

Special Rights of Sponsor

(a) The Sponsor, its successors, assigns and purchasers, reserve the easements, licenses, rights and privileges of a right-of-way in, through, over, under and across the Common Elements of the Condominium for the purpose of completing construction and sale of a Unit and facilities in the Condominium, and towards this end, reserve the right to grant and reserve easements and rights-of-way in, through, under, over and across the Common Elements for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, cable television, and other utilities, and for any other materials or services necessary for the completion of the work. For further easements in favor of the Condominium and Unit Owners, see Article Fifteenth.

(b) The Sponsor, its successors, assigns and purchasers, also reserves the right to connect with and make use of the utility lines, wires, pipes, conduits, cable television, sewers and drainage lines, which may from time to time, be in or along the streets and roads or other areas of the Common Elements.

(c) The Sponsor, its successors, assigns and purchasers, reserve the right to continue to use the Common Elements and any facilities, sales offices, model Units, and signs located on the Common Elements, in its efforts to market Units in the Condominium.

(d) The Sponsor shall have the right, without the vote or consent of the Board of Managers, other Unit Owners or holders of Unit mortgages, to (i) make alterations, additions or improvements, structural and nonstructural, ordinary and extraordinary, interior and exterior, in, to and upon any Unit owned by it; (ii) change the layout or number of rooms in the Unit; (iii) change the size or number of such Units by subdividing a Unit, combining separate Units (including those resulting from such subdivision or otherwise) into one or more Units, altering the boundary walls between Units, or otherwise; and (iv) reapportion among the Units affected by such change, their appurtenant interests in the Common Elements, provided that in each instance, Sponsor shall comply with all laws, 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. The Board of Managers shall sign any application or other document required to be filed with any governmental authority having or asserting jurisdiction in connection with any such structural change made by Sponsor to any Unit, provided that neither the Board of Managers nor the Unit Owners shall be subjected to any expense or liability by virtue of the signing of the application or such other document. With respect to any such change, Sponsor shall have the right to require the Board of Managers to execute and record any appropriate amendment to this Declaration, and Sponsor shall also have the right to execute and record such amendment upon its own execution of such amendment. A copy of any such application or other documents required by Sponsor will be furnished to the Board of Managers.

At closing, all Unit Owners shall appoint the Sponsor as their attorney-in-fact to cause the Board of Managers and all of the Unit Owners and their successors and/or assigns, to take such action and execute, acknowledge, deliver and record, at the sole cost and expense of Sponsor, and/or its successors and assigns, in the Register's Office of New York County in the City of New York and elsewhere, if required by law, such instruments and documents; and any amendment to the Condominium Declaration which the Sponsor, Sponsor's designee and/or their successors and assigns, deems necessary or appropriate to effectuate their rights hereunder.

At closing, all Unit Owners shall appoint the Sponsor as their attorney-in-fact to cause the Board of Managers and all of the Unit Owners and their successors and/or assigns, to take such action and execute, acknowledge, deliver and record, at the sole cost and expense of Sponsor, and/or its successors and assigns, in the Register's Office of New York County in the City of New York and elsewhere, if required by law, such instruments and documents; and any amendment to the Condominium Declaration which the Sponsor, Sponsor's designee and/or their successors and assigns, deems necessary or appropriate to effectuate their rights hereunder.

(e) The provisions of subsections (a) through (d) may not be added to, amended or deleted without the consent of Sponsor. For further easements in favor of the Sponsor, see Article Fifteenth.

SEVENTH Service of Process

Service of process on the Unit Owners in any action with relation to the Common Elements shall be made upon the Secretary of State of the State of New York as the agent for the Board of Managers of the Condominium. The Condominium Board shall file with the Secretary of State the name and post office address of the Condominium for purposes of receiving copies of any process served against the Condominium Board. Copies shall also be mailed attn: the President of the Board of Managers of 108 KING STREET CONDOMINIUM at 108 King Street, Brooklyn, NY 11231. The Condominium's address for service of process may be changed by recording a Notice of Change of Address for service of process.

EIGHTH Common Interest; Payment of Common Expenses

Each Unit Owner shall have such percentage interest in the Common Elements as is set forth on Schedule A attached hereto ("Common Interest") and shall bear such percentage of the Common Expenses of the Condominium. Each Unit Owner shall have one vote for all voting purposes at any meeting of the Unit Owners. The percentage of Common Interest of each Unit in the Common Elements is based on floor space, location and uniqueness as of the date of recording this Declaration.

NINTH Administration

The administration of the Condominium, the Community and parcel of land described herein shall be in accordance with the provisions of this Declaration and with the provisions of the By-Laws which are made a part of this Declaration and are attached hereto.

TENTH Amendment and Withdrawal

(a) The dedication of the Property to Condominium ownership herein shall not be revoked or the Property withdrawn from Condominium ownership unless both Unit Owners and the first mortgagees, if any, of each of both Units agree to such revocation or removal of the Property from the Condominium Plan by duly recorded instruments.

(b) Subject to the rights of the Sponsor, as set forth in this Declaration, the provisions of this Declaration may be modified or amended by an instrument executed by the Board of Managers upon a vote of both Unit Owners held at a duly called meeting of the Unit Owners, provided however, that:

(i) No amendment shall change any Condominium parcel, nor a Unit Owner's proportionate share of the Common Expenses, nor the voting rights appurtenant to any Unit, unless both Unit Owners and the first mortgagees, if any, of both Units, agree to such revocation by recorded instrument.

(ii) No amendment shall be passed which shall impair or prejudice the rights and priorities of mortgagees, or the rights and privileges granted or reserved to the Sponsor hereunder.

(c) There shall be a presumption for a period of sixty (60) days subsequent to the recording of the amendment that the vote of both Unit Owners was made at a duly called meeting and that the requisite voting percentage was obtained. After the 60-day period, such presumption will be deemed conclusive.

(d) No amendment to this Declaration shall take effect until it is recorded in the Office of the Register of the County of Kings, New York.

(e) Irrespective of any other provision of this Declaration, no action for partition or division of the Common Elements shall be brought, nor shall this plan of condominium ownership be terminated where such partition, division or termination will result in a violation of the then existing local zoning and building laws and codes.

(f) The Sponsor shall have the right, without the vote or consent of the Unit Owners, the Board of Managers or holders of Unit mortgages, to execute or (on Sponsor's request) to require the Board of Managers to execute and record in the Office of the Register of the City of New York, County of Kings, and elsewhere if required by law, an amendment or amendments to this Declaration (together with such other documents, plans and maps as may be required to effectuate the same) to reflect any changes in Units and the reapportionment of the Common Interest resulting therefrom, made by Sponsor in accordance with this Declaration. All expenses in connection with the preparation, recording and filing of any such amendment shall be paid by Sponsor.

(g) Pursuant to Section 339-i(2) of the Real Property Law of the State of New York, where an owner of a Unit subdivides his Unit (provided that in no event such division results in a greater percentage of Common Interest for the total of the new Units than existed for the original Unit before division), an appropriate amendment to the Declaration may be filed by a new Unit Owner under the same file number and under the procedure set forth in Section 339-p of the Real Property Law of the State of New York, and the local tax authorities shall provide and certify upon the proposed amendment, a conforming tax lot number upon the completion of new Units. Nothing in this subsection shall give any Unit Owner the right to subdivide his Unit without the consent of the Board of Managers in accordance with the By-Laws of the Condominium.

(h) Notwithstanding the balance of this Article, and except as provided in this Article with regard to the right of Sponsor or its designee(s) to amend this Declaration, the following shall apply: so long as the Sponsor owns any Unit in the Condominium, the provisions of this Declaration may not be added to, amended or deleted (in whole or in part) so as to affect the rights of the Sponsor under this Declaration without the consent of the Sponsor. This Section (h) may not be amended without the consent of the Sponsor.

(i) All disputes arising under this Declaration and the By-laws (other than disputes with the Sponsor and disputes with respect to payment of common charges or assessments, unless mutually agreed), including any matter arising under the Declaration or By-Laws as to which Board action may be required but cannot be taken due to a disagreement between members of the Board of Managers of the failure of a Unit Owner or Manager to attend any meeting so as to achieve a quorum in order to allow action to be taken by the Board of Managers, shall be settled by expedited arbitration conducted in accordance with the rules of the American Arbitration Association (the "AAA"), unless the parties agree otherwise, in accordance with Article XIV of the By-laws. Either Unit Owner may submit the dispute for resolution by arbitration in the City of New York in accordance with the Arbitration Rules (Expedited Procedures) of the AAA, except that the terms of this Section shall supersede any conflicting or otherwise inconsistent rules. Provided the rules and regulations of the AAA so permit, (i) the AAA shall, within five (5) days after a submission or application by a party, select a single independent arbitrator, (ii) the arbitration shall commence fourteen (14) days thereafter and shall be limited to a total of ten hours on the date of commencement until completion, with each party having a total of five (5) hours to present its case and to cross-examine or interrogate persons supplying information or documentation on behalf of the other party, and (iii) the arbitrator shall make a determination within fourteen (14) days after the conclusion of the presentation of both parties' cases, which determination shall be limited to the specific dispute presented to the arbitrator. All actions necessary to implement such decision shall be undertaken as soon as possible, but in no event later than ten (10) business days after the rendering of such decision. All fees payable to the AAA for services rendered in connection with the resolution of the dispute shall be paid by the unsuccessful party. If the subject matter of arbitration is an alteration or repair issue, then the arbitrator shall be an architect or an engineer with at least fifteen (15) years' experience in the matter which is the subject of the arbitration relating to residential properties similar to the Building

ELEVENTH Subject to Declaration, By-Laws, Etc.

All present or future Unit Owners, tenants, future tenants, or any other person that might use the facilities of the Community in any manner, are subject to the provisions of this Declaration, the By-Laws and Rules and Regulations of the Condominium, and the mere acquisition or rental of any of the Units of the Community, or the mere act of occupancy of any of said Units, shall signify that the provisions of this Declaration and the By-Laws and Rules and Regulations of the Condominium are accepted and ratified, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance or lease thereof.

TWELFTH Common Charges

All sums assessed as common charges by the Board of Managers, but unpaid together with the maximum interest permitted in New York thereon, chargeable to any Unit Owner, shall constitute a lien on his Unit prior to all other liens except: (a) tax or assessment liens on the Unit by the taxing subdivision of any governmental authority, including, but not limited to, State, County and City taxing agencies; and (b) all sums unpaid on any first mortgage of record encumbering any Unit and attorney's fees incurred by the Condominium in collecting such charges. Such lien may be foreclosed when past due in accordance with the laws of the State of New York, by the Condominium, in like manner as a mortgage on real property, and the Condominium shall also have the right to recover all costs incurred, including reasonable attorneys' fees (but such right shall not be a lien against the Unit). In the event the proceeds of the foreclosure sale are not sufficient to pay such unpaid common charges, the unpaid balance shall be charged to all Unit Owners as a Common Expense. However, where the holder of an institutional first mortgage obtains title to the Unit as a result of foreclosure, or the institutional mortgage holder purchasing for its own account obtains title by conveyance in lieu of foreclosure, such acquirer of title, its successors or assigns, shall not be liable, and the Unit shall not be subject to a lien for the payment of common charges chargeable to such Unit, which were assessed and became due prior to the acquisition of title to such Unit by such mortgagee. In such event, the unpaid balance of common charges shall be charged to all other Unit Owners as a Common Expense. The term "institutional mortgage" herein used shall mean a first mortgage granted by a bank, savings and loan association, life insurance company, pension fund, trust company or other institutional lender, or a mortgage granted by the Sponsor to a purchaser of a Unit or in which the Sponsor participates with one of the above. Every Unit Owner shall pay the common charges assessed against him when due and no Unit Owner may exempt himself from liability for the payment of the common charges assessed against him by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of his Unit. In addition, every non-resident Unit Owner shall be subject to the provisions of Section 339-kk of the Real Property Law of the State of New York. However, no Unit Owner shall be liable for the payment of any common charges accruing subsequent to a sale, transfer or other conveyance by him of such Unit made in accordance with Section 339-x of the Real Property Law of the State of New York or in accordance with the provisions of this Declaration and the By-Laws. The By-Laws of the Condominium contain additional provisions regarding the right of the Board of Managers to collect common charges owed by a Unit Owner, which shall be deemed incorporated into this Declaration.

THIRTEENTH Units Acquired by the Board

If any Unit Owner shall surrender, convey or lease his Unit to the Board of Managers or their designee in accordance with Section 339-x of the Real Property Law of the State of New York, or if the Board of Managers shall purchase any Unit at a foreclosure sale in accordance with Article X of the By-Laws, title to such Unit or the rights to the lease of such Unit, together with the Unit Owner's percentage of Common Interest, shall be held by the Board of Managers or their designee on behalf of all of the other Unit Owners in proportion to their Common Interest.

In the event a Unit Owner fails to pay any portion of Common Charges for the Unit within fifteen

(15) days of the same becoming due and payable, the Board of Managers, on behalf of the other Unit Owner, shall have the right to place a lien against the Unit Owner's Unit for the unpaid Common Charges as set forth above, and to impose late charges and administrative fees of up to \$100 per violation as additional Common Charges.

FOURTEENTH Power of Attorney

(a) In order to carry out the provisions of this Declaration and to facilitate the proper operation of the Condominium, each Unit Owner shall, upon becoming such, grant an irrevocable power of attorney, coupled with an interest, to the Board of Managers and their successors, to protest the Condominium's real estate tax valuations with the City of New York, and to cast votes to amend the Declaration and By-Laws of the Condominium; to borrow money for the Repair of the General Common Elements; and to amend the Declaration and By-Laws of the Condominium, provided that any such action is consistent with applicable law. Notwithstanding the above, the Board of Managers may not exercise any such power granted to it under the power of attorney so as to (i) adversely affect any rights or privileges of the Sponsor, or (ii) increase the financial obligations of fewer than all Unit Owners or change the percentage of Common Interest allocated to any Unit.

(b) Each Unit Owner shall upon becoming such, grant an irrevocable power of attorney, coupled with an interest, to the Sponsor as attorney-in-fact for the undersigned, with power of substitution, to amend from time to time the Declaration, By-Laws and the Rules and Regulations of said Condominium, or any of said documents, when such amendment shall be required (1) to correct ministerial or technical defects in the Declaration and By-laws, which changes will not adversely affect the rights or obligations of any Unit Owner or mortgagee; (2) to reflect any changes in Unsold Units or the reapportionment of the Common Interests of the affected Unsold Units resulting therefrom made by the Sponsor in accordance with the Declaration; (3) by (i) an institutional lender as a condition of making a mortgage loan secured by a mortgage on a Unit, (ii) any governmental agency having regulatory jurisdiction over the Condominium, or (iii) any title insurance company selected by Sponsor to insure title to any Unit; or (4) to redesignate the garage space on the Property as a Limited Common Element appurtenant to a particular Unit. However, no amendment made pursuant to the terms of this paragraph shall (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 held by an institutional lender covering the undersigned's Unit unless the undersigned (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment. The foregoing powers shall be deemed to be coupled with an interest and be irrevocable. In addition, the Sponsor is designated as the attorney-in-fact for the undersigned to execute any documents that may be required to be filed with the City of New York in order to complete construction of the Common Elements of the Condominium or to make an alteration to an Unsold Unit permitted under the Declaration and By-laws of the Condominium. 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 shall cease to own any Unit in the Condominium.

FIFTEENTH Easement for Pipes, Ducts, Cable, Wires, Conduits, Public Utility Lines

and Other Common Elements Located Inside of Units; Special Rights of Sponsor

(a) Each Unit Owner shall have an easement in common with the Owners of all other Units to use, in accordance with present use and present available facilities, all pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements located in any of the other Units and serving his Unit. Each Unit shall be subject to an easement in favor of the owners of all other Units to use, in accordance with present use and present available facilities, the pipes, ducts, cables, wires, conduits, public utility lines and other Common Elements serving such other Units and located in such Unit. The Board of Managers shall have a right of access to each Unit to inspect the same, to remove violations therefrom and to maintain, repair or replace the Common Elements contained therein or elsewhere in the Building.

(b) In addition to the above, an easement in favor of the Board of Managers, their agents, contractors and employees shall exist providing for a right of access to the Units and to the Common Elements to inspect, maintain or repair or make Repairs to the Units to prevent damage to the Common Elements or to any other Units, to make Repairs to the Common Elements, any wires, pipes, conduits or cable television systems servicing any of the Units, or to make Repairs to any other Units, or to perform such inspection, maintenance or Repair work as would be necessary for the purpose of removing violations or curing defaults by Unit Owners, or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof, provided such right of access shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. Such entry shall be permitted on not less than one (1) day notice, except that notice will not be necessary in the case of an emergency condition that requires Repair or replacement immediately necessary for the preservation or safety of the Building, or for the safety of the occupants of the Building or other persons, or as required to avoid the suspension of any necessary service in the Building. The right of access to the Board of Managers will be subject to other provisions of the By-Laws.

(c) The Sponsor, its designees, and their invitees, licensees, contractors and employees shall have an easement to erect, maintain, Repair and replace, from time to time, one or more signs in or on the Property for the purposes of advertising the sale of the 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.

(d) Sponsor and its agents shall have an easement to maintain general and sales and leasing offices and personnel on the premises of the Property, to erect, Repair, maintain, replace and post signs on the Property and to conduct other activities connected with promotion, sales or leasing, such as allowing inspections by invitees of Sponsor and the display of vacant Units or leased Units owned by Sponsor, as well as, Common Elements.

(e) Sponsor shall have the right to renovate and/or decorate and perform any construction work within or to any Unit owned by it or in connection with the subdivision or combination of any Units owned by Sponsor. In accordance with this right, Sponsor shall have a right of access and all necessary easements to perform any such work, including, but not limited to, access to the Building, corridors, hallways, elevators and all other Common Elements. Sponsor and its designee shall also have the right to store construction and renovation materials in any Unit

owned by it. Sponsor's rights in accordance with the foregoing paragraph are subject to the obligation of Sponsor to comply with all appropriate laws and regulations of governmental agencies and the obligation not to prevent or unreasonably interfere with the use of the Units for their permitted purposes.

(f) Sponsor shall have for itself, its invitees, contractors, agents, employees and tenants, any and all easements and rights of access, in and to Units and the Common Elements as are consistent with the purposes of the Plan and Sponsor's rights and obligations thereunder.

(g) Sponsor and the Board of Managers shall have the right to grant such additional electric, gas, steam or other utility easements or relocate any existing utility easements in any portion of the Property as Sponsor or its designee, or the Board of Managers, as the case may be, shall deem necessary or desirable for the proper operation and maintenance of the Building or any portion thereof, or for the general health or welfare of the owners, tenants and occupants of the appropriate Units, provided that such additional utilities or the relocation of existing utilities does not prevent or unreasonably interfere with the use of the Units for their permitted purposes. Any utility company and its employees and agents shall have the right of access to any Units or the Common Elements in furtherance of any such easement, provided such right of access shall be exercised in such a manner as shall not unreasonably interfere with the use of the Units for their permitted purposes.

(h) A utility company and its employees and agents shall have the right of access to any Units or the Common Elements in furtherance of such easement, provided such right of access shall be exercised in such a manner as shall not unreasonably interfere with the use of the Units for their permitted purposes.

(i) Notwithstanding any other provisions of this Declaration, each Unit Owner shall have in common with all other Unit Owners, an easement for ingress and egress through any Unit or the Common Elements to the extent necessitated by an emergency.

(j) Each Unit shall have an easement of support and of necessity and shall be subject to an easement of support and necessity in favor of all other Units and the Common Elements.

(k) The beneficiary or user of any easement granted pursuant to this Article of the Declaration shall have the obligation of repairing any damage resulting from the use of such easement.

SIXTEENTH **Encroachments**

The Unit Owners agree that if any portion of a Unit encroaches upon another Unit or the Common Elements, or if any portion of the Common Elements (whether restricted in use to an individual Unit Owner or not) shall hereinafter encroach upon a Unit as a result of original construction or settling of the Building, or by reason of the Repair, alteration or restoration by the Board of Managers of the Building, any Unit or the Common Elements, a valid easement for the encroachment and the maintenance of the same, so long as it stands, shall and does exist. In the event the Building is partially or totally destroyed as a result of fire or other casualty, or as a result of condemnation or eminent domain proceedings and is rebuilt, the Unit Owners agree that

encroachments of any portion of the Unit or the Common Elements as described above, due to construction, shall be permitted, and that a valid easement for said encroachment and the maintenance thereof shall exist so long as the Building or reconstructed Buildings shall stand.

SEVENTEENTH Unit Ownership

Upon the closing of title to a Unit, a purchaser shall automatically become a Unit Owner in the Condominium and shall remain such, until such time as he ceases to own the Unit for any reason.

EIGHTEENTH Restrictions on Conveyance of a Unit

In any conveyance of a Unit, either by voluntary instrument, operation of law or judicial proceeding in accordance with this Declaration or the By-Laws, the Grantee of the Unit shall be jointly and severally liable with the Grantor for any unpaid common charges against the latter assessed and due up to the time of the grant or conveyance, without prejudice to the Grantee's right to recover from the Grantor the amounts paid by the Grantee therefor. Any such Grantee shall be entitled to a statement from the Board of Managers setting forth the amount of the unpaid common charge against the Grantor and such Grantee shall not be liable for any unpaid common charge against the Grantor in excess of the amount set forth in such statement. Grantee as used herein shall not include either the holder of an institutional mortgage of record or other purchaser of a Unit at a foreclosure sale of an institutional mortgage.

NINETEENTH Covenants and Restrictions and Statement of Permitted Uses

The use of the Unit by the Unit Owner or other occupant shall be subject to the rules, regulations and provisions of this Declaration, the By-Laws and Rules and Regulations of the Condominium, and the following covenants and restrictions:

(a) The Unit and area restricted to the Unit Owner's use shall be maintained in good repair and good overall appearance.

(b) A Unit Owner may make an alteration to a Unit, whether structural or nonstructural, extraordinary or ordinary, to a Unit without consent provided that such alteration that does not affect the exterior of the Building (except for the roof membrane of the Building lying above the roof framing joists or any decorative materials or decking placed on the roof of the Building as to which the Unit Owner may make the appropriate repairs, alterations or additions without consent), the common utility systems of the Condominium, or the value of the other Unit.

If an alteration to a Unit affects the exterior of the Building (excepting the roof membrane of the Building or any decorative materials or decking placed on the roof of the Building as to which the Unit Owner may make the appropriate repairs, alterations or additions without consent), the common utility systems of the Condominium or the value of other Unit, then the Unit Owner must receive the other Unit Owner's prior written consent (such consent not to be unreasonably withheld, delayed or conditioned) to the alteration in question and otherwise abide by the terms contained herein. In the event the Unit Owners shall not agree on the alteration in question, either

Unit Owner may submit the dispute to expedited arbitration as provided in Section (i) of Article Tenth herein.

All Unit Owners must abide by the Regulations adopted by the Condominium with respect to access, insurance and other matters relating to the performance of any work including, but not limited to, that the work of such Unit Owner (i) shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances and (ii) shall be performed by reputable contractors with adequate liability, property damage and workmen's compensation insurance (certificates for which shall be delivered to the Board of Managers prior to the commencement of construction). In addition, any additions shall be repaired, maintained and replaced in their entirety by said Unit Owner from and after the date of installation (who shall also be responsible for any repairs, including structural repairs, to such addition under all circumstances, and to the Unit and any Common Elements where such repairs become necessary due to additional stresses caused by the structural alteration or due to improper design or construction of the structural alteration). Any application to a governmental authority for a permit must be executed by the Board of Managers, without, however, any liability incurring to the Board of Managers by reason thereof. Each Unit Owner shall inform the other of the nature of the work to be performed by such Unit Owner. All work shall be done only between the hours of 8:30 a.m. and 5 p.m. and not on Saturdays, Sundays, or legal holidays. The Unit Owner shall indemnify the Board of Managers and the other Unit Owner or tenants or occupants of the Building from and against any loss, damage or liability caused by or resulting from the work in question, including, but not limited to, damages to the Building and claims for damages suffered to any person or property. The Unit Owner shall reimburse the Board of Managers for any out-of-pocket expenses incurred by the Board of Managers in connection with any claims resulting from any repair, replacement or maintenance (including, without limitation, attorneys' fees and disbursements). Upon request, the Unit Owner shall procure a bond or agreement from an insurance company acceptable to the Condominium ensuring the performance of the work in question and such Unit Owner's obligations as set forth herein.

(c) The garage may not be used for any purpose other than parking of a vehicle, or leased to a person other than the Unit Owner or his tenant. The Unit Owner may not store any gasoline or other materials in the garage or permit or do anything in the garage which would increase the rate of fire insurance for the building. The Condominium will not be liable for damage to any personal property of the Unit Owner located within the garage, for any reason whatsoever. The Unit Owner will be solely responsible for repairing and maintaining the garage, including the garage door. However, the Condominium may designate how the exterior of the garage door is to be painted.

(d) Occupancy of the Residential Units shall be restricted to residential occupancy, home occupation and professional use in accordance with the applicable zoning regulations of the municipality having jurisdiction over the Community.

(e) No nuisance shall be allowed upon the Property, nor shall any use or practice be allowed which is a source of annoyance to residents or which interferes with the peaceful possession and proper use of the Property by its residents.

(f) No immoral, improper, offensive or unlawful use shall be made of the Property nor any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies

having jurisdiction thereof shall be observed.

(g) Regulations promulgated by the Board of Managers concerning the use of the Property shall be observed by the Unit Owner provided, however, that copies of such regulations are furnished to each Unit Owner prior to the time the said regulations become effective.

(h) The common charges shall be paid when due.

(i) No mortgage will be permitted unless all common charges have been paid up to the date of the mortgage.

(j) At the request of the mortgagee of the Unit, the Board of Managers shall report any unpaid common charges due from the Unit Owner of such Unit, at a charge to the Unit Owner of Fifty Dollars (\$50.00) for each such request.

TWENTIETH Invalidity

Invalidation of any of the covenants, limitations or provisions of the Declaration by judgment or court order shall in no way affect any of the remaining part or parts hereof, and the same shall continue in full force and effect.

Declarant: 108 King Partners, LLC
a New York limited liability company

By: _____
Soleyman Dardashtian, Member

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

On the ____ day of _____ in the year 2020____ before me, the undersigned, a Notary Public in and for said State, personally appeared Soleyman Dardashtian, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

NOTARY PUBLIC

EXHIBIT A

LEGAL DESCRIPTION

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, more particularly bounded and described as follows:

BEGINNING at a point on the Northerly side of King Street, distant two hundred (200) feet Westerly from the corner formed by the intersection of the Northerly side of King Street and the Westerly side of Richards Street;

RUNNING THENCE Northerly, parallel with Richards Street, one hundred (100) feet;

THENCE Westerly parallel with King Street, twenty-five (25) feet;

THENCE Southerly, parallel with Richards Street, one hundred (100) feet to King Street;

THENCE Easterly along the Northerly side of King Street, twenty-five (25) feet to the point or place of BEGINNING.

FOR INFORMATION PURPOSES ONLY:

SUBJECT PREMISES KNOWN AS: 108 King Street, Brooklyn NY 11231

EXHIBIT B

DESCRIPTION of units

<u>Unit</u>	<u>Tax Lot</u>	<u>Percentage of Common Interest</u>	<u>Approx. Garage/ Yard Area in Square Feet</u>	<u>Approx. Unit Area in Square Feet</u>	<u>Number of Rooms</u>	<u>Common Elements to Which Unit Has Access</u>
1	1101					
2	1102					
Totals		100.00%				

BY-LAWS
OF
108 KING STREET CONDOMINIUM

ARTICLE I
PLAN OF UNIT OWNERSHIP

Section 1. Unit Ownership. The property located at 108 King Street, Brooklyn, New York, County of Kings, specifically set forth in the Declaration and more commonly known as “108 King Street Condominium” has been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York.

Section 2. By-Laws Applicability. The provisions of these By-Laws are applicable to the Condominium. The Term “Condominium” or “Property” as used herein shall include the land and all buildings and improvements thereon, including the Condominium Units (as defined below) and the common elements and the use and occupancy thereof. The term “Building” as hereinafter used shall be defined as the exterior walls and roof of a Unit or number of Units all of which are constructed under a continuous roof or the entire interior and exterior of any building or structure which shall form a portion of the Condominium, but which does not contain any of the Units. Units are “Residential Units” as described in the Declaration. The Residential Units are sometimes hereinafter collectively referred to as “Units.” The “Sponsor” means 108 King Partners, LLC and any successor Sponsor.

Section 3. Personal Application. All present or future Unit Owners, mortgagees and lessees, or their employees, guests or any other person that might use the facilities of the Condominium in any manner are subject to these By-Laws, the Declaration and any Rules and Regulations established by the Board of Managers. The mere acquisition or rental of any of the Units or the mere act of occupancy of any of said Units will signify that these By-Laws, the Declaration and the Rules and Regulations are accepted, ratified, and will be complied with.

ARTICLE II
CONDOMINIUM, VOTING, QUORUM, PROXIES AND WAIVERS

Section 1. Condominium. The Condominium shall be limited to Unit Owners. The owners of each Unit shall be referred to herein as either “Unit Owner” or “Owner.”

Section 2. Voting. Each Unit Owner (including the Sponsor and the Board of Managers if the Sponsor or the Board of Managers shall then own or hold title to one or more Units) shall be entitled to cast one vote at all Unit Owners’ meetings. For voting purposes, units held jointly shall be deemed to be owned by a single Unit Owner. The number of votes available to each Unit Owner shall be referred to in these By-Laws as the Unit Owner’s “voting interest.”

Section 3. Quorum. Both Unit Owners must be present or represented by written proxy at a

meeting to constitute a quorum of the Unit Owners for the transaction of business, except as otherwise provided by statute, by the Declaration, or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting of the Unit Owners, the Unit Owner which is present at the meeting or represented by written proxy shall have the power to adjourn the meeting from time to time without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally called.

Section 4. Vote Required to Transact Business. When a quorum is present at any meeting, the vote of both Unit Owners present in person or represented by written proxy shall decide any question brought before such meeting and such vote shall be binding upon both Unit Owners unless the question is one upon which, by express provisions of the Declaration, statute, or of these By-Laws, a different vote is required, in which case such express provisions shall govern and control the decision of such question.

Section 5. Right to Vote. At any meeting of Unit Owners, each Unit Owner having the right to vote shall be entitled to vote in person or by proxy. Such proxy shall only be valid for such meeting or subsequent adjourned meetings thereof.

Section 6. Proxies. All proxies shall be in writing and shall be filed with the Secretary prior to the meeting at which the same are to be used. A notation of such proxies shall be made in the minutes of the meeting.

Section 7. Waiver and Consent. Whenever any vote of Unit Owners at a meeting is required or permitted by any provisions of the Declaration, statute or of these By-Laws to be taken in connection with any action of the Condominium, the meeting and vote of Unit Owners may be dispensed with if both Unit Owners, who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such action being taken.

Section 8. Place of Meetings. Meetings shall be held at such suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

Section 9. Annual Meetings. Until the date by which both Units have been sold by Sponsor (such date being hereinafter referred to as the "Control Date"), the Board of Managers shall consist of two (2) persons designated by Sponsor. The Sponsor shall relinquish voting control of the Board of Managers after the Control Date (the period before the Control Date is hereinafter referred to as the "Control Period").

Upon the expiration of the Control Period, the number of the Board of Managers shall continue to be two (2). Within thirty (30) days following the expiration of the Control Period, the Sponsor shall hold a meeting of Unit Owners in order to elect new Board members. The Board of Managers elected after the expiration of the Control Period shall be Unit Owners or members of a Unit Owner's household who are unrelated to the Sponsor and its principals. 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 III of these By-Laws. The Unit Owners may also transact such other business of the Condominium as may properly come before them.

Section 10. 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 written request of a Unit Owner, which written request has been presented to the Secretary.

Section 11. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof, as well as, the time and place where it is to be held to each Unit Owner of record, at least ten (10), but not more than fifty (50) days, prior to such meeting. The mailing of a notice in the manner provided in the By-Laws shall be considered notice served.

Section 12. Order of Business. The order of business at all meetings shall be as follows:

- (a) Roll call
- (b) Proof of notice of meeting or waiver of notice
- (c) Reading of minutes of preceding meeting
- (d) Report of officers
- (e) Report of Board of Managers
- (f) Report of committees
- (g) Election of inspectors of election (in the event there is an election)
- (h) Election of Managers (in the event there is an election)
- (i) Unfinished business
- (j) New business

ARTICLE III BOARD OF MANAGERS

Section 1. Number, Term and Eligibility.

(a) The number of Managers which shall constitute the whole Board shall be two (2). Each Unit Owner has the right to designate one member of the Board, but if a unit is sub-divided, the owners of the subdivided unit, jointly, may designate only one Board member. All Managers, other than representatives of Sponsor, shall be Unit Owners, the principal or officer of a Unit Owner or the spouse, parent, son or daughter of a Unit Owner. After the Sponsor has surrendered voting control, no members of the Board will be related to the Sponsor by blood, marriage or adoption. The number of Managers may be changed by a vote of both Unit Owners at their annual meetings prior to the election of the next Board of Managers. The Managers shall all be elected at the annual meeting of the members and serve one (1) year terms. Each Board member will have one vote on all matters coming before the Board of Managers. Disputes between Board members may be resolved by Expedited Arbitration under Article XIV at the request of either member.

(b) The Sponsor will have the right to control the Board of Managers until the date by which both Units have been sold by Sponsor (such date hereinafter referred to as the "Control

Date”). Thereafter, the Sponsor shall relinquish voting control of the Board of Managers. The Sponsor will call an annual meeting of the Unit Owners within thirty (30) days following the Control Date.

Section 2. Vacancy and Replacement. If the office of any Manager or Managers becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, his or her successor may be designated only by the Unit Owner whose interest such Manager has been representing prior to such vacancy.

Section 3. Removal. A member of the Board of Managers may be removed from office only with cause. Any member of the Board of Managers whose removal has been proposed shall be entitled to be heard in an expedited arbitration proceeding pursuant to the terms and provisions of Article XIV herein. If such Owner is removed, he may not be reappointed by the Board. If a member of the Board of Managers was designated by the Sponsor, the Sponsor shall have the right to choose such Manager’s successor to fill the unexpired portion of his term.

Section 4. First Board of Managers. The first Board of Managers shall be designated by the Sponsor. They shall have the right to hold office and exercise all powers of the Board of Managers until the first annual meeting of Unit Owners. 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 2 of this Article.

Section 5. Powers.

(a) The Property and business of the Condominium shall be managed by its Board of Managers, which may exercise all such powers of the Condominium and do all such lawful acts and things as are not required to be exercised or done by the Unit Owner personally. These powers shall specifically include, but not be limited to, the following items:

1. To determine and levy monthly assessments (“Common Charges”) to cover the cost of common expenses, payable in advance. The Board of Managers may increase the monthly assessments or vote a special assessment in excess of that amount, if required to meet any additional necessary expenses, but said increases can only be assessed among the Unit Owners pro rata according to their respective common interests;

2. To collect, use and expend the assessments collected to maintain, care for and preserve the Units, Building and other common elements;

3. To make repairs, restore or alter any Units or the common elements after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings within the limitations of these By-Laws;

4. To enter into and upon the Units when necessary and at as little inconvenience to the Unit Owner as reasonably possible in connection with the maintenance, care and preservation of the Property;

5. To open bank accounts on behalf of the Condominium and to designate the signatories to such bank accounts;

6. To insure and keep insured the common elements and Units in accordance with Article VII of these By-Laws, and settle claims;

7. To collect delinquent assessments by suit or otherwise, to abate nuisances and to enjoin or seek damages from the Unit Owner of the property for violations of the house rules or rules and regulations herein referred to, and to levy such fines and late charges upon Unit Owners who fail to pay such rent or assessments in a timely manner or to comply with such rules and regulations in order to ensure compliance, in the reasonable judgment of the Board of Managers, and to assess individual Unit Owners for the legal or administrative costs of enforcing such rules and collecting such assessments;

8. To make reasonable rules and regulations and to amend the same from time to time, and such rules and regulations and amendments shall be binding upon both Unit Owners when the Board of Managers has approved them in writing. A copy of such rules and all amendments shall be delivered to each Unit;

9. To employ and terminate the employment of employees and independent contractors and to purchase supplies and equipment, to enter into contracts, and generally, to have the powers of a Manager in connection with the matters hereinabove set forth;

10. To bring and defend actions pertinent to the operation of the Condominium, and to levy special assessments to pay for the cost of such litigation;

11. To acquire Units in foreclosure or as a result of abandonment and to take any and all steps necessary to repair or renovate any Unit so acquired and to vote as Unit Owner, to offer such Unit for sale or lease, or take any other steps regarding such Unit as shall be deemed proper by the Board of Managers;

12. To hire a management agent to perform the duties of the Board of Managers, provided that if such a contract is entered into with the Sponsor, the contract may not be for a period in excess of three (3) years and must contain a provision for termination by either party upon sixty (60) days written notice after the second year;

13. To make additions, alterations, or improvements to the common elements of the Condominium, and to present to the Unit Owners the assignment of Common Charges or the placement of a lien on the common elements when such presentation is required by law;

14. To borrow money on behalf of the Condominium when required in order to purchase a Unit at foreclosure, to establish reserves or for operating expenses, and in connection with the operation, care, upkeep and maintenance of the common elements.

15. To request a reduction in the taxable assessed valuation of the Condominium on behalf of all Unit Owners;

(b) The Board of Managers may, by resolution or resolutions passed by the Board, designate one or more committees, each of such committees to consist of at least one (1) Manager (but the committee may also have non-Manager Unit Owners on it) which, to the extent provided in said resolution or resolutions, shall advise the Board of Managers in the management of the Condominium. The Manager who is a member of any such committee, acting on behalf of the Board of Managers, or (to the extent permitted by law) any other available member, shall also have and may exercise the powers of the Board of Managers in the management of the business and affairs of the Condominium, and may have power to sign all papers which may be required, provided the said resolutions shall specifically so provide. Such committee or committees shall have such name or names as may be determined by the Board of Managers. Committees established by resolution of the Board of Managers shall keep regular minutes of their proceedings and shall report the same to the Board as required.

Section 6. Management Agent. The Board of Managers may employ a management agent for the Condominium under a term contract or otherwise at a compensation established by the Board, to perform such duties and services as the Board shall authorize, including, but not limited to, all of the duties of the Board listed in this Article which may be delegated under law.

Section 7. Compensation. Managers and officers as such, shall receive no compensation for their services.

Section 8. Meetings.

(a) The first meeting of each Board of Managers newly elected by the Unit Owners shall be held immediately, upon adjournment of the meeting at which they were elected, provided a quorum shall then be present, or as soon thereafter as may be practicable. The annual meeting of the Board of Managers shall be held at the same place as the Unit Owners meetings, and immediately after the adjournment of same, at which time, the dates, places and times of regularly scheduled meetings of the Board shall be set.

(b) Regularly scheduled meetings of the Board may be held without special notice.

(c) Special meetings of the Board of Managers may be called by either Manager on two (2) days' notice to the other Manager, either personally or by mail, telegram, facsimile or e-mail.

(d) At all meetings of the Board of Managers, both Managers shall be necessary and sufficient to constitute a quorum for the transaction of business, and an act of both Managers present at any meeting shall be the act of the Board of Managers, except as may be otherwise specifically provided by statute or by the Declaration or by these By-Laws. If a quorum shall not be present at any meeting of Managers, the Manager present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. Managers may attend by telephone and may give proxies for Board votes.

(e) Before or at any meeting of the Board of Managers, any manager may, in writing waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a manager at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If both Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 9. Annual Statement. The Board of Managers shall furnish to both Unit Owners, their mortgagees, and the Department of Law (if required) of the State of New York, and shall present annually (at the annual meeting, but in no event later than four (4) months after the close of the fiscal year), and when called for by a vote of the Unit Owners at any special meeting of the Unit Owners, a full and clear statement of the business conditions and affairs of the Condominium, including a balance sheet and profit and loss statement verified by an independent public accountant, and a statement regarding any taxable income attributable to the Unit Owners and a notice of the holding of the annual Unit Owners meeting.

Section 10. Fidelity Bonds. The Board of Managers shall obtain adequate fidelity bonds for all officers and employees of the Condominium who handle or are responsible for Condominium funds. The premiums on such bonds may be a common expense.

Section 11. Liability of the Board of Managers and Unit Owners. Any contract, agreement or commitment made by the Board of Managers shall state that it is made by the Board of Managers as agent for the Unit Owners as a group only and that no member of the Board of Managers or individual Unit Owner shall be personally liable for such contract, agreement or commitment except as set forth herein. The Unit Owners shall be liable as a group under such contract, agreement or commitment but the liability of each Unit Owner shall be limited to such proportion of the total liability thereunder as his common interest bears to the common interest of all Unit Owners. The Board of Managers shall have no liability to the Unit Owners in the management of the Condominium except for gross negligence, willful misconduct or bad faith, and both Unit Owners shall severally indemnify all members of the Board of Managers against any liabilities or claims arising from acts taken by a member of the Board of Managers in accordance with his duties as such member except acts of gross negligence, willful misconduct or acts made in bad faith. However, such several liability of the Unit Owners shall be limited as to each Unit Owner to such proportion of the total liability thereunder as such Unit Owner's common interest bears to the common interest of all Unit Owners.

ARTICLE IV OFFICERS

Section 1. Elective Officers. The officers of the Condominium shall be chosen by the Board of Managers and there shall be a President, a Vice President, a Secretary and a Treasurer. The President must be a member of the Board of Managers and either a Unit Owner, the principal or officer of a Unit Owner, or the spouse of a Unit Owner. Other officers are not so restricted. The Board of Managers may also choose one or more assistant secretaries and assistant treasurers and such other officers as in their judgment may be necessary. The President and Treasurer may not be the same person.

Section 2. Election. The Board of Managers at its first meeting after each annual Unit Owners meeting shall elect a president, a vice president, a secretary and a treasurer. Only the president must be a member of the Board.

Section 3. Appointive Officers. The Board of Managers may appoint such other officers and agents as it shall deem necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties, as shall be determined from time to time by the Board.

Section 4. Term. The officers shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Managers may be removed with or without cause, at any time, by the affirmative vote of both Board of Managers, other than a member designated by the Sponsor, who may be removed only for cause. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Managers.

Section 5. The President. The President shall be the chief executive officer of the Condominium; he shall preside at all meetings of the Unit Owners and Managers; shall be an ex-officio member of all standing committees, shall have general and active management of the business of the Condominium, shall see that all orders and resolutions of the Board are carried into effect, and shall have such other powers and duties as are usually vested in the office of the President of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 6. The 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, and shall have such other powers and duties as are usually vested in the office of Vice President of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 7. The Secretary. The Secretary and/or Assistant Secretary shall attend all sessions of the Board and all Unit Owners meetings and record all votes and the minutes of all proceedings in a book to be kept for that purpose, and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all Unit Owners' meetings and special meetings of the Board of Managers, and shall perform such other duties as may be prescribed by the Board of Managers, or by the President, under whose supervision he shall be.

Section 8. The Treasurer. The Treasurer shall have custody of the Condominium funds and securities, and shall keep full and accurate chronological accounts of receipts and disbursements in books belonging to the Condominium, including the vouchers for such disbursements, and shall deposit all monies and other valuable effects in the name and to the credit of the Condominium in such depositories as may be designated by the Board of Managers.

He or she shall disburse the funds of the Condominium as he may be ordered by the Board, making proper vouchers for such disbursements and shall render to the President and Managers, at the regular meetings of the Board or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Condominium.

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

The foregoing shall not bar the Board of Managers from employing personnel to perform the administrative duties consistent with the execution of their responsibilities set forth above.

Section 9. Agreements. etc. All agreements and other instruments shall be executed by the President or such other person as may be designated by the Board of Managers.

ARTICLE V NOTICES

Section 1. Definition. Whenever under the provisions of the Declaration or of these By-Laws, notice is required to be given to the Board of Managers, any Manager or Unit Owner, it shall not be construed to mean personal notice; but such notice may be given in writing, by mail, by depositing the same in a post office or letter box in a postpaid sealed wrapper, addressed to the Board of Managers, to such Manager or Unit Owner at such address as appears on the books of the Condominium.

Section 2. Service of Notice-Waiver. Whenever any notice is required to be given under the provisions of the Declaration or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE VI OPERATION OF THE PROPERTY

Section 1. Checks. All checks or demands for money and notes of the Condominium shall be signed by the President and Treasurer, or by such other officer or officers, or such other person or persons as the Board of Managers may from time to time designate.

Section 2. Assessments. The Board of Managers shall, from time to time, but at least annually, fix and determine the budget representing the sum or sums necessary and adequate for the continued operation of the Condominium and shall send a copy of the budget and any supplement to the budget to both Unit Owners and any mortgagees. They shall determine the total amount required, including the operational items such as insurance, repairs, reserves, betterments, maintenance of the common elements and other operating expenses as well as charges to cover any deficits from prior years. The total annual requirements shall be assessed as a single sum against all Units and prorated against each of said Units according to the respective common interest appurtenant to such Units. This proration of assessments shall remain constant regardless of the percentage of the building square footage included in each Unit or the common elements restricted to the use of the Unit Owner of said Unit. Said assessments shall be payable monthly in advance as ordered by the Board of Managers. In addition, until such time as each Unit has a separate tax lot for purposes of

real estate taxes, water charges and sewer rents (or any of the foregoing), the Board of Managers shall collect such taxes, water charges or sewer rents (as the case may be) in the form of a Special Assessment or additional Common charges for forwarding same to the appropriate taxing authority on behalf of Unit Owners.

Each Unit Owner agrees to pay promptly when due the monthly and all special assessments assessed against his own Unit. The Board of Managers may impose administrative fees, late charges, and interest on unpaid Common Charges, as described in Article VIII. Special assessments, should such be required, shall be levied and paid in the same manner as hereinabove provided for regular assessments. The Board may take action to collect any Common Charges due from any Unit Owner which remains unpaid thirty (30) days from its due date by way of foreclosure of the lien on such Unit in accordance with Section 339-aa of the Real Property Law or otherwise. In addition, every non-occupying Unit Owner shall be subject to the provisions of Section 339-kk of the Real Property Law. In enforcing the Board's rights under this Section, the member of the Board representing the Unit Owner who is not in arrears shall be authorized to act on behalf of the Board in order to collect any arrears.

No Unit Owner shall be liable for any Common Charges which accrue against his Unit subsequent to a sale, transfer or other conveyance by him of his Unit in accordance with these By-Laws and the Declaration. A purchaser of a Unit (other than a first mortgagee purchasing for its own account pursuant to a foreclosure sale, which bid has not been assigned, and subject to Article Twelfth of the Declaration) shall be liable for the payment of all Common Charges assessed against the Unit and unpaid at the time of the purchase.

Section 3. Statement of Common Charges. Upon the written request of any Unit Owner or his mortgagee, the Board shall promptly furnish such Unit Owner or his mortgagee with a written statement of the unpaid Common Charges due from such Unit Owner.

Section 4. Liability for Electricity. All electricity consumed in the Units shall be the expense of the individual Unit Owner.

Section 5. Operating Account. There shall be established and maintained a cash deposit into which shall be deposited the operating portion of all monthly and special assessments as fixed and determined for all Units. Disbursements from said account shall be for the general needs of the operation, including, but not limited to, wages, repairs, betterments, maintenance and other operating expenses of the common elements and for the purchase, lease, sale or other expenses resulting from the purchase or lease of Units.

Section 6. Other Accounts. The Board shall maintain any other accounts as it shall deem necessary to carry out its purposes.

Section 7. Repairs and Maintenance of Units and Common Elements.

(a) All maintenance, repairs and replacements to any Unit, ordinary or extraordinary, and to the doors, windows, electrical (except Common Elements), plumbing (except Common Elements) and heating fixtures and air conditioning units within the Unit or belonging to the Unit

Owner shall be made at the Unit Owner's expense, except as otherwise specifically provided herein.

(b) All maintenance, repairs and replacements (individually and collectively, ("**Repairs**") to the General Common Elements (as defined in the Declaration) shall be made by the Board of Managers and be charged to both Unit Owners as a Common Expense, except if the Repairs are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case the expense shall be charged to such Unit Owner.

Repairs, maintenance and replacements to the Limited Common Elements, whether structural or nonstructural, extraordinary or ordinary, shall be performed by the Unit Owner benefiting therefrom and having exclusive access thereto, at the expense of such Unit Owner, in accordance with the terms and provisions contained herein.

If a Repair or alteration to a Unit or a Limited Common Element affects (i) the exterior of the Building (except for the roof and any decorative materials, pedestals or decking placed on the roof of the Building, as to which the Unit Owner may make the appropriate repairs, alterations or additions without consent), (ii) the common, structure or utility systems of the Condominium or (iii) the value of other Unit, then the Unit Owner who benefits from the Limited Common Element in question and has exclusive access thereto shall first obtain the prior written consent (such consent not to be unreasonably withheld, delayed or conditioned) of the other Unit Owner before Repairing same in accordance with the terms contained herein. In the event the Unit Owners shall not agree on the repair, replacement or maintenance in question, then either Unit Owner may submit the dispute to expedited arbitration as provided in Article XIV herein.

All work of a Unit Owner (i) shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances and (ii) shall be performed by reputable contractors with adequate liability, property damage and workmen's compensation insurance (certificates for which shall be delivered to the Board of Managers prior to the commencement of construction). Any application to a governmental authority for a permit must be executed by the Board of Managers, without, however, any liability incurring to the Board of Managers by reason thereof. Each Unit Owner shall inform the other of the nature of the work to be performed by such Unit Owner. All work shall be done only between the hours of 8:30 a.m. and 5:00 p.m. and not on Saturdays, Sundays, or legal holidays. The Unit Owner shall indemnify the Board of Managers and the other Unit Owner or tenants or occupants of the Building from and against any loss, damage or liability caused by or resulting from the work in question, including, but not limited to, damages to the Building and claims for damages suffered to any person or property. The Unit Owner shall reimburse the Board of Managers for any out-of-pocket expenses incurred by the Board of Managers in connection with any claims resulting from any repair, replacement or maintenance (including, without limitation, attorneys' fees and disbursements). Upon request, the Unit Owner shall procure a bond or agreement from an insurance company acceptable to the Condominium ensuring the performance of the work in question and such Unit Owner's obligations as set forth herein.

(c) Until all Units have been sold by the Sponsor, all repairs, painting or maintenance, whether made by the Unit Owner or by the Board of Managers to the doors, windows, or the

exterior area of the Building, including roofs, or to any generally visible portion of the Common Elements, shall be carried out in such a manner so as to conform to the materials, style and color initially provided by the Sponsor.

(d) The Condominium will have the right to enter any Unit or a Limited Common Element upon reasonable notice for the purpose of making Repairs in an emergency, or if the Condominium determines (in its sole discretion) that it is necessary or appropriate for the Condominium to make the Repair, whether or not for the account of the Unit Owner, and to charge the cost thereof to the appropriate person under the Condominium Documents. The Condominium will also have the right, but not the obligation, to require a Unit Owner to make a Repair to a Limited Common Element (also at the expense of the Unit Owner) in the discretion of the Board. If the Board of Managers charges a Unit Owner for repairs or maintenance to his Unit or for repairs to any Common Element restricted in use to such Unit Owner, and the Unit Owner fails to make prompt payment, the unpaid amount will bear interest at the maximum legal rate, and the Board of Managers shall be entitled to bring suit thereon as additional Common Charges and, in such event, the Unit Owner shall be liable for the reasonable attorneys' fees and costs of such suit or proceeding together with interest on all sums due.

(e) The Board of Managers and its agents, employees and contractors shall have a right of access to any Unit and to all portions of the Common Elements for the purpose of carrying out any of its obligations under these By-Laws or the Declaration of the Condominium. These purposes include (but are not limited to) making inspections, correcting any condition originating in his or her Unit and threatening another Unit or a Common Element, 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 and correcting any condition which violates the provisions of any mortgage covering another unit. Requests for entry shall be made in advance at a time reasonably convenient to the Unit Owner. Such right shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for residential purposes. Notwithstanding the above, no prior notice shall be required if the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Building or for the safety of the residents of the Condominium or other persons or required to avoid the suspension of any necessary service to the Condominium.

(f) Notwithstanding the other provisions of this Section 7, every Unit Owner will be individually liable for any and all damage to the other Unit, the Common Elements and the Property of the Condominium caused by such Unit Owner or any other person for whose conduct he or she is legally responsible. If any painting, decorating, maintenance, repairs or replacements to the Property or any part hereof is necessitated by the negligence, misuse or neglect of any Unit Owner, the entire cost thereof shall be borne by such Unit Owner.

Section 8. General Restrictions on Use and Occupancy of Units.

(a) Each of the Units in the Building shall be used as a residence only by a Unit Owner, a principal of a Unit Owner, or a permitted tenant of a Unit Owner except (i) a Unit may be used for any home occupation or professional use as permitted under local zoning laws (ii) a Unit may be used for any permitted home occupation or professional use under applicable law, and (iii) that

Sponsor, regardless of number of Units unsold, shall have the right to use any Unit owned by it for general and sales office purposes, as models and for other promotional purposes in connection with the sale or lease of Units and to erect and maintain signs at or on the Building and to use Units and the Common Elements in any other manner permitted to Sponsor pursuant to the provisions of the Declaration or these By-Laws.

(b) The use of any Unit must conform to the terms and conditions of the then existing Certificate of Occupancy for such Unit (unless amended with the consent of the Board) and any and all applicable governmental and municipal regulations, including any applicable zoning variance.

(c) The foregoing provisions in Subsections (a) and (b) and this Subsection (c), of this Section 8 may not be amended, modified or deleted, except by an affirmative vote of both Unit Owners.

(d) No 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. However, this provision shall not be in derogation of the right of a Unit Owner to use his Unit for the purposes allowed by the Declaration and By-Laws. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be complied with by and at the sole expense of the Unit Owners or the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property.

(e) Rules and regulations concerning the use of the Units and the Common Elements may be promulgated and amended from time to time by the Board of Managers, provided that copies are furnished to both Unit Owners not less than five days prior to the time that they become effective. Any rule or regulation may be rescinded by vote of both Unit Owners at a meeting duly called for that purpose. The initial rules and regulations are attached hereto as Exhibit A for the purpose of distribution but not for recording as part of the Declaration and By-Laws.

(f) The occupancy of Units by guests of Unit Owners shall be subject to such conditions as the Board of Managers may establish.

Section 9. Additions, Alterations or Improvements by Board of Managers. Whenever in the judgment of the Board of Managers the Common Elements shall require additions, alterations or improvements, and the Board determines to require the placement of a lien on the common elements or an assignment of Common Charges payable by the Unit Owners, and (if required by law) the making of such additions, alterations or improvements shall have been approved by both Unit Owners present in person and/or by proxy and voting at a meeting duly held in accordance with these By-Laws (and by the holders of Unit mortgages, if such approval is required), the Board of Managers shall have the right to proceed with such additions, alterations or improvements and to assess all Unit Owners for the cost thereof as a Common Charge. Any additions, alterations or improvements which do not require a lien to be placed on the common elements or an assignment of the Common Charges payable by the Unit Owners may be made by the Board of Managers, without approval of the Unit Owners or the holders of Unit mortgages, and the cost thereof (unless

paid from the Working Capital Fund or Reserve Fund in accordance with the Plan of Condominium Ownership) shall constitute part of the Common Expenses.

Section 10. Additions, Alterations or Improvements by Unit Owners.

(a) A Unit Owner may make an alteration to a Unit, whether structural or nonstructural, extraordinary or ordinary, to a Unit without consent provided that such alteration does not affect (i) the exterior of the Building (except for the roof membrane of the Building lying above the roof framing joists or any decorative materials or decking placed on the roof of the Building as to which the Unit Owner may make the appropriate repairs, alterations or additions without consent), (ii) the common, structure or utility systems of the Condominium, or (iii) the value of the other Unit and provided further that the Unit Owner abides by the terms and conditions set forth herein.

If an alteration to a Unit affects (a) the exterior of the Building (except for the roof membrane of the Building lying above the roof framing joists or any decorative materials or decking placed on the roof of the Building as to which the Unit Owner may make the appropriate repairs, alterations or additions without consent), (b) the common, structure or utility systems of the Condominium or (c) the value of other Unit, then the Unit Owner must receive the other Unit Owner's prior written consent (such consent not to be unreasonably withheld, delayed or conditioned) to the alteration in question and otherwise abide by the terms contained herein. In the event the Unit Owners shall not agree on the alteration in question, either Unit Owner may submit the dispute to expedited arbitration as provided in Article XIV herein.

All work of a Unit Owner (i) shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances and (ii) shall be performed by reputable contractors with adequate liability, property damage and workmen's compensation insurance (certificates for which shall be delivered to the Board of Managers prior to the commencement of construction). In addition, any additions shall be repaired, maintained and replaced in their entirety by said Unit Owner from and after the date of installation (who shall also be responsible for any repairs, including structural repairs, to such addition under all circumstances, and to the Unit and any Common Elements where such repairs become necessary due to additional stresses caused by the structural alteration or due to improper design or construction of the structural alteration). Any application to a governmental authority for a permit must be executed by the Board of Managers, without, however, any liability incurring to the Board of Managers by reason thereof. Each Unit Owner shall inform the other of the nature of the work to be performed by such Unit Owner. All work shall be done only between the hours of 8:30 a.m. and 5 p.m. and not on Saturdays, Sundays, or legal holidays. The Unit Owner shall indemnify the Board of Managers and the other Unit Owner or tenants or occupants of the Building from and against any loss, damage or liability caused by or resulting from the work in question, including, but not limited to, damages to the Building and claims for damages suffered to any person or property. The Unit Owner shall reimburse the Board of Managers for any out-of-pocket expenses incurred by the Board of Managers in connection with any claims resulting from any repair, replacement or maintenance (including, without limitation, attorneys' fees and disbursements). Upon request, the Unit Owner shall procure a bond or agreement from an insurance company acceptable to the Condominium ensuring the performance of the work in question and such Unit Owner's obligations as set forth herein.

(b) Any application to any department of the City of New York or to any other governmental authority for a permit to make an installation, addition, alteration or improvement in or to any Unit may be executed only by the Board of Managers without, however, incurring any liability on the part of the Board of Managers or any member thereof to any contractor, subcontractor, materialman, architect or engineer on account of such installation, addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom.

(c) The Sponsor shall have the right, without the consent of the Board of Managers, other Unit Owners or the holders of Unit mortgages, to make alterations or additions to unsold Units, whether or not such alterations are structural or nonstructural, ordinary or extraordinary, so long as they do not materially adversely affect the structure or utility systems of the Building. The Condominium hereby appoints the Sponsor and the as its attorney in fact, coupled with an interest, to execute such documents on behalf of the Condominium as may be required in order to obtain any necessary licenses or permits to make or complete an alteration, and grants to the Sponsor an easement of access, ingress and egress to make any such alterations.

(d) With regard to any work that may result in the subdivision or combination of Units, the Sponsor, shall have the right, pursuant to Section 339-i (2) of the Real Property Law of the State of New York, to make and file an appropriate amendment to the Declaration under the same file number and procedure set forth in Section 339-p of the Real Property Law, and the local tax authority shall provide and certify upon the proposed amendment a conforming tax lot number upon completion of the Unit. In no event shall the subdivision of a Unit and its Common Interest appurtenant thereto result in a greater percentage of Common Interest for the total to the new Unit than existed for the original Unit.

(e) The Board of Managers shall execute any application or other document required to be filed with any governmental authority having or asserting jurisdiction in connection with any such installation or structural addition, alteration or improvement made by Sponsor to any Unit, provided, however, that neither the Board of Managers nor the Unit Owners shall be subjected to any expense or liability by virtue of the execution of the application or such other document.

Section 11. Contributions of Unit Owners to Common Expenses. The contribution of all Unit Owners to common expenses will be based on percentage of common interest of the Unit Owner.

ARTICLE VII INSURANCE

Section 1. Insurance to be Carried by the Board. The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance: fire and casualty insurance with extended coverage, insuring the Building (but not including floors, subfloors, interior or partition walls, improvements and betterments to individual Units, appliances, built-ins (such as kitchen cabinets), fixtures to the point that they connect to the building systems within the walls, furniture, furnishings, or other personal property of Unit Owners), together with all of the Building's heating, air conditioning and other service machinery contained therein, covering the

interest of the Condominium, the Board of Managers and all Unit Owners and their mortgagees as their interest may appear, in an amount equal to the full replacement value of the Building. Each of such policies shall contain a New York standard mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee, as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee hereinafter set forth; and such other insurance as the Board of Managers may determine. All such policies shall provide that adjustment of loss shall be made by the Board of Managers.

The fire insurance will commence with the closing of title to the first Unit in an amount as required by the mortgagee of such Unit, and such amount will be increased upon the closing of title to both Units and until the first meeting of the Board of Managers following the first Unit Owners meeting.

All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro rata liability of the insurer, as a result of any insurance carried by Unit Owners or of the invalidity arising from any acts of the insured or any Unit Owners, and shall provide that such policies may not be canceled or substantially modified without at least fifteen (15) 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 fifteen (15) days prior to expiration of then current policies. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Managers shall obtain an appraisal from a fire insurance company or otherwise of the full replacement value of the Building, including all of the common elements appurtenant thereto, for the purpose of determining the amount of fire insurance to be effected pursuant to this Section.

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 (if any) and each Unit Owner. Such public liability coverage shall also cover cross liability claims of one insured against another. Until the first meeting of the Board of Managers following the first annual Unit Owners meeting, such public liability insurance shall have a minimum single limit of \$ 1,000,000 covering all claims for bodily injury and for property damage arising out of one occurrence. Such public liability insurance shall commence on the closing of title to the first Unit.

All policies will include a waiver of pro-rata reduction if the Unit Owners obtain additional coverage.

Section 2. Insurance to be Carried by Unit Owners. All Unit Owners shall carry insurance commonly known as “condominium homeowners insurance” insuring the Unit Owner against damage to those portions of their Units not covered by the Condominium’s insurance, including floors, subfloors, interior or partition walls, improvements and betterments to individual Units, appliances, built-ins (such as kitchen cabinets), fixtures to the point that they connect to the building systems within the walls, furniture, furnishings, or other personal property of Unit Owners, and against liability for claims for personal injury or property damage arising out of their

acts or omissions. All such insurance shall be carried by a company licensed to do business in the State of New York and shall contain waivers of subrogation for property damage claims against the Condominium, its agents or employees. To the extent obtainable, such insurance shall name the Condominium and its managing agent (if any) as additional insureds. The Condominium Board may establish minimum amounts and maximum deductibles for all such insurance from time to time. Unit Owners shall provide a certificate evidencing such insurance when they take title to their Units and thereafter upon request by the Condominium. To the fullest extent permitted by the law, each Unit Owner releases the Condominium from liability for damage to those portions of his Unit not expressly covered by the Condominium's insurance, and to his personal property, for any reason. If any such damage would be covered by insurance maintained by the Unit Owner under this Section, and if for any reason the Unit Owner is not carrying such insurance, the Unit Owner shall be deemed to have breached the By-laws of the Condominium and the Condominium shall have all legal rights at law or in equity against the Unit Owner to be defended, held harmless and indemnified against loss (including reasonable attorneys' fees) as a result of such failure. Unit Owners should consult their insurance agents as to the scope of this insurance and any additional coverage which might be recommended.

Section 3. Restoration or Reconstruction After Fire or Other Casualty. In the event of damage to or destruction of the Building as a result of fire or other casualty (unless seventy-five percent (75%) or more of the square footage comprising the Units is destroyed or substantially damaged and at least one Unit Owner does not duly and promptly resolve to proceed with repair or restoration), the Board of Managers shall arrange for the prompt repair and restoration of the Building (including any heating, air conditioning or other service machinery which is covered by insurance, but not including any, wall, ceiling or door decorations or coverings or other furniture, furnishings, fixtures or equipment installed by Unit Owners in the Units), and the Board of Managers, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a common expense and the Board of Managers may assess all Unit Owners for such deficit as part of the Common Charges.

If seventy-five percent (75%) or more of the square footage comprising the Units is destroyed or substantially damaged and at least one Unit Owner does 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 the other Unit Owner, 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 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 among both Unit Owners equally, after first paying out of the share of each Unit Owner the amount of any unpaid liens on his Unit, in the order of the priority of such liens.

ARTICLE VIII DEFAULTS

Section 1. Collection of Assessments. The Board of Managers shall take prompt action to collect any Common Charge due from any Unit Owner which remains unpaid for more than thirty (30)

days from the due date for payment thereof. Upon the failure of a Unit Owner to pay any element of Common Charges for the Unit within fifteen (15) days of the same becoming due and payable, the Board of Managers shall have the right to place a lien against the Unit Owner's Unit for the unpaid Common Charges as set forth above, and impose late fees and administrative fees of up to \$100 per violation as additional Common Charges with respect to each new violation to cover the additional costs of administration. Failure of the Board of Managers to place such a lien or impose such charges shall not constitute a waiver of the right to do so at a later date or with respect to a subsequent failure to pay within the designated time. Common Charges which remain unpaid for more than thirty (30) days shall bear interest at the maximum rate permitted by law. While the Sponsor controls the Board of Managers, the Sponsor will cause the Board to file a lien as provided for in Section 339-aa of the Real Property Law on units in which the Sponsor is more than 30 days in arrears of common charges.

Section 2. Default in Payment of Common Charges and Assessments. If any Unit Owner defaults in paying to the Board of Managers the Common Charges or any other amounts determined by the Board of Managers to be due, including (but not limited to) Common Charges, late payment charges, fees and expenses of collection or enforcement of the Condominium Documents (including attorneys' fees), interest or fines (individually and collectively, "Charges"), such Unit Owner shall be obligated to pay interest at the maximum legal rate on such Charges from the due date thereof, together with all expenses, including attorneys' fees, incurred by the Board of Managers in any proceeding brought to collect such unpaid Charges (which shall also be deemed Charges). Except as otherwise expressly set forth in these By-Laws, all Charges shall be payable within five (5) days after demand. The Board of Managers shall have the right and duty to attempt to recover such Charges, together with interest thereon, and the expenses of the proceeding, including attorneys' fees, in an action to recover the same brought against the 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 and Article Twelfth of the Declaration of Condominium, in the manner provided in Section 339-aa thereof. While the Sponsor controls the Board of Managers, the Sponsor will cause the Board of Managers to file a lien as provided in Real Property Law Section 339-aa on Units in which the Sponsor is more than thirty (30) days in arrears of common charges. For purposes of this section, all Charges shall be deemed Common Charges under Section 339-z.

Disputes relating to payment of Common Charges shall not be subject to Expedited Arbitration except by mutual consent of the parties.

Section 3. Foreclosure of Liens for Unpaid Common Charges. All Charges assessed against a Unit Owner shall be a lien against a Unit upon the expiration of any grace period provided herein. In any action brought by the Board of Managers to foreclose a lien on a Unit because of unpaid Charges, the Unit Owner shall be required to pay a reasonable rental for the use of his Unit from and after the date of commencement of the foreclosure action, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. A suit to recover a money judgment for unpaid Charges shall be maintainable without foreclosing or waiving the lien securing the same.

Section 4. Assignment of Rents. In addition to any other remedies available to the Condominium, if a Unit Owner defaults in the payment of Common Charges the Board of Managers may take an

assignment of all rents payable by any tenant or occupant of a Unit upon notice to the tenant, and payment of such amounts to the Board shall be a complete defense to any action for collection by the Unit Owner against the tenant.

Section 5. Abatement and Enjoinment of Violations by Unit Owners; Imposition of Fines. 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 rights set forth in these By-Laws: (a) 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, and the Board of Managers shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity the continuance of any such breach. All costs of enforcement shall be deemed Common Charges. In addition, the Board of Managers may impose fines on Unit Owners violating the Declaration, By-Laws, or Rules and Regulations, in its reasonable discretion. The Board member who is not in violation of the Declaration, By-laws or Rules and Regulations shall have the right to enforce the rights of the Board under this Section. However, disputes as to the validity of any such action remain subject to expedited arbitration as described in Article XIV.

ARTICLE IX AMENDMENTS

(a) Except as set forth below, these By-Laws may be altered, amended or added to at any duly called Unit Owners meeting; provided: (1) that the notice of meeting shall contain a full statement of the proposed amendment, or both Unit Owners waive notice of the meeting; (2) that the amendment shall be approved by both Unit Owners and (3) said amendment shall be set forth in a duly recorded amendment to the Declaration. However, no amendment will affect or impair the validity or priority of a Unit Owners' interest or the interests of holders of a mortgage encumbering a Unit or Units.

(b) Sponsor shall have the right, without the vote or consent of other Unit Owners, the Board of Managers or the holders of Unit mortgages, to execute or (on its request) to require the Board of Managers to execute and record in the Office of the Register of the City of New York, County of New York and elsewhere, if required by law, all amendment or amendments to these By-Laws (together with such other documents as may be required to effectuate the same) to reflect any changes in unsold Units and the reapportionment of the Common Interest resulting therefrom, made by Sponsor in accordance with Article VI, Section 10 and the Declaration. All expenses in connection with the preparation, recordation and filing of any such amendment shall be paid by Sponsor or its designee.

ARTICLE X SALES, LEASES AND MORTGAGES OF UNITS

Section 1. No Severance of Ownership. No Unit Owner shall execute any deed, mortgage, or other instrument conveying or mortgaging title to his unit without including therein the Appurtenant Interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, or other instrument purporting to affect one 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 interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the Appurtenant Interests of all units.

Section 2. Payment of Common Charges and Assessments. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his unit unless and until he shall have paid in full to the Board of Managers all unpaid Common Charges and assessments and expenses theretofore assessed by the Board of Managers against his unit and until he shall have satisfied all unpaid liens against such unit, except permitted mortgages.

Section 3. Waiver of Partition Rights. The Unit Owners waive all of their voting rights concerning partition respecting any Unit acquired by the Board of Managers in accordance with this Article.

Section 4. Consent to Jurisdiction and Venue in Lease. By virtue of executing a lease, all Unit Owners, tenants and occupants irrevocably submit to personal jurisdiction in the State of New York and venue in New York County in any action commenced by the Board of Managers.

Section 5. Mortgages of Units. Each Unit Owner is free to mortgage his Unit. Prior to or simultaneously with the closing of any mortgage transaction, the Unit Owner must satisfy all arrearages for any unpaid Common Charges and assessments owed by such Unit Owner and discharge any liens therefor. The Board of Managers may request to a Unit Mortgagee that it be notified by a Unit mortgagee of any default under a mortgage on a Unit.

Section 6. Right of First Refusal by Unit Owner. Each Unit Owner may freely sell his Unit provided that the Unit Owner who intends to sell his Unit (a "Selling Unit Owner") first gives the other Unit Owner (the "Reviewing Unit Owner") an opportunity to purchase such Unit at the same price and on the same material terms as were offered in writing in good faith by a prospective Purchaser. The Selling Unit Owner's notice to the Reviewing Unit Owner will contain such offer and such intention, the name and address of the proposed purchaser, and all of the material terms of the proposed transaction. The notice will indicate whether or not the prospective buyer will be an owner-occupant. Within fifteen (15) days after receipt of the initial notice, the Reviewing Unit Owner may request additional reasonable information regarding the proposed Purchaser and the transaction, including a personal interview. Within thirty (30) days after receipt of such notice and all additional information that had been reasonably requested by the Reviewing Unit Owner, the Reviewing Unit Owner may elect by notice to the Selling Unit Owner, either (a) to purchase the Unit on the same terms and conditions as contained in the outside offer and as stated in the notice from the Selling Unit Owner, or (b) to produce a purchaser who will purchase the Unit on the same terms as contained in the outside offer. The Reviewing Unit Owner may assign its right to purchase the Unit at any time without liability to the Selling Unit Owner. If the Reviewing Unit Owner shall elect to purchase the Unit or to cause the Unit to be purchased by its designee, the parties

shall negotiate the remaining terms of the contract of sale (if any) in good faith, and title shall close at the office of the attorney for the Selling Unit Owner in accordance with the terms of the offer but not less than 45 days no more than 90 days after execution of the contract of sale. Any dispute arising under this Section may be resolved by expedited arbitration in accordance with these By-Laws. If the Reviewing Unit Owner fails to notify the Selling Unit Owner of its election to purchase the Unit within fifteen (15) days after receipt of the Selling Unit Owner's notice (or, if additional information has been reasonably requested after reviewing the submissions of the Selling Unit Owner, within thirty (30) days after receipt of all additional information reasonably required by the Reviewing Unit Owner), the Selling Unit Owner will have sixty (60) days to accept the outside offer of the prospective Purchaser and execute a contract on the terms of the offer, failing which the Selling Unit Owner will be required to again first offer the Unit same to the Reviewing Unit Owner before offering it to another person.

Any Unit Owner may enforce its rights under this Section by an action for specific performance or injunctive relief and the costs of enforcement in any action shall be payable to the prevailing Unit Owner.

Even if a particular conveyance is not subject to the right of first refusal, the Selling Unit Owner shall notify the other Unit Owner of the conveyance at least ten (10) days before the date of the conveyance.

In any expedited arbitration under this Section, the arbitrator may award costs and fees to the prevailing Unit Owner.

Section 7. Lease of a Unit. A Unit Owner may freely lease his Unit, subject to certain restrictions including, but not limited to, a maximum term length of two (2) years, a provision that the entirety of the Unit must be leased, and rights of the Condominium in the event of a default by the tenant or the Unit Owner. For clarification, individual leases may have a maximum two-year term. However, a Unit Owner may enter into new leases with the same or another tenant for additional two-year terms in his or her discretion, subject to the requirements in the balance of these By-laws. Any such lease shall be furnished to the Board of Managers before the lease commencement date; shall be consistent with these By-Laws; shall provide that the tenant shall not further sublet the premises or any part thereof without the prior consent in writing of the Board of Managers; that the Board of Managers shall have the power to terminate such lease and to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of a default by the tenant in the performance of such lease; that in the case of default by the Unit Owner, the Board of Managers shall have the right to require the tenant to pay its rent to and attorn to the Board on demand; that the Unit Owner or tenant will maintain liability insurance naming the Condominium as an additional insured party, if available, and that the Board of Managers shall have the right to terminate the lease on not less than thirty (30) days' prior written notice upon foreclosure of the lien granted by Section 339-z of the New York State Real Property Law. Any lease of a Unit shall be in the form then recommended by the Real Estate Board of New York, Inc. for residential space except for such changes therein as may be provided in the By-Laws as the Regulations of the Condominium and such other reasonable changes that do not adversely affect the other Unit Owner or the Condominium.

Section 8. Payment of Common Charges and Assessments. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his Unit unless and until he shall have paid in full to the Board of Managers all unpaid Common Charges and assessments and expenses theretofore assessed by the Board of Managers against his Unit and until he shall have satisfied all unpaid liens against such unit, except permitted mortgages.

Section 9. Exceptions to Restrictions on Sales and Leases. The provisions of Sections 6 and 7 of this Article X shall not apply with respect to (a) any sale, conveyance or lease by a Unit Owner of his Unit to his spouse or to any of his children over the age of 18 years or to his parent or parents or to his brothers or sisters, or any one or more of them, or to a trust established for the benefit of any of them; (b) a sale or lease of a Unit owned by the Sponsor or any principal thereof (as defined in the Offering Plan pursuant to which the Condominium was established); or (c) the sale or lease of a Unit to the controlling principal of any non-individual entity owning the Unit or members of his or her immediate family; (d) the acquisition, sale or lease of a Unit by a mortgagee who shall acquire title to such unit by foreclosure or by deed in lieu of foreclosure; (e) a conveyance or transfer by gift during a Unit Owner's lifetime; or (f) the devise of a Unit by will or intestacy. However, the Board of Managers must be given prior written notice of every sale or lease of a Unit.

Section 10. Consent to Jurisdiction and Venue in Lease. By virtue of executing a lease, all Unit Owners, tenants and occupants irrevocably submit to personal jurisdiction in the State of New York and venue in New York County in any action commenced by the Board of Managers.

ARTICLE XI CONDEMNATION

If all or part of the common elements are taken in condemnation or eminent domain proceedings, the award from such proceedings shall be paid to the Board of Managers to be distributed in accordance with Section 2 of Article VII, but in the following amounts:

(a) so much of the award as is applicable to unrestricted common elements, to the Unit Owners pro rata according to the respective common interests appurtenant to the Units owned by such Unit Owners; and

(b) so much of the award as is applicable to irrevocably restricted common elements to the Unit Owner having general use of such common element.

In such eminent domain or condemnation proceeding, the Board shall request that the award shall set forth the amount allocated to unrestricted common elements and to each irrevocably restricted common element. In the event the award does not set forth such allocation, then the question of such allocation shall be submitted to arbitration in accordance with the Arbitration Statutes of the State of New York.

ARTICLE XII REPORTS TO UNIT OWNERS

The Board of Managers of the Condominium shall provide to all Unit Owners annually:

(a) a financial statement of the condominium prepared by a certified public accountant or public accountant by April 30th of each calendar year (which report shall be certified while the sponsor controls the Board of Managers);

(b) prior notice of annual Unit Owners' meetings; and

(c) a copy of the proposed annual budget of the Condominium no later than 15 days prior to the date set for adoption thereof by the Board of Managers (which budget shall be certified as adequate by an independent expert while the Sponsor controls the Board of Managers.)

ARTICLE XIII MISCELLANEOUS

Section 1. Insurance. Under no circumstances shall a Unit Owner permit or suffer anything to be done or left in his Unit which will increase the insurance rates on his Unit or any other Unit or on the common elements.

Section 2. Severability. Should any of the covenants, terms or provisions herein imposed be void or be or become unenforceable at law in equity, the remaining provisions of these By-Laws shall, nevertheless, be and remain in full force and effect.

Section 3. Notice to Condominium. A Unit Owner who mortgages his Unit, shall notify the Condominium through the management agent, if any, or the President of the Board of Managers if there is no management agent, of the name and address of his mortgagee; and the Board Of Managers shall maintain such information in a book entitled "Mortgages of Units."

Section 4. Notice of Unpaid Assessments. The Board of Managers shall at the request of a mortgagee of a Unit, report any unpaid assessments due from the Unit Owner of such Unit.

Section 5. Examination of Books and Records. Every Unit Owner or his representative and mortgagee shall be entitled to examine the books and record of the Condominium on reasonable notice to the Board.

Section 6. Construction. Wherever the masculine singular form of the pronoun is used in the By-Laws, it shall be construed to mean the masculine, feminine or neuter; singular or plural, wherever the context so requires.

Section 7. Compliance with Article 9-B. These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Laws of the State of New York. In case any of these By-Laws conflict with the provisions of said Statue or of the Declaration, the provisions of the Statute or of the Declaration, whichever the case may be, shall control.

ARTICLE XIV EXPEDITED ARBITRATION

All disputes arising under the Declaration and these By-laws (other than disputes with the Sponsor and disputes with respect to payment of common charges or assessments, unless mutually agreed), including any matter arising under the Declaration or By-Laws as to which Board action may be required but cannot be taken due to a disagreement between members of the Board of Managers of the failure of a Unit Owner or Manager to attend any meeting so as to achieve a quorum in order to allow action to be taken by the Board of Managers, shall be settled by expedited arbitration conducted in accordance with the rules of the American Arbitration Association (the "AAA"), unless the parties agree otherwise. Either Unit Owner may submit the dispute for resolution by arbitration in the City of New York in accordance with the Arbitration Rules (Expedited Procedures) of the AAA, except that the terms of this Section shall supersede any conflicting or otherwise inconsistent rules. Provided the rules and regulations of the AAA so permit, (i) the AAA shall, within five (5) days after a submission or application by a party, select a single independent arbitrator, (ii) the arbitration shall commence fourteen (14) days thereafter and shall be limited to a total of ten hours on the date of commencement until completion, with each party having a total of five (5) hours to present its case and to cross-examine or interrogate persons supplying information or documentation on behalf of the other party, and (iii) the arbitrator shall make a determination within fourteen (14) days after the conclusion of the presentation of both parties' cases, which determination shall be limited to the specific dispute presented to the arbitrator. All actions necessary to implement such decision shall be undertaken as soon as possible, but in no event later than ten (10) business days after the rendering of such decision. All fees payable to the AAA for services rendered in connection with the resolution of the dispute shall be paid by the unsuccessful party. If the subject matter of arbitration is an alteration or repair issue, then the arbitrator shall be an architect or an engineer with at least fifteen (15) years' experience in the matter which is the subject of the arbitration relating to residential properties similar to the Building.

SCHEDULE A
RULES AND REGULATIONS

1. Except as permitted under the By-Laws, 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 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 Common Elements, nor shall any Unit be rented for transient, hotel or motel purposes. The right is reserved by the Sponsor, its designee and the Board of Managers, or its agent, to place "For Sale," "For Rent," or "For Lease" or similar signs on any unsold or unoccupied Units, and the right is hereby given to any mortgagee, who may become the owner of any Unit, to place such signs on any Unit owned by such mortgagee. Additionally, the right is reserved by Sponsor and its designee to maintain and staff one or more vacant and unsold Units in the Building as a sales office and/or model Unit. Sponsor and its designee shall have the right to place "For Sale," "For Rent," or "For Lease" signs or similar signs on or in the vicinity of the Building without regard to size.

2. No exterior of any Unit or the windows or doors thereof or any other portions of the Common Elements shall be painted or decorated by any Owner or in any manner without 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 Unit in a good state of preservation and cleanliness and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows of a Unit, any dirt or other substances.

6. No exterior shades, awnings, window guards, ventilators, fans or air-conditioning devices shall be used on or about the Building or Common Elements if the same are visible to the other Unit Owner or form the front of the Building except such as shall have been approved by the the Board of Managers.

7. 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 project out of any window of the Building without the approval of the Board of Managers.

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 may direct.

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

10. No Unit Owner shall engage any employee of the Condominium to perform tasks outside their stated job description for any private business of the Unit Owner without prior written consent of the Managing Agent.

11. In no event shall dogs, or other pets, be permitted in any of the public portions of the Building unless supervised by the Unit Owner and on a leash. The individual Unit Owners who keep an animal in the Building shall each indemnify the Board of Managers and hold it harmless against any loss or liability of any kind or character whatsoever arising from or as a result of the Unit Owner having any animal in the Building.

12. No radio or television serial shall be attached to or hung from the exterior of the Building without written approval of the Board. The Board, upon the request of any Unit Owner, shall allow the installation of any hook-up necessary to provide satellite or cable television service to the Units.

13. The Board of Managers, the Managing Agent, and any contractor or workman authorized by them, may enter any Unit at reasonable hours, on reasonable notice, for any purpose permitted under the terms of the Declaration, By-Laws, or Rules and Regulations of the Condominium.

14. No Unit Owner shall alter any lock on any door leading into his Unit unless the Unit Owner shall also provide the Board with a key for their use.

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

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

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

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

19. Any damage to the Building or equipment caused by Unit Owners, their guests, visitors, clients, patients or employees shall be repaired at the expense of the said Unit Owner.

20. Complaints regarding the management of the Building and grounds or regarding the actions of other Unit Owner(s) shall be made in writing to the Board.

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

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

23. No 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 or 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.

24. In addition to any other remedies available to the Condominium, the Board of Managers may impose fines on Unit Owners who violate these Rules and Regulations. The amount and administration of such fines shall be established in the reasonable discretion of the Board of Managers. Such fines shall be deemed additional Common Charges.

25. Under no circumstances shall any swing sets, recreational game nets, decorations, children's toys, gardens, planting, clothes lines or any other personal property or fixture be permitted in the General Common Elements.

26. Any application to any governmental authority for a permit to perform any work shall be executed by the Board of Managers, without, however, any liability incurring to the Board of Managers on account of such work.

27. A Unit Owner performing any work within his or her Unit shall notify the other Unit Owner or any tenants or occupants of the Building of the nature of the work in question. No work shall be done except between the hours of 8:30 a.m. and 5:00 p.m. and no work shall be performed on Saturdays, Sundays or legal holidays. No work which might be disturbing to Building occupants shall be done before 10 a.m. All demolition work shall be commenced only after notice to the Board of Managers and must be completed within ten (10) days thereafter, unless otherwise permitted. All precautions will be taken to prevent dirt and dust from permeating other parts of the Building during the progress of any work. Materials and rubbish will be placed in barrels or bags before being taken out of the Unit. All such barrels or bags, rubbish, rubble, discarded equipment, empty packing cartons and other materials will be taken out of the Building and removed from the property at the Unit Owner's expense.

28. The Unit Owner performing work in his or her Unit shall assume all risk of damage to the Building and its mechanical systems, and to persons and property in the Building which may result from or be attributable to the work, and all responsibility for the maintenance and repair of any work after completion. This responsibility covers all work (whether structural or nonstructural), weathertightness of windows, exterior walls or roofs, waterproofing of every part of the Building directly or indirectly affected by the work, and maintenance of all heating, plumbing, air-conditioning and other equipment installed or altered pursuant thereto. If the operation of the Building or any of its equipment is adversely affected by such work, the Unit Owner, when so advised, shall promptly remove the cause of the problem at its own cost and expense.

29. The Unit Owner performing work in his or her Unit shall defend, indemnify and hold harmless the other Unit Owner, the Board of Managers and all tenants or occupants of the Building from and against any loss, damage or liability caused by or resulting from the work, including, but not limited to, damages to the Building and claims for damages suffered to persons or property. The Unit Owner shall reimburse the Board of Managers for any expenses (including, without limitation, attorneys' fees and disbursements) that the Board of Managers may incur in connection with such Unit Owner's work, including, without limitation, lawsuits commenced to recover the cost of repairing damage to the Building and defending actions for personal injury or property damage caused by or resulting from the work. Upon request, the Unit Owner shall procure a bond or agreement from an insurance company acceptable to the Condominium ensuring the performance of the work and fulfillment of the Unit Owner's obligations as set forth herein.

30. Smoking shall be permitted within individual units. Smoking shall be prohibited everywhere else in the Building including, but not limited to, the indoor and outdoor common areas and limited common areas of the Building including, but not limited to, the laundry room, roof deck, the roof, the passenger elevator, the stairwells, any area of the basement, the hallways of any and all floors, the lobby, and within 25 feet of the building entrance or of any operable openings or air intakes. No owner shall smoke, or permit smoking by any occupant, agent, tenant, invitee, guest, friend, or family member anywhere smoking is prohibited at the Building.

Smoking shall include carrying, burning, or otherwise handing or controlling any lit or smoldering product containing tobacco, or cloves, or marijuana, or any similar plant product or using a similar type of lighted, smoldering or vapor-producing product in any manner or form, including but not limited to cigarettes, cigars, pipes, e-cigarettes or vaping apparatus.

Violations of this rule will be enforced as follows:

- a. \$250.00 First Offense;
- b. \$500.00 Second Offense; and
- c. \$1,000.00 Each Offense thereafter.

Smoking in violation of this rule shall constitute a nuisance. A Unit Owner that smokes or allows others to smoke in their Unit or elsewhere in the Building is responsible for ensuring that the smoke does not affect other Unit Owners and residents of the Building or infiltrate any other

parts of the Building. If the Board of Managers or managing agent receives a complaint about smoke emanating from a Unit, the Unit Owner will be notified and required to immediately address the problem, including, if necessary, the following measures:

- (i) Install a silent room air purifier (clean-air delivery rate (CADR) of 300 or better) in each and every room in which smoking occurs and it must be USED while smoking and for at least 1 hour after smoking;
- (ii) Install insulating gaskets for all outlets and light switches;
- (iii) Caulk all baseboards in rooms adjacent to neighboring apartments;
- (iv) Install a door sweep on the front door to the apartment and the service door;
- (v) Provide documentation to building management that items (i)-(iv) above have been satisfied; and
- (vi) Allow building staff to timely inspect the Unit and perform such tests as the Board of Managers may deem advisable to confirm that smoke from the Unit is not infiltrating other Units and/or other areas of the Building.

31. Subject to the provisions of the By-Laws, these Rules and Regulations may be added to or repealed at any time by the Board of Managers.

ESCROW AGREEMENT

AGREEMENT made this _____ day of _____, 20____, by and among _____ (“PURCHASER”), 108 KING PARTNERS LLC (“SPONSOR”), as sponsor of the 108 King Street Condominium offering plan (“Plan”) and SMITH, BUSS & JACOBS, LLP (“ESCROW AGENT”).

WHEREAS, SPONSOR has filed the Offering Plan with the Attorney General to offer for sale residential condominium units (“Units”) at the premises located at 108 King Street, Brooklyn, New York 11231 (“Premises”), subject to the terms and conditions set forth in the Plan; and

WHEREAS, ESCROW AGENT is authorized to act as an escrow agent hereunder in accordance with New York General Business Law (“GBL”) Sections 352-e(2-b), 352-(h) and the New York Department of Law’s regulations promulgated thereunder;

WHEREAS, PURCHASER is simultaneously executing a Purchase Agreement for the purchase of Unit _____ (the “Unit”) at the Premises; and

WHEREAS, SPONSOR and PURCHASER desire that ESCROW AGENT act as escrow agent for deposits, down payments, and advances (referred to herein as “Deposit”) with respect to the Unit pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1.1. ESCROW AGENT shall establish an escrow account for the purpose of holding the Deposit made by PURCHASER pursuant to that certain purchase agreement for the purchase and sale of the Unit at The Westchester Bank located at 2001 Central Avenue, Yonkers, in the State of New York (“Bank”), a bank authorized to do business in the State of New York. The escrow account will be entitled “145 14th St. — Special Escrow Account” (“Escrow Account”) or similar name.

1.2. ESCROW AGENT has designated the following attorneys to serve as signatories: Thomas W. Smith; Kenneth Jacobs; Domenick Tammaro; and Anthony Simari. All designated signatories are admitted to practice law in the State of New York. All of the signatories on the Escrow Account have an address of c/o Smith, Buss & Jacobs, LLP, 733 Yonkers Avenue, Yonkers, NY 10704 and a telephone number of (914) 476-0600.

1.3. ESCROW AGENT and all authorized signatories hereby submit to the jurisdiction of the State of New York and its Courts for any cause of action arising out of this Agreement or otherwise concerning the maintenance of or release of the Deposit from escrow.

1.4. Neither ESCROW AGENT nor any authorized signatories on the Escrow Account are the Sponsor, Selling Agent, Managing Agent (as those terms are defined in the Plan), or any principal thereof, or have any beneficial interest in any of the foregoing.

1.5 The Escrow Account is not an IOLA account established pursuant to Judiciary Law Section 497.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

2.1 All Deposits received from PURCHASER prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be placed into the Escrow Account. All instruments to be placed into the Escrow Account shall be made payable directly to the order of "Smith, Buss & Jacobs as ESCROW AGENT" pursuant to the terms set forth in the Plan. Any instrument payable to, or endorsed other than as required hereby, and which cannot be deposited into such Escrow Account, shall be returned to PURCHASER promptly, but in no event more than five (5) business days following receipt of such instrument by ESCROW AGENT. In the event of such return of the Deposit, the instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

2.2 ESCROW AGENT is hereby obligated to send a notice of all Deposits received by ESCROW AGENT to PURCHASER within ten (10) business days of receipt of same. Such notice shall set forth the Bank, the account number, and the initial interest rate earned thereon. If the PURCHASER does not receive notice within fifteen (15) business days after tender of the Deposit, the PURCHASER may cancel the Purchase Agreement within ninety (90) days after tender of the Deposit. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, N.Y. 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning the Deposit and requisite notice was timely mailed to the PURCHASER.

3. RELEASE OF FUNDS.

3.1 Under no circumstances shall SPONSOR seek or accept release of the Deposit of PURCHASER to SPONSOR 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 shall not relieve SPONSOR or ESCROW AGENT of any obligation to PURCHASER as set forth in GBL §§ 352-3(2-b) and 352-h.

3.2 ESCROW AGENT shall release the Deposit to PURCHASER or SPONSOR as directed:

3.2.1 pursuant to terms and conditions set forth in the Purchase Agreement and this Agreement, upon closing of title to the Unit;

3.2.2 in a subsequent writing signed by both SPONSOR and PURCHASER; or

3.2.3 by a final, non-appealable order or judgment of a court.

3.3 If Escrow Agent is not directed to release the Deposit pursuant to paragraph 3.2 above, and Escrow Agent receives a request by either SPONSOR or PURCHASER to release the

Deposit, then Escrow Agent must give both the PURCHASER and Sponsor prior written notice of not fewer than thirty (30) days before releasing the Deposit. If Escrow Agent has not received notice of objection to the release of the Deposit prior to the expiration of the thirty (30) day period, the Deposit shall be released and Escrow Agent shall provide further written notice to both PURCHASER and SPONSOR informing them of said release. If Escrow Agent receives a written notice from either PURCHASER or SPONSOR objecting to the release of the Deposit within said thirty (30) day period, Escrow Agent shall continue to hold the Deposit until otherwise directed pursuant to paragraph 3.2 above. Notwithstanding the foregoing, Escrow Agent shall have the right at any time to deposit the Deposit contained in the Escrow Account with the Clerk of the county where the Unit is located and shall give written notice to both SPONSOR and PURCHASER of such deposit, upon which ESCROW AGENT shall be relieved of all further liability with respect to the Deposit under this Agreement.

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

3.4.1 PURCHASER, if PURCHASER timely rescinds in accordance with an offer of rescission contained in the Plan or an Amendment to the Plan; or

3.4.2 PURCHASER after an Amendment abandoning the Plan is accepted for filing by the New York State Department of Law.

4. RECORDKEEPING.

4.1 ESCROW AGENT shall maintain all records concerning the Escrow Account for seven years after release of the Deposit.

4.2 Upon the dissolution of the law firm which was ESCROW AGENT, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the New York State Department of Law of such transfer.

4.3 ESCROW AGENT shall make available to the Attorney General, upon request, all books and records of ESCROW AGENT relating to the funds deposited and disbursed hereunder.

5. GENERAL OBLIGATIONS OF ESCROW AGENT.

5.1 ESCROW AGENT shall maintain the Escrow Account under its direct supervision and control.

5.2 ESCROW AGENT acknowledges its fiduciary and statutory obligations pursuant to GBL §§ 352(e)(2-b) and 352(h) with respect to all moneys deposited with Escrow Agent.

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

5.4 Notwithstanding the balance of this Agreement, if ESCROW AGENT is counsel to the SPONSOR, PURCHASER and SPONSOR agree that ESCROW AGENT may represent the SPONSOR in any dispute between the Sponsor and PURCHASER, provided that ESCROW AGENT does not violate its obligations with respect to the maintenance or release of the Deposit while it continues to hold the Deposit under this Agreement.

6. RESPONSIBILITIES OF SPONSOR.

6.1 SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall deliver the Deposit received by them prior to closing of the Unit to a designated attorney who is a member of or employed by ESCROW AGENT, within two (2) business days of tender of the Deposit by PURCHASER, using such transmittal forms as required by ESCROW AGENT.

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

6.3 SPONSOR shall obtain or cause the selling agent under the Plan to obtain a completed and signed Form W-9 or W-8, as applicable, from PURCHASER and deliver such form to ESCROW AGENT together with the Deposit and Purchase Agreement.

7. TERMINATION OF AGREEMENT.

7.1 This Agreement shall remain in effect unless and until it is canceled by either:

7.1.1 Written notice given by SPONSOR to ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity, which cancellation shall take effect only upon the filing of an amendment to the Plan with the Department of Law providing for a successor escrow agent that meets the requirements set forth in applicable regulations of the New York State Department of Law. PURCHASER shall be deemed to have consented to such cancellation;

7.1.2 The resignation of ESCROW AGENT, which shall not take effect until ESCROW AGENT is replaced by a successor escrow agent that meets the requirements set forth in applicable regulations of the New York State Department of Law, and notice is given to PURCHASER of the identity of the successor escrow agent, the Bank in the State of New York where the Deposit is being held, and the account number therefor.

7.2 Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1.1 or 7.1.2 above, ESCROW AGENT shall deliver the Deposit held by ESCROW AGENT and the Purchase Agreement and any other documents maintained by ESCROW AGENT relating to the Deposit to the successor escrow agent.

8. SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon SPONSOR, PURCHASER and ESCROW AGENT and their respective successors and assigns.

9. GOVERNING LAW. This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

10. ESCROW AGENT'S COMPENSATION. Prior to release of the Deposit, ESCROW AGENT'S fees and disbursements shall neither be paid by SPONSOR from the Deposit nor deducted from the Deposit by any financial institution under any circumstance.

11. SEVERABILITY. If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

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

13. ENTIRE AGREEMENT. This Agreement, read together with GBL §§ 352-e(2-b) and 352-(h) and the New York State Department of Law's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

14. COUNTERPARTS, FACSIMILE, PHOTOSTATIC AND ELECTRONIC SIGNATURES. This Agreement may be executed in any number of counterparts and each such counterpart shall be deemed to be an original, but all of which, when taken together, shall be deemed one Agreement. A photostatic, electronic or facsimile signature by any of the parties, their respective attorneys or agents by power of attorney shall be given the same effect as a hand-written signature.

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IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

ESCROW AGENT: SMITH, BUSS & JACOBS, LLP

By: _____
Kenneth R. Jacobs, Partner

SPONSOR: 108 KING PARTNERS LLC

By: _____

PURCHASER:

EXHIBIT H

HOUSING MERCHANT IMPLIED WARRANTY (LIMITED)

SPONSOR: 145 14th St. LLC
18 Main Street
Roslyn, NY 11576

NAME OF PURCHASER(S): _____

ADDRESS OF PURCHASER(S): _____

ADDRESS OF UNIT WARRANTED: Unit No. _____
145 14th Street Condominium
145 14th Street, Brooklyn, NY 11215

COMMENCEMENT DATE: The date that Purchaser takes title to the Unit or the date that any person begins residential occupancy to the Unit, whichever is earlier ("Warranty Date").

This Warranty excludes all consequential, incidental, special and indirect damages. In addition, Sponsor's obligation to pay for the cost of repairing any defect, damage or injury to property is limited to \$50,000.

THIS WARRANTY IS GIVEN IN LIEU OF AND REPLACES ALL OTHER WARRANTIES ON THE CONSTRUCTION AND SALE OF THE UNIT AND ITS COMPONENTS. BOTH EXPRESS AND IMPLIED (INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE). THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE FACE HEREOF. THE PURPOSE OF THIS WARRANTY IS TO IDENTIFY THE SPONSOR'S RESPONSIBILITIES FOR CONSTRUCTION DEFECTS OF A LATENT OR HIDDEN NATURE THAT COULD NOT HAVE BEEN FOUND OR DISCLOSED ON FINAL INSPECTION OF THE UNIT.

1. This Is A Limited Warranty. This is a limited Warranty which excludes any other promises or guarantees that Sponsor could make (also known as "express warranties" or "implied warranties") regarding the renovation of your Unit and its components, including any warranties of merchantability or fitness for a particular purpose. There are no warranties which extend beyond the face of this document.

2. Limit On Sponsor Liability. As noted on page 1 of this Warranty, Sponsor is not obligated to pay for any defect, damage or injury not caused directly as a result of a defect covered by this Warranty. In other words, this Warranty excludes "consequential", "incidental", "special" and "indirect" damages, except as required by state law. In addition, Sponsor's

obligation to pay for the cost of repairing any defect to property is limited to \$25,000 ("Sponsor's Limit of Total Liability").

3. Warranty Only To You. This Warranty is given only to you while you own your Unit. It will end automatically if you transfer the Unit to any other person at any time.

4. Warranty Made Exclusively By The Sponsor. This Warranty is made exclusively by the Sponsor whose name appears on page 1.

5. Warranty Coverages And Periods. The Warranty Period for all coverages begins on the Warranty Date and shall end at the expiration of the applicable coverage period shown in Section 7 below. **TIME IS OF THE ESSENCE WITH RESPECT TO THESE WARRANTY COVERAGE PERIODS. WARRANTY COVERAGE PERIODS WILL NOT BE EXTENDED.**

6. Final Inspection Of The Unit. Before you move into the Unit or accept the deed, the Sponsor will set up an appointment for final inspection of the Unit with you. 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 home, or any unfinished work caused by back-orders beyond the Sponsor's control.

All defects or flaws found on final inspection of the Unit will be itemized on a Final Inspection Sheet, which will be signed by you and the Sponsor before occupancy of the Unit or transfer of the deed.

When you move into the Unit or accept the deed, the Sponsor's responsibility is limited to:

(a) completion of items in accordance with the Final Inspection Sheet (see Exhibit B attached hereto), and

(b) performance of warranty obligations under the provisions of this Warranty, as listed below. The purpose of the Warranty is to identify the Sponsor's responsibilities for construction defects of a latent or hidden kind that would not have been found or disclosed on final inspection of the Unit.

7. What Is Included In The Warranty.

(a) Sponsor makes the following warranties to you for the following periods (the "**Warranty Period**") solely with respect to your Unit, as described in the Description of Property and Building Condition in Part II of the Plan:

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

(ii) For two (2) years, the Plumbing, Electrical, Heating, Cooling and Ventilation Systems (if any) shall be free from defects caused by unskillful installation.

(iii) For six (6) years, the Unit shall be free from Material Defects in the structural elements (foundation, floors, walls, roof framing) which make it unsafe or unlivable.

(b) Sponsor will not be liable unless the defect, damage or injury was caused by one of the following:

(1) defective workmanship by Sponsor or any agent or subcontractor of or person working for Sponsor;

(2) defective materials supplied by Sponsor or any agent or subcontractor of or persons working for Sponsor; or

(3) defective design provided by the architect, or subcontractor, engineer or other design professional or subcontractor engaged solely by the Sponsor.

(c) Definitions: As used in this Section 7, the following words and phrases have the following meanings:

(1) "Material Defect": means actual physical damage to the following load-bearing parts of the Unit which affects their load-bearing functions to the extent that the Unit becomes unsafe, unsanitary or unlivable: foundation systems and footings, beams, girders, lintels, columns, walls and partitions, floor systems, and roof framing systems.

(2) "Plumbing System": means 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.

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

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

(d) Sponsor's Warranty does not extend to any other type of defect.

8. What Is Excluded From Warranty Coverage. The following items are excluded from Sponsor's Warranty:

(a) Any defects in appliances sold by Sponsor with your Unit, unless the defect was caused by Sponsor's failure to install the appliance in a skillful manner. However, Sponsor will transfer to you any manufacturer's warranties which it receives.

(b) Any defect which was obvious (or would have been obvious if you had inspected your Unit) before purchase or occupancy, including defects shown on the Final Inspection Sheet.

(c) Any normal wear and tear or deterioration in your Unit.

(d) Any normal settling or shifting of your Unit (including, without limitation, expansion or contraction of the walls or floor, concrete cracks which do not impair the structural soundness of the Unit or Building, or separation between baseboards and the floor)

(e) Minor defects, such as nails popping; lumber shrinkage; door sticking due to weather; door warping; cracking, discoloration or separation of caulking or grouting; normal plumbing or heating noises; floor discoloring; or leaks due to your failure to install storm doors or windows.

(f) Damage to personal property.

(g) Any damage to the extent that it is caused or made worse by:

(1) negligence, improper maintenance, or improper operation by anyone other than Sponsor, its employees, agents, or subcontractors;

(2) failure by you or anyone other than Sponsor, its employees, agents or subcontractors, to comply with the warranty requirements of manufacturers or suppliers of appliances, fixtures or items of equipment;

(3) your failure to give notice to Sponsor of any defects or damage within a reasonable time;

(4) changes in the grading of the ground by anyone other than Sponsor, its employees, agents or subcontractors;

(5) changes, alterations or additions made to the Unit by anyone other than the Sponsor after the Warranty Date shown on page 1; or

(6) dampness or condensation due to your failure to maintain adequate ventilation.

(h) Any condition which does not result in actual physical damage to the Unit.

(i) 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, mudslide, earthquake, volcanic eruption, wind-driven water, and not reasonably foreseeable changes in the underground water table.

(j) Loss or damage caused by seepage of water unless such loss or damage is the direct result of a construction defect.

(k) Any damage caused by soil movement for which compensation is provided by legislation or which is covered by other insurance.

(l) Any damage which you have not taken timely action to minimize.

(m) Insect damage.

(n) Bodily injury or damage to personal property.

(o) Sponsor's failure to complete construction of the Unit.

(p) Loss or damage which arises while the Unit is being used primarily for nonresidential purposes.

(q) Loss or damage due to abnormal loading on floors by you which exceeds design loads as mandated by the Building Code or building standards.

(r) Costs of shelter, transportation, food, moving, storage or other incidental expenses related to relocation during repair.

(s) Consequential damages (except where required by state law).

(t) With respect to a claim for a Material Defect, damage to non-load bearing portions of the Unit including (but not limited to) the following: 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 (if any) 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; and insulation.

(u) Loss or damage caused by defective workmanship performed by any person other than the Sponsor or an agent or subcontractor of the Sponsor working under the direction and supervision of the Sponsor.

(v) Loss or damage caused by defective materials supplied by any person other than the Sponsor.

(w) Loss or damage caused by defective design provided by any person other than a design professional retained exclusively by the Sponsor.

(x) 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)(if any); site 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.

(y) Any defects, whether material or otherwise, which arise from those portions of the Unit or Building that are not newly constructed by the Sponsor.

(z) Any claim not filed in a manner set forth below in Section 10, "How to Make a Warranty Claim".

9. Warranty.

(a) If a defect occurs in an item covered by this Warranty, Sponsor will repair, replace or pay to you the reasonable cost of repairing or replacing the defective item 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.

(b) In no event will Sponsor's total liability for deficiencies under this Warranty exceed the Sponsor's Limit of Total Liability, as described in on page 1 and Section 2 on page 2. However, if any of the Warranty provisions set forth herein fail to meet or exceed the applicable building code, or in the absence of such relevant specific standard, a locally accepted building practice, or fail to ensure that the Unit is habitable by permitting conditions to exist which render the home unsafe, then such provision shall be void as contrary to public policy. In addition, the Sponsor will remain liable in accordance with applicable law for defects due to Sponsor's failure to construct the Unit substantially in accordance with filed building plans and specifications, subject only to applicable statute(s) of limitations.

(c) Repair, replacement or payment of reasonable cost for any Material 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 Material Defect which made the Unit unsafe, unsanitary or otherwise unlivable.

(d) 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.

10. How To Make A Warranty Claim.

(a) If you believe that you are covered under this Warranty, you must send to Sponsor a **Notice of Warranty Claim**. The Notice of Warranty Claim is a letter, sent by certified mail, return receipt requested to the following address:

**145 14th LLC
18 Main Street
Roslyn, NY 11576**

The letter must identify the Unit, give the Warranty Date, explain your claim, and include your name, address and work and home phone numbers.

(b) You must notify Sponsor of your claim within 30 days after the last day of the warranty period for the defective part, as described in Sections 5 and 7, or you will lose your right to have it repaired by Sponsor under this Warranty.

(c) Within a reasonable time after Sponsor receives your complete letter, it will make an appointment to inspect the defective part of your Unit with you. Sponsor is not obligated to make any repair if it is unable to get into your Unit to inspect (or you did not keep an appointment) after reasonable efforts.

(d) Upon completion of inspection and testing, the Sponsor will determine whether to accept or reject the claim. If the Sponsor rejects the claim, the Sponsor will give written notice of that decision to you at the address shown on the Notice of Claim. If the Sponsor accepts the claim, the Sponsor will take corrective action within a reasonable period of time and, upon completion, will give written notice of completion to you at the address shown on the Notice of Claim Form.

(e) If Sponsor confirms that a repair must be made, it will start the repair within a reasonable time and continue working until the repair is completed.

(f) If you and Sponsor disagree about whether Sponsor is liable, you may elect to have the claim arbitrated following the rules of the American Arbitration Association. If you sue Sponsor, though, you may no longer demand that your claim be arbitrated unless Sponsor consents.

IF YOU DO NOT FOLLOW ALL OF THE ABOVE PROCEDURES, YOU WILL BE BARRED FROM MAKING A WARRANTY CLAIM. SPONSOR WILL NOT EXTEND ANY TIME PERIODS FOR MAKING A CLAIM UNDER ANY CIRCUMSTANCES.

11. Additional Protections For Sponsor In Response To Your Claim.

(a) No steps taken by Sponsor, you or any other person to inspect, test or correct defects will extend any time period under this Warranty. If Sponsor elects to respond to a complaint or request which is not made in the form of a proper and timely Notice of Warranty Claim, the fact that Sponsor has chosen to respond will not affect or reduce any of Sponsor's rights under this Warranty. Sponsor will continue to have all of its rights under this Warranty, including its right to receive a timely and properly completed Notice of Warranty Claim.

(b) In response to a Notice of Warranty Claim, or any other complaint or request by you, Sponsor will have the right to inspect and test the portion of the Unit to which the claim relates. You must provide reasonable access to Sponsor and its agents during normal business hours to complete inspection, testing and repair or replacement.

(c) 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.

12. Legal Actions. No claim under this 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 has been received by Sponsor in a timely and properly completed Notice of Warranty Claim Form as provided in paragraph 10 above.

13. General Provisions.

(a) This Warranty is governed by the laws of New York State.

(b) If any part of this Warranty is deemed unenforceable by a court, the remainder will remain enforceable.

(c) This Warranty may not be changed in any way without the written consent of the Sponsor.

(d) As used in this Warranty, "including" means "including but not limited to"; "or" means "and/or"; use of one gender includes the other gender; and the singular includes the plural and vice versa.

SPONSOR'S CERTIFICATION

New York State Department of Law
Real Estate Financing Bureau
120 Broadway, 23rd Floor
New York, New York 10271

Re: 108 King Partners LLC
108 King Street
Brooklyn, New York 11231

Ladies and Gentlemen:

We are the sponsor and the principals of the Sponsor of the condominium offering plan for the captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Attorney General in Part 20 and such other laws and regulations as may be applicable.

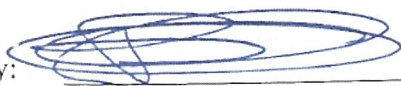
We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the offering plan does, and that documents submitted hereafter by 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; and

(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 representations or statement made.

This certification is made under the penalty of perjury for the benefit of all persons to whom this offer is made. We understand the violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

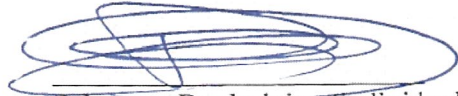
108 King Partners LLC

By: 

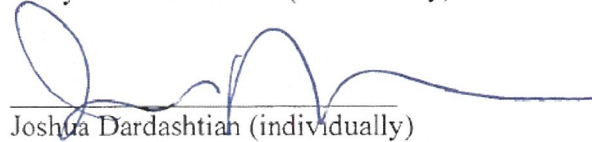
Name: Soleyman Dardashtian

Title: Managing Member

Principals:



Soleyman Dardashtian (individually)



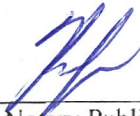
Joshua Dardashtian (individually)

ACKNOWLEDGEMENTS TO FOLLOW

STATE OF New York)
)SS.:
COUNTY OF Westchester)

On the 22 day of December in the year 2021 before me, the undersigned, a Notary Public in and for said State, personally appeared Soleymen Dardashtian personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Kenneth Robert Jacobs
Notary Public - State of New York
No. 02JA6295078
Qualified in Westchester County
Commission Expires 12/30/2024

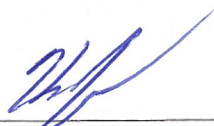


Notary Public

STATE OF New York)
)SS.:
COUNTY OF Westchester)

On the 22 day of December in the year 2021 before me, the undersigned, a Notary Public in and for said State, personally appeared Tosha Dardashtian personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Kenneth Robert Jacobs
Notary Public - State of New York
No. 02JA6295078
Qualified in Westchester County
Commission Expires 12/30/2024



Notary Public

S I O N C O N S U L T I N G E N G I N E E R I N G P C

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ENGINEER'S CERTIFICATION

New York State Department of Law
120 Broadway, 23rd Floor
New York, New York 10271
Attention: Real Estate Financing Bureau

Re: 108 King Street
 Brooklyn, New York 11231

The sponsor of the offering plan to convert the captioned property to condominium ownership has retained our firm, Sion Consulting Engineering PC., to prepare a report describing the construction of the property(the "Report")
I prepared the building plans and specifications that were approved as of 08/26/2020and prepared the updated report dated Sep,21,2022, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

I am a registered PE in the State in which the property is located.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to this Report.

I have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

I certify that the Report:

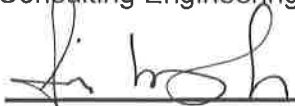
- (i) sets forth in narrative form the description and/or physical condition of the entire property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications;
- (ii) in my professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the property (the aspects of the property discussed in the addendum) as it will exist upon completion of construction, provided that renovation and/or construction is in accordance with the plans and specifications ;

- (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; and
- (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 we are 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.

Ali Lognmani
Notary Public, State of New York
Reg. No. 01LO6438673
Qualified in Suffolk County
Commission Expires 08/22/2026

Sion Consulting Engineering PC

By: 
Name: SION HAURIZADEH
Title: PE

Sworn to before me this
6 day of October 2022



Notary Public



Real Estate Management, Leasing & Sales

CERTIFICATION OF EXPERT BY EXPERT OF THE ADEQUACY OF SCHEDULE B
PURSUANT TO SECTION 20.4(d)

September 26, 2022

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

Re: 108 King Street Condominium
108 King Street
Brooklyn, New York 11231

The sponsor of the condominium offering plan for the captioned property retained my firm to review the budget for condominium operations for the current year of condominium operation. Our experience in this field includes the management and sales of new construction and existing residential condominium and cooperative apartments throughout the City of New York and Westchester County over a span of over 30 years.

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 Schedule B.

I reviewed the Schedule and investigated the facts set forth in the Schedule and the facts underlying it with due diligence in order to form a basis for this certification. I have also relied on my experience in managing residential buildings.

I certify that the projections in Schedule B appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

I certify that the Schedule:

- (i) sets forth in detail the projected income and expenses for the first year of condominium operation;
- (ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

- (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; and
- (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.

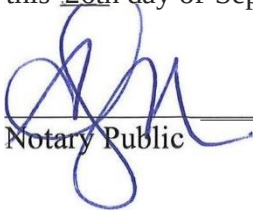
I further certify that I am not owned or controlled by the sponsor. I understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the applicable year of condominium operation.

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.

PRIME LOCATIONS, INC.

By: 
David Amster, President

Sworn to before me
this 26th day of September 2022


Notary Public

AMANDA C. JOHNSON
NOTARY PUBLIC- STATE OF N.Y.
No. 01J06085306
QUALIFIED IN ROCKLAND COUNTY
MY COMMISSION EXPIRES 11/25/2023