CONDOMINIUM OFFERING PLAN
FOR SALE OF UNITS
IN
ACACIA 118 CONDOMINIUM

Location

118 East 1st Street
New York, New York 10009
New York County

4 Residential Units	$ 22,280,000.00
1 Commercial Unit	$ 3,600,000.00
Total Offering Price	$ 25,880,000.00

Name and Address of Sponsor:	**Name and Address of Selling Agent:**
Acacia 118, LLC 111 John Street, Suite 200 New York, New York 10038	Acacia 118, LLC 111 John Street, Suite 200 New York, New York 10038

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

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

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

THIS PLAN CONTAINS SPECIAL RISKS TO PURCHASERS. SEE PAGE 1.

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SPECIAL RISKS

1. If Sponsor leases certain Residential Units to tenants after Consummation of the Plan and such Units are subsequently offered, Sponsor shall amend the Plan, accordingly, if such Units are offered subject to such tenancies. It should be noted that Sponsor is not obligated to make a good faith effort to sell the Residential Units to purchasers who will occupy their Units as their personal residences ("owner-occupants"). Prospective purchasers should be aware that the decision to sell, not to sell or rent any Unit shall be made by the Sponsor based upon its evaluation of market conditions and its own financial considerations and shall be in the sole discretion of the Sponsor. However, the Sponsor may not lease Units without restriction prior to Consummation of the Plan. The only permitted occupancy before Consummation of the Plan is via an interim use and occupancy agreement signed in conjunction with a Purchase Agreement. In the event that Unsold Units are not offered for sale they may be rented at such rents as the Sponsor determines and market conditions allow. Prospective purchasers should also be aware that if the Unsold Units are not offered for sale and/or are subsequently rented, such decision by Sponsor may have an impact on the types of financing available to purchasers, the cost of such financing, and even, perhaps, on the availability of financing. The policy of banks may vary and may involve restrictions in the types and varieties of loan terms available (such as the percentage of financing offered; fixed/variable; term of loan; verification requirements; etc.) to possible unwillingness to provide any financing. Prospective purchasers are advised to consult with their intended lenders/mortgage brokers with regard to the percentage of units which may be held as Unsold Units, and the lender's policies with regard to same, prior to entering into a contract to purchase a Unit, if applicable. The decision of Sponsor to rent Units same may continue to apply indefinitely and may have an adverse impact on the ability of a Unit Owner to resell their Unit, if applicable, and/or the price which they are able to obtain for the Unit, if applicable.

Additionally, because the Sponsor is not limiting the conditions under which it will rent rather than sell Units after Consummation of the Plan, there is no commitment on the Sponsor's part to sell more Units than the fifteen percent (15%) necessary to declare the Offering Plan effective and as a result owner-occupants may never gain effective control of the Condominium. Further, pursuant to the terms of the Offering Plan and By-Laws of the Condominium, the Board of Managers has no right to approve or reject the sale of a Unit to a prospective purchaser and therefore there is no limit as to the number of "investor" or "non-occupant owners" of Units in the Building. However, as set forth in Article III, Section 1(b) of the By-Laws of the Condominium which are set forth in Part II of the Offering Plan, subsequent to the date that the Sponsor, including any designee thereof, relinquishes control of the Board of Managers, all Board members, other than those members which the Sponsor or its designee have the right to designate or elect thereunder, must be owner-occupants of the Condominium who are not related to Sponsor or the principals of Sponsor. Notwithstanding anything herein to the contrary, such owner-occupancy requirement shall not apply to those Board Members designated by the Commercial Unit Owner. In the event that the number of owner-occupants of the Condominium is insufficient to establish a majority of the Board Members, then, in such event, pursuant to the By-Laws any owner-occupant shall be entitled to one (1) seat on the Board of Managers.

2. The project is being financed from Sponsor's own funds and construction loan financing from First Central Savings Bank, a New York savings bank having an office at 70 Glen Street, New York 11542 (hereinafter the "Construction Lender"). The construction loan refinancing closing took place on December 31, 2019. Pursuant to the terms of the construction loan, provided Sponsor is not in default of any loan provision, the Sponsor shall have the right to sell the Units at offering prices that are not less than minimum sales prices negotiated by the Sponsor with the Construction Lender. Sponsor represents that all of the offering prices, as set forth in Schedule A located in Part I of the Offering Plan, are above any proposed minimum sales prices negotiated by Sponsor with the Construction Lender. Further, the Construction Lender has agreed that upon the payment by Sponsor of the greater of the minimum sales or a percentage of gross or net sales proceeds from the closing of each Unit until the loan is paid in full, the Construction Lender will release the Unit closed from the lien of the Construction Lender's construction loan. Additionally, based upon the terms of the construction loan, the Sponsor will not have the right to lease any portion of the Property without the consent of the Construction Lender.

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

4. As long as the Sponsor or any Sponsor-designee shall continue to own twenty-five percent (25%) of the Common Interest allocated to the Units, but in no event for a period in excess of five (5) years from the date of the First Unit Closing, the Board of Managers may not, without the Sponsor's or Sponsor-designee's prior written consent, (i) make any addition, alteration or improvement to the Common Elements or to any Unit or (ii) assess any Common Charge for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, except that Sponsor will consent to replacements to (a) the contingency fund provided for in Schedule B located in Part I of the Offering Plan for the Property to the extent that the aggregate amount of such fund does not exceed three percent (3%) of the budgeted expenses of the Condominium, and (b) the Major Capital Improvement Replacement Reserve Fund provided for in Schedule B for the Property and as required by the Federal Housing Administration and Fannie Mae guidelines, to the extent that the aggregate amount of such fund does not exceed ten percent (10%) of the budgeted expenses of the Condominium, but subject to Sponsor's right to obtain a reserve study that may justify the reduction of the requisite percentage or (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent that existing reserves are insufficient) or (iv) increase the number or change the type of employees from that described in Schedule B located in Part I of the Offering Plan or (v) provide for new or additional services from those indicated in Schedule B located in Part I of the Offering Plan, unless the annual cost of all other services being provided is no greater than the total cost of those

provided for in Schedule B located in Part I of the Offering Plan. However, notwithstanding these restrictions, the Sponsor or Sponsor-designee shall not withhold its consent to the making of capital repairs to the Common Elements or assessment of any Common Charge for expenses required to comply with applicable law or regulation, including but not limited to any matter affecting the health and safety of occupants of the Building, to remedy any notice of violation or to remedy any work ordered by an insurer. See the section of the Offering Plan located in Part I, titled, "Control By Sponsor," for further details.

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

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

If Purchaser defaults under the Purchase Agreement, Sponsor shall notify Purchaser in writing of such default and advise Purchaser that he or she has thirty (30) days from the mailing date or thirty (30) days after personal delivery of such notice within which to cure such default. TIME IS OF THE ESSENCE FOR PURCHASER TO CURE ANY DEFAULT UNDER THE PURCHASE AGREEMENT WITHIN THE APPLICABLE PERIOD. "Time is of the essence" means that if such default is not cured within thirty (30) days from the mailing date or thirty (30) days after personal delivery of such written notice, Sponsor may (but shall not be obligated to) elect to cancel the Purchase Agreement. If Sponsor elects to cancel the Purchase Agreement, Sponsor shall notify Purchaser in writing of said cancellation and the Down Payment deposit, together with any accrued interest, and any other amounts paid by the Purchaser for any Custom Work (as defined hereinafter), shall be paid over to Sponsor as and for liquidated damages and thereafter the Purchase Agreement shall become null and void.

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

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

Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in successfully defending Sponsor's rights under the Purchase Agreement, or in the event Purchaser defaults under the Purchase Agreement beyond any applicable grace period, in canceling the Purchase Agreement or otherwise enforcing either Seller's rights or Purchaser's obligations thereunder. See the section of the Offering Plan titled, "Procedure to Purchase," set forth in Part I, for further details.

6. Further, the Purchaser will recognize and agree pursuant to the Purchase Agreement that the Sponsor does not guaranty the accuracy of Sponsor's disclosure as to lead-based paint or lead-based hazards set forth herein as to the existence (including the magnitude thereof) or nonexistence of lead-based paint hazards in the Units or the Property. Pursuant to the Purchase Agreement, the Purchaser shall assume all risks, if any, as to lead-based paint hazards in the Units or the Property. The Purchaser may undertake his own risk assessment or inspection for possible lead-based paint hazards. If a Purchaser wishes to complete such inspection or risk assessment, it shall be undertaken by Purchaser prior to the execution of a Purchase Agreement. In connection therewith and pursuant to a "Pre-Contract Lead Paint Inspection Agreement," attached to the Purchase Agreement as **Exhibit "C"** which must be simultaneously executed by the Purchaser with the Purchase Agreement, the Purchaser will either undertake his or her own inspection or risk assessment or waive his rights to undertake same. The Purchaser will also acknowledge receipt of the lead-based paint hazard information brochure entitled "Protect Your Family From Lead in Your Home" prepared by the EPA, HUD and the Consumer Product Safety Commission.

7. Pursuant to the Offering Plan, one of Purchaser's costs of closing title to his or her Unit shall be the payment of the cost of fee title insurance, if Purchaser elects to obtain title insurance. Purchaser may order such insurance from any reputable title insurance company and/or abstract company authorized to do business in the State of New York, including Stewart Title Insurance Company, having an office at 60 East 42nd Street, Suite 1260, New York, New York 10165, Attn: Holly Hasbrouck, telephone number 800-433-4698. However, notwithstanding anything herein to the contrary, Purchaser may elect to obtain title insurance and/or a title report from any other title insurance company and/or abstract company. There shall be no additional cost if Purchaser elects to obtain title insurance from another title insurance company and/or abstract company. See the section titled, "Unit Closing Costs and Adjustments" located in Part I of the Offering Plan for further details.

8. No bond or other security has been furnished to secure the performance of the Sponsor's obligations. Pursuant to 13 NYCRR 20.5(c)(4) of the Attorney General's Regulations, in the event that Sponsor is unable to perform its obligations pursuant to the Offering Plan, Sponsor shall cease

all sales activity and amend the Offering Plan to disclose its current financial condition. The amendment will also provide that Purchasers will be given, for a period of fifteen (15) days after the presentation of the amendment, a right to rescind their Purchase Agreement by written notice to Sponsor and be refunded, except as provided for in the Plan, all monies paid thereunder, with any interest earned thereon.

However, it is a special risk of this Offering Plan that, in the event a Purchaser occupies a Residential Unit pursuant to an Interim Use and Occupancy Agreement and wishes to exercise a right to rescind his or her Purchase Agreement as described above, pursuant to the terms of such Interim Use and Occupancy Agreement and this Offering Plan, such rescission will be conditioned on the cancellation of the Interim Use and Occupancy Agreement and surrender of possession of his or her Residential Unit within thirty (30) days thereafter. See the sections of the Offering Plan titled "Rights and Obligations of Sponsor" and "Interim Use and Occupancy Agreements" for further details.

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

10. Once issued, the Certificate of Occupancy for the Building shall provide that the Commercial Unit located on a portion of the first floor and a portion of the cellar level of the Building shall be used for any commercial purpose, including, but not limited to, retail or restaurant uses, or for any lawful purpose under the Zoning Resolution of the City of New York, as amended ("Zoning Resolution").

The Commercial Unit may be physically altered and/or subdivided by Sponsor or its designee to accommodate more than one rental tenant and as stated above may be used for any permitted use under the Zoning Resolution. However, although the Commercial Unit Owner has the right to change the use of the Commercial Unit, any other permitted use of the Commercial Unit must comply with the Certificate of Occupancy for the Building as it currently exists or as amended by Sponsor or Sponsor's designee or a Commercial Unit Owner, and as otherwise provided by the Declaration and By-Laws of the Condominium. While Sponsor may lease the Commercial Unit to a tenant, the Commercial Unit may not be occupied unless and until a temporary or permanent Certificate of Occupancy has been procured for the same unless otherwise consented by the Department of Building.

Additionally, as part of the construction or subsequent to the construction, the Sponsor, Sponsor's designee and/or the Commercial Unit Owner and any tenant or tenants of the Commercial Unit pursuant to the terms of any lease pertaining thereto and provided such installation is feasible without any material adverse physical effect on any other Unit, shall have the right to install a flue which will be sized for possible restaurant or commercial grade kitchen use in or on the common areas and Common Elements of the Building and such flue may run from the cellar or first floor level through the main roofs or some other point in the Building where it will terminate in accordance with the NYC Building Code. The Sponsor, Sponsor's designee and/or the Commercial Unit Owner and any tenant or tenants of the Commercial Unit pursuant to the terms of any lease pertaining thereto, shall have an easement, without charge or limitation and without the consent of the Board of Managers, to use said flue for any lawful purpose and in conjunction with the use of the Commercial Unit. The Sponsor, Sponsor's designee and/or the Commercial Unit Owner, and any tenants or tenants of the Commercial Unit pursuant to the term of any lease pertaining thereto, shall also have the right, and an easement, without charge or limitation and without the consent of the Board of Managers, any Unit Owner or mortgagee thereof, to install in the Commercial Unit additional elevators, escalators, staircases and/or other mechanical equipment which is necessary in the sole discretion of the Sponsor, its designee or the Commercial Unit Owner for the lawful use of the Commercial Unit. All such installation will comply with all applicable law, ordinances or building codes and shall not affect the structural integrity of the Building.

Further, in the event that the Sponsor, Sponsor's designee and/or the Commercial Unit Owner purchases or leases an adjoining or neighboring property or properties which is/are adjacent to the Commercial Unit, then, in such event, the Sponsor, Sponsor's designee and/or the Commercial Unit Owner, and any tenants or tenants of the Commercial Unit pursuant to the term of any lease pertaining thereto, shall have the right, and an easement in, on and over the Common Elements, without charge or limitation and without the consent of the Board of Managers, any Unit Owner or mortgagee thereof, to physically connect the Commercial Unit at any and all levels of the Commercial Unit to the adjoining or neighboring property or properties that have been purchased or leased. Such connection and all such installations related thereto will comply with all applicable law, ordinances or building codes and will not affect the structural integrity of the Building. However, neither the Sponsor nor its principals have at this time any right or opportunity to acquire and develop in whole or in part any adjacent property or any property within one (1) block of the Building. Additionally, to the best of Sponsor's knowledge, Sponsor is not aware of any development projects that have been publicly announced that will be adjacent to or directly across the street from the Building. Any change in this information that occurs while sales are continuing will be disclosed in an amendment to the Offering Plan within thirty (30) days after the information becomes known directly to Sponsor.

11. Pursuant to the terms of the Offering Plan and the Purchase Agreement contained in Part II, the Purchaser is required to pay as a closing cost the New York State Real Estate Transfer Tax ("NYS Transfer Tax") and the New York City Real Property Transfer Tax ("NYC Transfer Tax"). Though a seller is typically responsible for paying these real estate transfer taxes, in condominium

transactions, these transfer taxes can be paid by either the seller or the purchaser. The obligation is assumed by the purchaser if such obligation is imposed on the purchaser by the terms of the sale.

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

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

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

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

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

With respect to the NYS Transfer Tax and NYC Transfer Tax, the non-residential rates shall be applicable to the Commercial Unit.

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

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

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

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

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

which shall survive the closing, to respond to and defend such audit and pay any additional tax imposed. Purchasers are advised to consult with their attorney and/or a tax expert to determine the tax consequences of their purchase.

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

12. Pursuant to the terms of the Offering Plan, Sponsor may declare the Plan effective when Purchase Agreements have been executed and accepted by Sponsor for the sale of one (1) Residential Unit, which represents a minimum of at least fifteen percent (15%) of the Residential Units offered under the Plan. Prior to effectiveness, Sponsor will at all times offer at least fifteen percent (15%) of the total number of anticipated Residential Units in the Condominium to the public. For purposes of calculations regarding effectiveness Sponsor will determine the number of Residential Units in contract required to declare the Plan effective based upon the total number of anticipated Residential Units in the Condominium. Further, with respect to any advertising material that contains percentages of Residential Units sold, Sponsor shall calculate such percentages based upon the total number of anticipated Residential Units in the Condominium. Finally, if after Sponsor declares the Offering Plan effective, all Purchase Agreements are rescinded and/or terminated prior to the date of the First Unit Closing, the Sponsor shall re-declare the Offering Plan effective prior to closing on any Units. Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on purchase financing. Such restrictions include requiring that a certain percentage of Units in a building or group of buildings be sold before a lender will consider making a loan. Thus, is may be possible for a Purchaser to experience difficulty obtaining a loan in a building or group of buildings where the Sponsor has not sold a substantial percentage of the Units in the building or group of buildings, which in some cases may be as high as seventy percent (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 ten percent (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. See the sections of the Offering Plan titled, "Effective Date of Plan," and "Rights and Obligations of Sponsor," set forth in Part I, for further details.

13. In the event that Sponsor, in its sole and absolute discretion, agrees to perform special custom work or install any upgrades or extras at the request of a Purchaser ("Custom Work"), such agreement shall be memorialized, and such Custom Work shall be itemized, in the Purchase Agreement, and the total Custom Work amount agreed upon between Purchaser and Sponsor and memorialized in the Purchase Agreement (the "Custom Work Amount") will be in addition to the total purchase price for the Unit. The Down Payment to be made by Purchaser upon signing a Purchase Agreement shall be increased by the Custom Work Amount. Pursuant to the terms of the Purchase Agreement, all Custom Work is to be performed by Sponsor's contractors. Although initially deposited in escrow, upon the rescission of a Purchase Agreement by Purchaser, the funds deposited for the Custom Work will <u>not</u> be refunded to the Purchaser to the extent such funds have already been expended or will be expended on costs Sponsor has accrued and is obligated to pay

with respect to Custom Work. Notwithstanding anything to the contrary herein, in the event Sponsor abandons the Offering Plan, Sponsor shall refund all additional escrowed funds for Custom Work to the Purchaser, notwithstanding whether any such funds have been expended or allocated to costs incurred by Sponsor. See the section of the Offering Plan titled, "Procedure to Purchase," set forth in Part I, for further details.

14. In accordance with section 71-a(3) of the Lien Law, Sponsor has appointed the law firm of D'Agostino, Levine, Landesman, Lederman & Rivera, LLP, with an address at 345 Seventh Avenue, 23rd Floor, New York, NY 10001, telephone number 212-564-9800, to serve as escrow agent (the "Escrow Agent") for Sponsor and Purchaser to hold all Deposits, other than the deposit for a copy of the Offering Plan, received by it from Purchaser, either directly or through its agents or employees in trust, whether or not received before or after the date of Consummation of the Plan (the "Deposit" or "Deposits").

The Escrow Agent has established the escrow account at Sterling National Bank, located at 489 Fifth Avenue, 5th Floor, New York, New York 10017 (the "Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled "D'Agostino, Levine, Landesman, Lederman & Rivera, LLP Escrow Account for Acacia 118 Condominium" or a similar name (the "Escrow Account"). Within five (5) business days after the Purchase Agreement has been executed by all necessary parties and tendered, along with the Deposit, to the Escrow Agent, Escrow Agent shall place the Deposit in the Escrow Account. Purchasers are further advised that a Purchaser's funds are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000.00 in the aggregate per account type per insured bank. If a Purchaser makes a Down Payment in excess of $250,000.00 for the purchase of a Unit, such Down Payment will not be federally insured in excess of $250,000.00. Additionally, if Purchaser has an additional account at the Bank, the aggregate of Purchaser's funds at the Bank, including funds in the additional account and the Down Payment, may not be insured in excess of $250,000.00. Therefore, if a Purchaser has an additional account at the Bank a Purchaser's Down Payment, including a Down Payment that is less than $250,000.00, may not be insured in part or in its entirety. Furthermore, while the Down Payment is in the non-interest bearing check portion of the Master Escrow Account, the Down Payment may not be fully federally insured, even if the Down Payment does not exceed $250,000.00. Purchaser should consult with the FDIC website and with their attorneys to determine which part, if any, of their funds are insured by the FDIC. Sponsor and Escrow Agent make no guarantee of the solvency of the Bank. If the limits of federal bank deposit insurance change in any manner in the future, Escrow Agent will have no obligation to make any changes to the Escrow Account. See the section of the Offering Plan titled "Procedure to Purchase," set forth in Part I, for further details.

15. The Sponsor's Attorneys have not opined whether the Condominium will or will not qualify as a "Condominium Management Association" under Section 528 of the Internal Revenue Code of 1986, as amended, and for the purposes of the Plan have assumed that it will not qualify. Therefore, the possible income tax consequences to the Condominium of not qualifying as a "Condominium Management Association" is a special risk of the offering of the Units hereunder. An estimate of the possible income tax due from the Condominium is not included as a projected

expense in Schedule B of the Plan. Regarding Section 528, see the Section titled "Counsel's Income Tax Opinion," set forth in Part I, for further details.

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

17. The Sponsor will promptly correct any patent defects in the construction of the Building and the Units therein, or in the installation or operation of any mechanical equipment therein, due to substantially improper workmanship or materials substantially at variance with the architectural plans and specifications, provided Sponsor is notified of such defects in writing by the Unit Owner as to the Unit, or, if a Residential Unit, any Residential Limited Common Elements appurtenant to such Unit, affected within six (6) months from the date of closing of title to such Unit or, with respect to General Common Elements, Residential Common Elements, and/or Commercial Common Elements, that Sponsor is notified by the Board of Managers within six (6) months after substantial completion of the General Common Element, Residential Common Element, and/or Commercial Common Element in question. Sponsor will also correct any latent defects in the construction of the Building and the Units therein or in the installation or operation of any mechanical equipment therein due to substantially improper workmanship or material substantially at variance with the architectural plans and specifications, provided it is notified of such defects in writing by the Unit Owner as to such Unit, or, if a Residential Unit, any Residential Limited Common Elements appurtenant to such Unit, within one (1) year from the closing of title to such Unit or is notified by the Board of Managers with respect to General Common Elements, Residential Common Elements, and/or Commercial Common Elements, within one (1) year after substantial completion of the General Common Element, Residential Common Element, and/or Commercial Common element in question. Notwithstanding anything contained in the Offering Plan to the contrary, Sponsor shall be obligated to construct the Premises in accordance with all applicable codes, filed plans and specifications. If there are any inconsistencies between the disclaimers contained in the Offering Plan and Sponsor's obligation to construct the Premises in accordance with all applicable codes, filed plans and specifications, the latter shall control. See the section of the Offering Plan titled "Rights and Obligations of Sponsor," set forth in Part I, for further details.

18. It is a special risk of this Offering Plan that Sponsor has reserved to itself or to Sponsor's designee, their successors or assigns, all unused transferable air rights and/or development rights (hereinafter "Unused Development Rights"). As against all other Unit Owners and the Board of Managers, and any mortgagees thereof, the Sponsor, or Sponsor's designee, their successors or assigns, shall have the exclusive right to cause any part or all Unused Development Rights pertaining to the Property to be conveyed, transferred or otherwise assigned to any other adjoining premises, "zoning lot," "development" or "enlargement" as those prior three (3) terms are now defined in the Zoning Resolution of the City of New York, as amended.

The floor area of the Building is limited and may not be expanded using the Unused Development Rights Sponsor has reserved for itself. Additionally, the transfer of such Unused Development Rights to adjoining premises may allow the owner of an adjoining premises to build a bigger and/or taller structure than permitted as of right under the Zoning Resolution and therefore block views of the Units being offered pursuant to the Offering Plan.

Upon construction of the Building in accordance with the approved Building Plans, there will be no excess development rights, other than a small amount of area that ensures the zoning area is less than the maximum allowable, a *de minimis* amount. Additionally, if the floor area ratio for the zoning district changes in the future, such change may create excess transferable development rights and/or air rights at that time. Until such time that the floor area ratio for the applicable zoning district changes, it is not possible for Sponsor to represent the maximum amount of additional excess development rights and/or air rights that would be generated or how many stories that may be added to the adjoining properties.

Further, Sponsor and Sponsor's designee have bound themselves, and their successors or assigns, from transferring Unused Development Rights, if such transfer, assignment or surrender shall (i) make illegal the erection, existence or restoration or use of the Building at the time of the recordation of the Condominium Declaration, or (ii) as will allow any party, including Sponsor or Sponsor's designee, but excluding the non-Sponsor controlled Board of Managers of the Condominium, to build on or directly above the land and/or expand the Building. However, with regard to (ii) above, the Sponsor, its designee, their successors or assigns may transfer (pursuant to terms and conditions mutually agreed upon by the foregoing and the Board of Managers) in whole or in part any Unused Development Rights to the Board of Managers of the Condominium subsequent to Sponsor relinquishing control of the Board of Managers.

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

19. Purchasers are advised that for a period following the First Unit Closing, some of the services and facilities described in the Plan may not be available during the First Year of Condominium Operation. It is anticipated these services will be available no later than twelve (12)

months from the First Unit Closing. However, at all times after the First Unit Closing of any Residential Unit, the interim level of staffing will be adequate to maintain the Building during this period. See the section of the Offering Plan titled "Notes to Schedule B," set forth in Part I, for further details.

20. Notwithstanding anything in the Offering Plan to the contrary, until title to all Units has been conveyed, the Sponsor as the owner of any Unsold Units, may delay the commencement of Common Charges and decide that Sponsor will, at Sponsor's sole option and discretion, pay in lieu of payment of each Unit's Common Charges, provided that such "in lieu" payments are less than the Common Charges then due, an amount which equals each Unit's proportionate share (based upon each Unit's Percentage Common Interest) of the total cost necessary to operate the Condominium with the services to be provided under the Offering Plan.

In the event Sponsor elects to delay the collection of Common Charges and instead make "in lieu" payments, Sponsor shall indicate on the closing statement for each Purchaser that closes during the delay period that Common Charges have been waived (except with respect to the two months of Common Charges collected for contribution to the Working Capital Fund). Thereafter, Sponsor shall also disclose such fact in the post-closing amendment to the Offering Plan as a benefit to subsequent Purchasers. Such amendment shall also disclose the anticipated period of delay. Prior to commencing the collection of common charges, Sponsor will notify all Unit Owners by written notice of the expiration of the delay period. Notice shall be given to owners in writing at least thirty (30) days prior to the commencement of collection of Common Charges. During any such delay period, Sponsor shall: (i) timely pay all expenses of the Condominium out of the aggregate in lieu payments, including, but not limited to, insurance premiums; (ii) pay from Sponsor's funds any reserve fund payments required by Sponsor's lenders; and (iii) remain obligated to update the budget for the Condominium, as provided in the governing regulations. Additionally, Sponsor represents that upon commencement of the collection of Common Charges, there will not be an assessment for any item set forth in the approved Budget of the Condominium. Upon commencement of collection of Common Charges, Sponsor shall disclose such fact in the next substantive amendment to the Offering Plan as a benefit to subsequent Purchasers. See the section of the Offering Plan titled, "Rights and Obligations of Sponsor," set forth in Part I, for further details.

21. Sponsor notes that Local Law 10 of 1981 requires an elevator inspection to be made by December 31 of each year by an insurance company, elevator maintenance company, elevator manufacturer or elevator inspection company, and that a report be filed with the Department of Buildings of the City of New York within sixty (60) days after delivery of such report to the owner. Failure to comply will result in a civil monetary penalty levied against the owner. Sponsor shall not be responsible for having such inspection or report made unless Sponsor controls the Board of Managers at the time such inspection report is due. However, even though the Sponsor is in control of the Board of Managers, the cost of such inspection report will be a Residential Common Expense of the Condominium. Subsequent to Sponsor relinquishing control of the Board of Managers, the Board of Managers on behalf of all the Residential Unit Owners shall be responsible

for obtaining the requisite inspections for the passenger elevators and the cost of such inspections shall continue to be a Residential Common Expense.

Amendments to the high-rise facade safety statute (formerly known as Local Law 10 of 1980, later known as Local Law 11 of 1998, and now known as the Façade Inspection Safety Program, or "FISP") passed by the City Council and signed by the Mayor of New York City require professional engineers or registered architects to advise the Buildings Department of the City of New York and the owner of a property of any unsafe condition in a building's exterior walls revealed during a FISP inspection. The amendments also subject all exterior walls to be inspected; previously, only walls fronting on a street were affected by the law. The revised law also calls for a certification by the registered professional that a wall is either safe or unsafe; the latter declaration by the professional means that an immediately hazardous condition exists and must be corrected within thirty (30) days with the option of a ninety (90) day extension upon application to the Department of Buildings. A building is considered either safe with no further action necessary, or fit, but in a condition that warrants a repair and/or maintenance program. In the latter case, the condition must be corrected during the five (5) year period between mandatory inspections. As a result of the new construction of the Building, the completed Building will require regular five (5) year inspections in accordance with FISP. The first inspection will be required five (5) years after the issuance of the first temporary certificate of occupancy for the Building. Based upon a projected July 1, 2022 date for the issuance of the first temporary certificate of occupancy for the Building, the first FISP inspection is anticipated to be required on or about July 1, 2027. Thereafter, the Building must be inspected in accordance with FISP's five (5) year cycle.

It is a special risk of the offering that although not budgeted for the First Year of Condominium operation, the cost of any future additional inspections, if any, required by FISP and any amendments thereto, shall be a Shared Common Expense. See the section of the Offering Plan titled, "Description of Property and Improvements," set forth in Part I, for further details.

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

23. Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a permanent certificate of occupancy ("PCO") 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 Multiple Dwelling Law and local building codes and rules. Both TCOs and PCOs are issued by the 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, regulations for the uses and occupancies specified on the TCO, but means that not all of the construction work and/or inspections have been performed, or that not all of the required documents have been submitted to the DOB. No change of use or occupancy shall be made unless a new or amended TCO or PCO is issued. All TCOs have an expiration date. A TCO typically expires ninety (90) days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance, or sell units. In New York City, it is common for sponsors to commence unit closings when some or all units are covered by a TCO rather than a PCO. 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 PCO covering the entire Building within two (2) years from the date of issuance of the first TCO. However, Sponsor and its principals make no representation or guarantee that DOB will issue the PCO within such two (2) year period. **NOTWITHSTANDING THE FOREGOING, SPONSOR AND ITS PRINCIPALS ARE OBLIGATED TO PROCURE THE PCO FOR THE ENTIRE BUILDING, AND SHALL EXERCISE BEST EFFORTS TO OBTAIN THE PCO WITHIN SUCH TWO (2) 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.

Furthermore, subject to Sponsor's consent, the By-Laws of the Condominium may permit Unit Owners to undertake renovations to individual Units prior to the procurement of a PCO. Such renovations may cause additional delays in the issuance thereof. Notwithstanding the foregoing, and subject to the aforementioned delays, Sponsor and its principals are obligated to procure the PCO. Buyers are advised to visit the DOB website for further recommendations when purchasing a unit in a building that does not have a PCO. See the Section of the Offering Plan titled, "Closing of Title to Units," set forth in Part I, for further details.

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

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

The approximate gross square footage of the Units is measured horizontally on their respective floor or floors from the exterior side of the glass or the exterior side of the exterior walls of the Building to the centerline of the interior walls and partitions separating one Unit from another Unit, or the exterior side facing Common Elements of the interior walls and partitions separating a Unit from common corridors, common stairways, mechanical equipment spaces, and

other Common Elements; or, if applicable, to the exterior side of the glass or the exterior side of the opposite exterior walls of the Building. Columns, mechanical pipes, shafts, shaftways, chases, chaseways, and conduits as well as the common stairway and common elevator shaft (whether located within the Unit or along the perimeter of the Unit) are not deducted from the approximate gross square foot area of the Units; however, common corridors, common stairways, mechanical equipment spaces, and other Common Elements located outside of the Units are not included in the square footage calculations for the Units.

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

As set forth above, the approximate square footage of a Unit set forth on the Floor Plans is an approximate gross square footage of the Unit, which is greater than the approximate square footage of a Unit measured by using the legal definition of the Unit which appears in the Declaration of the Condominium in Part II of the Plan. As is customary in New York City, these approximate gross square footages substantially exceed the useable floor area of each Unit

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

Any floor layout, plan or sketch shown to a prospective Purchaser is only an approximation of the square foot area and layout of the Unit in question. However, any material change will be set forth in an amendment to the Plan, and, absent any affected Purchaser(s) giving a written consent, no material adverse change will be made in the size, configuration, or layout of a Unit for which a Purchase Agreement has been countersigned by Sponsor and returned to the Purchaser unless the same is dictated by construction conditions at the Property, and after exhaustion of all commercially reasonable alternatives consistent with local construction industry standards, no other means exists to avoid such changes, and in such event, Sponsor will, in the amendment disclosing such change and delivered to Purchasers, offer the affected Purchaser(s) the right, for at least fifteen (15) days, to rescind their Purchase Agreements and receive a refund of their Down Payments, together with all interest earned thereon. There shall be a rebuttable presumption that a reduction in square foot area by five percent (5%) or less is not material. See the Section of the Offering Plan titled, “Changes in Prices or Units,” set forth in Part I, for further details.

26. The First Year of Condominium operation is estimated to be July 1, 2022 through June 30, 2023. As in any new construction project, given the vagaries of the construction process, it is difficult to predict with precision the date Sponsor will first be able to close title to the Units. Accordingly, it is a special risk of this Offering Plan that the First Unit Closing may occur sooner or later than the projected First Year of Condominium operation and closing to certain Units may occur substantially before or after closing for other Units.

Purchasers should note that even if the First Unit Closing occurs on or before July 1, 2022 or within the twelve (12) month period thereafter, the Closing of subsequent Units may be

substantially delayed beyond such date if a TCO or PCO covering such Units has not been issued. In such case, provided Sponsor is diligently pursuing completion of construction and the issuance of a TCO or PCO and is otherwise in compliance with its obligations under the Offering Plan, Purchasers will not be entitled to a right of rescission or to make claims against the Sponsor for damages or losses as a result of such delays and will not be excused from paying the full Purchase Price for their respective Units. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER THE POSSIBILITY OF SUCH DELAYS IN THEIR DETERMINATION AS TO WHETHER TO PRUCHASE A UNIT. See the Section of the Offering Plan set forth Part I, titled "Procedure to Purchase" for further details.

27. Purchasers should note that the Common Expenses of the Condominium have been classified as Shared Common Expenses, Commercial Common Expenses, or Residential Common Expenses, as all such terms are defined hereinbelow.

Pursuant to RPL §339-m, common expenses and profits (except as to insurance) must be charged and distributed in accordance with the allocation of common interests, unless otherwise permitted as provided in that statute. RPL §339-m further provides that such common expenses and profits, if authorized by a condominium declaration and by-laws, may be specially allocated: (a) by the board of managers to non-residential units, and/or (b) based upon special or exclusive use or availability or exclusive control of particular units or common areas by particular unit owners. Paragraph 21 of the Condominium's Declaration and Article VI of the Condominium's By-Laws authorize the special allocation of Common Expenses and assessment of Common Charges in accordance with either or both of the foregoing methods.

The Owners of all of the Units at the Condominium, collectively, shall be responsible for the payment of all shared expenses ("Shared Common Expenses") included in the following categories set forth in the "Schedule B, Projected Budget for First Year of Condominium Operation" in the Offering Plan: (i) (Repairs, Maintenance and Supplies, (ii) Accounting Expenses, (iii) Franchise Taxes, and (iv) Contingency; vault charges, if any; and any other expenses, whether in addition to or established in lieu of the foregoing expenses, fairly attributable to all of the Units at the Condominium, collectively, or as provided in the By-Laws. The Shared Common Expenses shall be deemed a part of the Common Expenses of the Condominium to be paid by all Unit Owners.

In the event of the sub-division of the Commercial Unit into two (2) or more Commercial Units, such Commercial Units shall be solely responsible for the payment of all expenses ("Commercial Common Expenses") arising from snow removal from the front of the Commercial Units, commercial garbage collection; the cost of utilities, including, but not limited to, electricity, gas and water consumption in the Commercial Units but only to the extent that the Commercial Units are not separately metered and/or sub-metered with respect to those utilities; repairs, maintenance and replacement of the Commercial Common Elements; and any other expenses, whether in addition to or established in lieu of the foregoing expenses, which are not Shared Common Expenses, fairly attributable to the Commercial Units only, or as provided in the By-Laws. The Commercial Common Expenses shall be deemed a part of the Common Expenses

of the Condominium to be paid by each Commercial Unit Owner. With respect to any expenses deemed to be Commercial Common Expenses in the Condominium Documents or Offering Plan, in the event there is just one (1) Commercial Unit, the Commercial Unit Owner shall be responsible for paying the full cost thereof.

Owners of the Residential Units shall be solely responsible for the payment of all expenses ("Residential Common Expenses") included in the following categories set forth in the "Schedule B, Projected Budget for First Year of Condominium Operation" in the Offering Plan: (i) Payroll and Related Expenses, (ii) Water Charges and Sewer Rent (for the Residential Units and the Common Elements, subsequent to the sub-metering of the Commercial Unit with respect to the same; prior to such sub-metering, the cost of water and sewer charges for the Building shall be a Shared Common Expense, and (iii) Elevator Maintenance, as well as expenses arising from garbage collection for the Residential Units if not collected by the City of New York; and any other expenses, whether in addition to or established in lieu of the foregoing expenses, which are not Shared Common Expenses, fairly attributable to the Residential Units only, or as provided in the By Laws. The Residential Common Expenses shall be deemed a part of the Common Expenses of the Condominium to be paid by all Residential Unit Owners.

Each Residential Unit Owner's proportionate share of the Common Charges shall be determined by first summing (i) the amount of the Shared Common Expenses allocated to the Residential Units in the aggregate (in a proportion equal to the aggregate Percentage Common Interest of all Residential Units) and (ii) the amount of the Residential Common Expenses allocated to the Residential Units in the aggregate (i.e., 100% of the Residential Common Expenses), and then multiplying the foregoing sum by such Unit Owner's Percentage Contributing Share. Each Residential Unit's Percentage Contributing Share is calculated as the proportion such Residential Unit's Percentage Common Interest bears to the aggregate Percentage Common Interest of all of the Residential Units.

The Commercial Unit Owner's (and, in the event the Commercial Unit is subdivided into two (2) or more Commercial Units, each Commercial Unit Owner's) proportionate share of the Common Charges shall be determined by first summing (i) the amount of the Shared Common Expenses allocated to the Commercial Unit(s) in the aggregate (in a proportion equal to the aggregate Percentage Common Interest of all Commercial Units) and (ii) the amount of the Commercial Common Expenses allocated to the Commercial Unit(s) in the aggregate (i.e., 100% of the Commercial Common Expenses), and then multiplying the foregoing sum by such Unit Owner's Percentage Contributing Share. For so long as there is just one (1) Commercial Unit, the Commercial Unit's Percentage Contributing Share shall be one hundred percent (100%), but in the event the Commercial Unit is subdivided into two (2) or more Commercial Units, each Commercial Unit's Percentage Contributing Share shall be calculated as the proportion such Commercial Unit's Percentage Common Interest bears to the aggregate Percentage Common Interest of all of the Commercial Units.

The payment of Common Expenses by the Commercial Unit Owner shall initially be based on the projections set forth in the foregoing budget, some of which are based on the individual

Common Interest of the Commercial Unit. The payment of other Common Expenses by the Commercial Unit Owner is specially allocated based upon projected usage by and applicability to the Commercial Unit and not simply based on the Common Interest of the Commercial Unit. Please see each specific budget item for the calculation of the allocation of the Common Expenses, including the Shared Common Expenses and Residential/Commercial Common Expenses, and, if applicable, Commercial Common Expenses, to the Commercial Unit Owner.

If in the future, there are any categories of expenses other than those provided for above for services or facilities used by the Commercial Unit, then the Commercial Unit Owner will pay its fair share of such expense. Except for those Shared Common Expenses set forth in the initial Budget for the First Year of Condominium operation which shall be paid for by the Commercial Unit Owner based upon the Unit's percentage Common Interest, or Contributing Share, or any allocation specifically noted herein, as the case may be, if the Commercial Unit Owner uses or incurs a disproportionate portion of any subsequent Shared Common Expense relative to its Common Interest (whether too low or too high), then the Commercial Unit Owner shall be required to pay only its fair share of such subsequent expense.

Purchasers should reference the By-Laws in Part II hereof, and the Schedule B budget for the Condominium, located in Part I hereof, for further details.

28. As set forth in the "Description of Property and Building Specifications" included in Part II of the Plan, certain portions of the Residential Units will be delivered with natural materials (including, but not limited to, wood flooring and/or marble or stone surfaces, where applicable), which may require special finishing and maintenance procedures in order to preserve the appearance and quality of the natural materials, and therefore, all natural materials must be maintained in accordance with the recommendations of the manufacturer thereof. Purchasers should also note that, as natural material finishes are often cut from different sources, there may likely be variations in the tone, color, and appearance of such finishes. In addition, natural materials are subject to changes as a result of temperature and humidity as well as chipping, scratching, and cracking. Residential Unit Owners shall be responsible for controlling their respective Units for temperature and humidity, as seasonally appropriate. Sponsor makes no representation or warranty that any such natural materials will maintain their appearance after they are subject to wear and tear. Residential Unit Owners shall be responsible for the cost of any maintenance, adjustments, or repairs done to such finishes in their respective Units.

29. Any Unit Owner that has access to a private balcony or terrace is responsible for all ordinary maintenance of and repairs to such private balcony or terrace. See the Section of the Offering Plan titled, "Rights and Obligations of Unit Owners and the Board of Managers," set forth in Part I, for further details.

30. There are lot line windows (each a "Lot Line Window" and collectively the "Lot Line Windows") at the east façade of the Building from the second through the ninth floor mezzanine, affecting Unit 2 (in the kitchen area and its adjacent stairs area, in a bedroom, and in a bathroom and its adjacent stairs area), Unit 5 (in a bedroom, in a bathroom and its adjacent stairs area, in the recreation room and its adjacent closet, and in the kitchen area and its adjacent stairs area), Unit 7

(in the master bedroom, in a bedroom, in the stairs areas, in two bathrooms and its adjacent closet, in the recreation room, in the kitchen and in the living room) and in Unit PH (in the master bedroom, a bedroom, in stairs areas, in two bathrooms and its adjacent closet area, in the living room, in the dining room, in the kitchen and the mezzanine level). There are lot line windows at the west façade of the Building from the eighth floor through the ninth floor mezzanine floor, affecting Unit PH (in a bedroom, in the living room, and dining room). The Lot Line Windows do not provide the legal light and air required for residential occupancy. Legal light and air which is required for the issuance of the certificate of occupancy for the Building is being provided by the windows on the north and/or south façades at the aforementioned affected Units. The Lot Line Windows provide supplementary light and air only. As Lot Line Windows, the view from such windows may be obstructed or completely blocked in the future if a new or enlarged building or structure is constructed on the adjoining property opposite the applicable lot line. It is the opinion of Sponsor's architect that in the event adjacent construction obstructs or completely blocks the Lot Line Windows, which are shatter resistant and sprinkler protected, the Lot Line Windows will not need to be sealed. The subsequent obstruction or sealing of these Lot Line Windows will not affect the validity of the certificate of occupancy.

In the event the Board of Managers determines that, pursuant to applicable Law or guidelines from governmental authorities, including but not limited to DOB, it would be necessary or advisable to seal any Lot Line Windows subsequent to construction that obstructs or completely blocks the same, all construction to enclose the windows shall be performed by the Board of Managers of the Condominium. The cost and expense of such construction shall be the sole responsibility of the Unit Owner or Owners affected and such cost and expense shall be charged to the individual Unit Owners affected as a Special Assessment. As of the date of filing of this Offering Plan, Sponsor estimates that the cost of sealing a single Lot Line Window would be approximately $5,000.00.

The Sponsor, if applicable, or the Board of Managers, their agents, contractors and employees, will have the right to enter any Unit(s) necessary to effect the enclosure of such Lot Line Windows, should same be determined as provided above. The Unit side of the enclosure will be finished with the same material originally used therein, if available, or if not available, then with such other finish material as will nearly as possible resemble such original material. Decoration of the affected area on the Unit side of the enclosure will also be the responsibility of the Unit Owner, at his or her sole expense. See the Section of the Offering Plan titled, "Description of Property and Improvements," set forth in Part I, for further details.

31. If at the time a Unit Owner seeks to perform alterations to his or her own Unit, a PCO is not issued for the Building, the Unit Owner, prior to commencing any alteration, must obtain the consent of the Sponsor or its designee, which consent shall be at the sole and absolute discretion of Sponsor or its designee. The Sponsor or its designee may refuse to permit a Unit Owner to perform alterations in a Unit until such time as the Building has been completed and a TCO or PCO has been obtained therefor. In furtherance thereof, a Unit Owner, who has been granted the consent by the Sponsor or its designee, to perform alterations shall indemnify Sponsor or its designee for any cost, expense, claim or liability incurred or suffered by Sponsor or its designee

as a result of any violation of Law or delay in obtaining a TCO or PCO caused by alterations made by such Unit Owner. Nevertheless, the obligation to obtain the TCO or PCO remains that of Sponsor and its principals. In the event the alterations performed by a Unit Owner do adversely affect the issuance or validity of the certificate of occupancy, then upon the written request of Sponsor or its designee, the Unit Owner shall restore the Unit, at such Unit Owner's sole cost and expense, to its original condition. If such Unit Owner fails to commence diligently and continuously, restoring the Unit within fifteen (15) days of receipt of the written request, then the Sponsor or its designee, as the case may be, requesting such restoration shall be entitled to enter and restore the Unit at the expense of the Unit Owner and to exercise any other remedies provided in the By-Laws. See the Sections of the Offering Plan titled, "Rights and Obligations of Unit Owners and the Board of Managers" and "Rights and Obligations of Sponsor," set forth in Part I, for further details.

32. No assignment or transfer of an executed Purchase Agreement shall be permitted without the prior written consent of Sponsor which may be withheld for any reason. Prior to and for eighteen (18) months subsequent to, the First Unit Closing, Purchaser shall not advertise or otherwise offer, promote or publicize the availability of his or her respective Residential Unit for sale, or resell such Residential Unit ("Restriction on Resale"). This provision is to survive closing of title to the Residential Unit, and is not applicable to the Commercial Unit. However, such Restriction on Resale shall expire, and shall no longer be applicable to: any Residential Unit once Sponsor has sold all of its Unsold Residential Units. Any purported sale or lease of a Residential Unit in violation of this provision shall be voidable at the election of the Sponsor or its designee, as the case may be. See the Section of the Offering Plan titled, "Assignment of Purchase Agreements," set forth in Part I, for further details.

33. There is a residential storage room in the cellar. The use of the residential storage room shall be determined at the discretion of the Board of Managers. As the residential storage room is a Residential Common Element, maintenance thereof will be a Residential Common Expense.

The construction of a residential storage room may or may not be completed prior to the closing date of a particular Residential Unit. In such event, the Purchaser of a Unit shall be required to close title to his or her Residential Unit regardless of the fact that residential storage room is not completed and available for use by such Unit Owner.

34. The projections of real estate taxes due for each of the Units set forth in Schedule A, set forth in Part I hereof for the anticipated First Year of Condominium operation, and upon one hundred percent (100%) completion of Sponsor's renovation and construction of the Building, are estimates only. These estimates may vary due to future changes in the assessment guidelines and procedures of the Department of Finance of the City of New York and future increases in the tax rates for the City of New York. In the event such projections for real estate taxes increase due to future changes in the assessment guidelines and procedures of the Department of Finance of the City of New York and future increases in the tax rates for the City of New York, Sponsor shall amend the Plan to set forth the revised estimates. **HOWEVER, SAID AMENDMENT SHALL**

NOT AFFORD ANY PURCHASER THE RIGHT TO RESCIND HIS OR HER PURCHASE AGREEMENT.

In estimating real estate taxes for the Property for the First Year of Condominium operation, it has been assumed by The Mazursky Group, Inc., 42 Broadway, Suite 1744, New York, NY 10004 ("The Mazursky Group") that the assessed valuation of the Property for tax year 2022/2023 will reflect the completed structure. Therefore, for purposes of projecting real estate taxes for the Units during the projected First Year of Condominium operation commencing July 1, 2022, The Mazursky Group has assumed completion and full one hundred percent (100%) valuation of the Property for the 2022/2023 tax year, which has a taxable status date of January 5, 2022. However, in the event actual completion of renovation and construction is subsequent to the January 5, 2022 taxable status date for the 2022/2023 tax year, the actual total assessment for the Property reflective of completion and full one hundred percent (100%) valuation would not likely be effective until July 1, 2023 for the 2023/2024 tax year, which has a taxable status date of January 5, 2023. For this reason, the taxable total assessed valuation of the Property for the 2022/2024 tax year (which corresponds with the projected First Year of Condominium operation) may reflect the Building as only partially renovated and constructed, and therefore, the 2022/2023 total assessed valuation may be lower than as estimated by The Mazursky Group. As a result, aggregate real estate taxes due for the Property may be substantially higher for the 2023/2024 tax year than for the 2022/2023 tax year.

PLEASE NOTE THAT BASED UPON THE PROJECTED AGGREGATE 2022/2023 POST-CONSTRUCTION ASSESSMENTS OF $2,000,000.00 FOR THE BUILDING (OF WHICH APPROXIMATELY $278,200.00 IS ANTICIPATED TO BE APPORTIONED TO THE COMMERCIAL UNIT AND APPROXIMATELY $1,721,800.00 IS ANTICIPATED TO BE APPORTIONED TO THE RESIDENTIAL UNITS IN THE AGGREGATE), AND A PROJECTED TAX RATE OF 12.55%, THE REAL ESTATE TAXES DUE FOR THE ENTIRE 2022/2023 TAX YEAR WOULD BE APPROXIMATELY $34,914.00 FOR THE COMMERCIAL UNIT AND $216,086.00 FOR THE RESIDENTIAL UNITS IN THE AGGREGATE.

The Property is presently classified in Tax Class 4 (vacant land and most uses other than residential). After construction is complete and the Condominium Declaration has been recorded, it is anticipated that the Property will be classified in Tax Class 2C (primarily residential, held in cooperative or condominium ownership, with no more than ten (10) units) as to the Residential Units and the Commercial Unit.

For purposes of allocating aggregate real estate taxes to individual Units, an assumption has been made that each Residential Unit will be assessed in direct proportion to each Residential Unit's percentage of Common Interest as it bears to the aggregate percentage of Common Interest of all Residential Units. **No warranties are made that the assessments of the individual Units will be arrived at in a manner stated above. DOF may arrive at individual Unit assessments (or the apportionment of the entire value of the Property) which are different from those projected by The Mazursky Group and may use a methodology which varies from that set**

forth herein. For example, the City of New York may apportion the total tax due for the Property among the individual Unit Owners in proportion to the relative value of each Unit as indicated by the Offering Prices set forth in the initial Offering Plan or any amendment to the Offering Plan. In such event, Sponsor makes no representation as to what Purchase Prices the City would use.

See Notes to Schedule A, located in Part I hereof, and "Estimate of Post-Construction Assessment," located in Part II hereof, for a full discussion of real estate tax projections.

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

36. Purchasers are advised that the Building is mixed-use, multi-family and located in an urban environment. It is common for odors, noise, and vibrations to travel from the exterior to the interior of the Building, and between the Units, and to carry from the Units into the Common Elements and vice versa. Sponsor is not responsible for, and makes no representations regarding and shall have no liability to Unit Owners with respect to, the level of odors, noise, or vibrations from outside of or within the Building or resulting from the operation of the Building or the Units. The presence or transmission of odors, noises, and/or vibrations – which vibrations include but are not limited to those that may be caused by the Metropolitan Transit Authority's subway tunnels running underneath Church Street and Broadway – shall not be deemed to be a construction defect. See the section of the Offering Plan titled "Introduction," located in Part I of the Plan for further details.

37. On January 1, 2018, the Tax Cuts and Jobs Act of 2017 went into effect. This federal law significantly changed the previously existing Internal Revenue Code, including the taxes and deductions related to homeownership. With respect to deductions related to ownership of a Residential Unit at the Condominium, please see the tax opinion by D'Agostino, Levine, Landesman, Lederman & Rivera, LLP ("Sponsor's Counsel"), set forth in the Section of Part I of the Offering Plan titled "Counsel's Income Tax Opinion Letter." As set forth therein, it is the opinion of Sponsor's Counsel that a Residential Unit Owner who itemized his or her deductions and whose Unit is used by him or her for residential purposes will, for Federal income tax purposes, be entitled to a deduction limited to $10,000.00 ($5,000.00 in the case of a married individual

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

38. Pursuant to the Geographic Targeting Order issued on January 6, 2016 (as revised and as may be further revised from time to time, the "Order") by the Director of the United States Department of the Treasury's Financial Crimes Enforcement Network ("FinCEN"), title companies are now required to collect and report information regarding purchasers in transactions where: (1) the purchaser is a "Legal Entity" as defined in the Order; (2) the purchaser purchases residential real property located in the Boroughs of Brooklyn, Queens, Bronx, Manhattan, or Staten Island; (3) the total purchase price is $300,000.00 or more; (4) the purchaser does not obtain a bank loan or similar form of external financing; and (5) the purchase is made, at least in part, using currency or a cashier's check, a certified check, a traveler's check, a personal check, a business check, or a money order in any form, a funds transfer, or virtual currency. The Order affects all residential real property closings occurring on or after March 1, 2016 and until the expiration of the effective period of such Order, i.e., April 29, 2022, which date is subject to change by FinCEN. See the section of the Offering Plan located in Part I, titled "Procedure to Purchase," for further details.

39. It is a special risk of this Offering Plan that Sponsor and its designee(s) shall have the right, until the fifth anniversary of the First Unit Closing, to use, without charge, portions of the Building, including the Common Elements, for exhibitions, events, promotional functions, but only in connection with any sales programs for Unsold Units. Such activities will result in increased traffic and noise in the Building, and may interfere with owner-occupants' enjoyment of the Building. However, in exercising this right, Sponsor shall follow all Rules and Regulations of the Condominium, which are disclosed as an addendum to the By-Laws in Part II of the Offering Plan. See the section of the Offering Plan located in Part I titled "Rights and Obligations of Sponsor" for further details.

40. As set forth in the "Rules and Regulations" addendum to the By-Laws in Part II hereof, no person may carry or smoke any kind of lighted pipe, cigar, cigarette, tobacco, cannabis, or any other lighted smoking apparatus, equipment or product, including but not limited to electronic cigarettes (collectively, "Smoking Apparatus"), in any area of the Building, whether indoor or outdoor, at any time. For clarification of doubt, smoking shall be prohibited in all common areas of the Building as well as in all Units and Limited Common Elements appurtenant thereto, including any private terrace and/or balcony. In addition, no person may smoke or otherwise burn any Smoking Apparatus within twenty-five (25) feet of any outside entrance to the Condominium or within twenty-five (25) feet of any outdoor air intake or operable window opening into the

common areas or any of the Units. See the section of the Offering Plan located in Part I, titled "Rights and Obligations of Unit Owners and the Board of Managers" for further details.

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

42. Construction is a complicated process requiring the coordination of numerous tasks, contractors, and suppliers and the balancing of complex mechanical and architectural systems. It is both customary and anticipated that certain issues will arise during the course of the construction process that warrant the taking of corrective action, including the repair or replacement or construction defects in order to satisfy Sponsor's obligations under the Offering Plan. No assurance can be given with regard to the accuracy of any projected completion dates set forth herein. It is anticipated that construction workers and related personnel will be at the Building from time to time, making adjustments, corrections, and otherwise completing construction of the Building. During this period, Purchasers should be aware that there may be increased levels of noise, traffic (pedestrian and vehicular), and smells, and that various Building systems, including water supply, HVAC, and elevators, may be undergoing completion work and may need to be shut down temporarily from time to time. Adjustments to windows, elevators, and other systems may require substantial time to be completed after the First Unit Closing. Additionally, the presence of scaffolding, hoists, or construction elevator shafts or similar temporary construction facilities may delay the Closing of title to certain Residential Units until such temporary construction facilities are removed.

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

44. In administering the right of first refusal granted to the Board of Managers with respect to any sale or lease of a Unit not owned by Sponsor or its designee or the Commercial Unit Owner, the Board shall be required to exercise such rights, if at all, within twenty (20) days of its receipt of written notice from a Unit Owner of the Unit Owner's intention to sell or lease the Unit to a bona fide grantee or lessee. Notice of the decision to exercise or waive such right must be given to the Unit Owner within five (5) days after the exercise of such decision and in any event within said twenty (20) day period by certified or registered mail. Failure of the Board to either exercise such right or to give notice of the exercise of such right within the time periods provided above shall constitute a waiver of the right of first refusal. See the section of the Offering Plan located in Part I, titled "Rights and Obligations of Unit Owners and the Board of Managers" for further details.

45. It is anticipated that on or prior to the First Unit Closing, the Board of Managers will enter into a management agreement with Rivbo, LLC, having an office at 57 Prince St, #5N, New York, NY 10012 ("Rivbo"). Purchasers should note that Rivbo is an affiliate of Sponsor, and that Warren Freyer is a principal of both entities. See the section of the Offering Plan located in Part I, titled "Management Agreement and Other Contractual Arrangements" for further details.

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

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

Purchasers are advised that executing a Purchase Agreement that includes the foregoing provisions may impact the Purchaser's ability to close on his or her Unit in the time frame originally contemplated in the Purchase Agreement and Offering Plan and may

limit the Purchaser's remedies for any such delay in the closing date. The Attorney General strongly recommends that Purchasers consult with their attorneys regarding any risks associated with executing a Purchase Agreement containing the foregoing provision prior to executing the Purchase Agreement.

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

49. Purchasers should note that New York's Housing Merchant Implied Warranty is only applicable to newly constructed condominium units and cooperative apartments in buildings of five (5) stories or less, and as the Building here exceeds that, the Housing Merchant Implied Warranty is inapplicable with respect to this project. The Sponsor will promptly correct any patent defects in the construction of the Building and the Units therein, or in the installation or operation of any mechanical equipment therein, due to substantially improper workmanship or materials substantially at variance with the architectural plans and specifications, provided Sponsor is notified of such defects in writing by the Unit Owner as to the Unit, or, if a Residential Unit, any Residential Limited Common Elements appurtenant to such Unit, affected within six (6) months from the date of closing of title to such Unit or, with respect to General Common Elements, Residential Common Elements, Commercial Common Elements, and/or Garage Common Elements, that Sponsor is notified by the Board of Managers within six (6) months from the First Unit Closing. Sponsor will also correct any latent defects in the construction of the Building and the Units therein or in the installation or operation of any mechanical equipment therein due to substantially improper workmanship or material substantially at variance with the architectural plans and specifications, provided it is notified of such defects in writing by the Unit Owner as to such Unit, or, if a Residential Unit, any Residential Limited Common Elements appurtenant to such Unit, within one (1) year from the closing of title to such Unit or is notified by the Board of Managers with respect to General Common Elements, Residential Common Elements, Commercial Common Elements, and/or Garage Common Elements, within one (1) year after the issuance of the first certificate of occupancy covering such General Common Element, Residential Common Element, Commercial Common Element, and/or Garage Common Element in question. Notwithstanding anything contained in the Offering Plan to the contrary, Sponsor shall be obligated to construct the Premises in accordance with all applicable codes, filed plans and specifications. If there are any inconsistencies between the disclaimers contained in the Offering Plan and Sponsor's obligation to construct the Premises in accordance with all applicable codes, filed plans and specifications, the latter shall control. See the section of the Offering Plan titled "Rights and Obligations of Sponsor," set forth in Part I, for further details.

50. It is a special risk of this Offering Plan that the Building is located in Environmental Restriction designated site for noise remediation requirements for the window/wall system. The Remedial Action Plan for the window/wall system has been approved by the NYC Office of Environmental Remediation ("OER"). Once the windows are fully installed, the windows must pass a 24-hour noise monitoring test according to the OER protocol before the Certificate of Occupancy will be issued.

INTRODUCTION

General

Acacia 118, LLC, a New York limited liability company, hereinafter the "Sponsor," presents this Plan with the intention of setting forth herein all material information relating to the conversion to Condominium ownership of the land and building being newly constructed thereon, (the "Building"), located at 118 East 1st Street, New York, New York 10009. The land is comprised of one (1) parcel of land which is currently designated as a single tax lot, Lot 43 of Block 429 on the assessment roll of the Borough of Manhattan, City, County, and State of New York.

The land, Building and appurtenances are hereinafter sometimes referred to as the Property and/or the Condominium. The Plan may be amended from time to time to reflect changes in the terms of the offering when such amendment is filed with the New York State Department of Law. The Plan may be declared effective when Purchase Agreements have been both executed and accepted by Sponsor for the sale of one (1) Residential Unit, which represents a minimum of at least fifteen percent (15%) of the Residential Units offered under the Plan. However, if after Sponsor declares the Offering Plan effective, all Purchase Agreements are rescinded and/or terminated prior to the date of the First Unit Closing, the Sponsor shall re-declare the Offering Plan effective prior to closing on any Units. The Plan must be declared effective when Purchase Agreements have been both executed and accepted by Sponsor for the sale of four (4) Residential Units, which represents a minimum of at least eighty percent (80%) of the Residential Units offered under the Plan. The closing of title to any Unit may not occur until after the Plan has been declared effective and an amendment has been filed substantiating same, and the Condominium Declaration and By-Laws have been duly recorded.

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

The Condominium

The land and the Building thereon which is being constructed is currently owned by Acacia 118, LLC, a New York limited liability company which acquired the Property from 118 East 1st Street, LLC, by deed dated January 21, 2015 and recorded on May 19, 2016, in the Office of the City Register of the City of New York as CRFN 2015000042478. Accordingly, Acacia 118, LLC is the sponsor (the "Sponsor") of this Plan.

It is the intention of Sponsor to construction a new building. Sponsor shall submit the Property to the provisions of the Condominium Laws of the State of New York.

When established, the building will consist of nine (9) stories, plus, a cellar, a ninth floor mezzanine level and a roof with one (1) bulkhead. The premises will be located on First Street between First Avenue to the west and Avenue A to the east, and will have its principal entrance on First Street and is not in a landmarked district. Hereinafter the newly renovated and expanded building shall be referred to as the "Building."

When completed, the proposed condominium Building will contain four (4) residential units (the "Residential Units") and one (1) commercial unit (the "Commercial Unit"), and other common elements of the Building as defined herein (the "Common Elements"). Hereinafter any or all of the Residential Units and/or Commercial Unit are individually or collectively referred to as the "Unit" or "Units." The Common Elements shall either be for the use of all the Unit Owners ("General Common Elements") or for the exclusive use of one (1) or more Unit Owners ("Limited Common Elements"). All of the four (4) Residential Units will be duplex 3-bedroom units. The Commercial Unit may be physically altered and/or subdivided by Sponsor or its designee or the Commercial Unit Owner, to accommodate more than one (1) rental tenant.

The cellar level of the Building will contain the lower level of the Commercial Unit, Common Elements including the janitor's room, residential storage room, building storage room, water/sprinkler room, trash chute, trash room, electric meter room, as well as the elevator shaft and pit, common corridors and stairs. The first floor of the Building will contain the upper level of the Commercial Unit, and Common Elements including the Building's main entrance and lobby, as well as the elevator shaft, trash chute, common corridors and stairs. The second floor of the Building will contain the lower level of a duplex Residential Unit and Common Elements including, the elevator shaft, trash chute, common corridors and stairs. The third floor of the Building will contain the upper level of a duplex Residential Unit and Common Elements including private balconies, the elevator shaft, trash chute, common corridors and stairs. The fourth floor of the Building will contain the lower level of a duplex Residential Unit and Common Elements including private balconies, the elevator shaft, trash chute, common corridors and stairs. The fifth and seventh floor of the Building will contain the upper levels of a duplex Residential Unit and Common Elements including private balconies, the elevator shaft, trash chute, common corridors and stairs. The sixth and eighth floors of the Building will contain the lower levels of a duplex Residential Unit and Common Elements including private balconies, the elevator shaft, trash chute, common corridors and stairs. The ninth floor of the Building will contain the upper level of a duplex Residential Unit and Common Elements including a private terrace, private balcony, private deck, the elevator shaft, trash chute, common corridors and stairs. The ninth floor mezzanine level of the Building will contain Common Elements including the elevator shaft, trash cute, common corridors and stairs. The Building's roof level will contain (i) the penthouse level of a duplex Residential Unit and (ii) Common Elements including the rest of the Building's main bulkhead, which will contain the common stairs and the elevator control room, in addition to outdoor mechanical areas. Sets of interior access stairs will connect the lower and upper levels of the duplex Residential Units.

There will be one (1) passenger elevator in the Building which will run from the cellar level to the ninth floor level and service all such floors. There will be one (1) common stairway

running from the cellar level to the first floor level, and one (1) common stairway running from the cellar level to the roof level. The latter stairs will be structured as a "scissor" stair between the first floor level and the roof level. The elevator, its elevator shaft and pit, and all common corridors and stairs throughout the Building will be Common Elements for the use of the Residential Unit Owners.

There will be no common recreational areas or facilities at the Property other than the storage rooms at the cellar level. There are private balconies throughout the Building and a private terrace, for the use of certain Residential Units, as described hereinabove. Any other roofs, yards or areaways of the Building are common areas not meant for public access or use. Additionally, there are no parking facilities which are part of the Property.

There is no public or common laundry room at the Building. The Residential Units will each be provided with a laundry area with individual hook-ups for either a side-by-side washer and dryer or one (1) stacked washer and dryer. The washer and dryer units shall be supplied by Sponsor.

The Sponsor projects that construction of the Building, including the Units and Common Elements, should be completed by approximately July 1, 2022. A permanent Certificate of Occupancy will be obtained by the Sponsor and its principals upon final completion of the project, though as set forth hereinabove, Sponsor may obtain one or more temporary Certificate of Occupancy covering only certain Units or portions of the Common Elements prior to obtaining a permanent Certificate of Occupancy covering the entire Building.

The Building is being constructed in accordance with all applicable zoning and buildings laws, regulations, codes and other requirements of the New York City Building Code and applicable zoning requirements.

Parts I and II of the Plan, including all Schedules, and Parts A, B, C and D of the Exhibits, constitute the entire offer of Sponsor. Parts A, B, C and D of the Exhibits will be available for inspection without charge and for copying at a reasonable charge to prospective purchasers and their attorneys on the on-site sales office at all times such office is open or, in the event there is no on-site office, at the offices of the Sponsor. Further, copies of the Offering Plan and all filed amendments thereto will also be available for inspection and copying at a reasonable charge at the Office of the Attorney General at 28 Liberty Street, 21st floor, New York, NY 10271. All documents forming a part of this Offering Plan are important. It is suggested that you consult your own attorney or financial advisor before purchasing and provide him or her with a copy of this Offering Plan.

All of the aforementioned Units are intended to be sold as condominium units in accordance with this Plan at the prices noted in Schedule A set forth in Part I of the Plan. These prices have been established solely by the Sponsor and are not subject to review or approval by the Department of Law or any other governmental agency. With respect to sales efforts, the project may also be marketed as “118 East 1st Street, Acacia 118 Condominium.”

Prior to Consummation of the Plan, Sponsor shall not lease any Unit that has been withheld. Subsequent to Consummation of the Plan, if Sponsor leases certain withheld Units to tenants and such Units are subsequently offered, Sponsor shall amend the Plan, accordingly, if such Units are offered subject to such tenancies.

It should be noted that Sponsor is not obligated to make a good faith effort to sell the Residential Units to purchasers who will occupy their Units as their personal residences ("owner-occupants"). Prospective purchasers should be aware that the decision to sell, not to sell or rent any Unit shall be made by the Sponsor based upon its evaluation of market conditions and its own financial considerations and shall be in the sole discretion of the Sponsor. However, the Sponsor may not lease Units without restriction prior to Consummation of the Plan. The only permitted occupancy before Consummation of the Plan is via an interim use and occupancy agreement signed in conjunction with a Purchase Agreement. In the event that Unsold Units are not offered for sale they may be rented at such rents as the Sponsor determines and market conditions allow. Prospective purchasers should also be aware that if the Unsold Units are not offered for sale and/or are subsequently rented, such decision by Sponsor may have an impact on the types of financing available to purchasers, the cost of such financing, and even, perhaps, on the availability of financing. The policy of banks may vary and may involve restrictions in the types and varieties of loan terms available (such as the percentage of financing offered; fixed/variable; term of loan; verification requirements; etc.) to possible unwillingness to provide any financing. Prospective purchasers are advised to consult with their intended lenders/mortgage brokers with regard to the percentage of Units which may be held as Unsold Units, and the lender's policies with regard to same, prior to entering into a contract to purchase a Unit. The decision of Sponsor to rent Units may continue to apply indefinitely and may have an adverse impact on the ability of a Unit Owner to resell their Unit and/or the price which they are able to obtain for the Unit.

Additionally, because the Sponsor is not limiting the conditions under which it will rent rather than sell Units after Consummation of the Plan, there is no commitment on the Sponsor's part to sell more Units than the fifteen percent (15%) necessary to declare the Offering Plan effective and as a result owner-occupants may never gain effective control of the Condominium. Further, pursuant to the terms of the Offering Plan and By-Laws of the Condominium, the Board of Managers has no right to approve or reject the sale of a Unit to a prospective purchaser and therefore there is no limit as to the number of "investor" or "non-occupant owners" of Units in the Building. However, as set forth in Article III, Section 1(b) of the By-Laws of the Condominium which are set forth in Part II of the Offering Plan, subsequent to the date that the Sponsor, including any designee thereof, relinquishes control of the Board of Managers, all Board members, other than those members which the Sponsor or its designee have the right to designate thereunder, must be owner-occupants of the Condominium who are not related to Sponsor or the principals of Sponsor. Notwithstanding anything herein to the contrary, such owner-occupancy requirement shall not apply to those Board Members designated by the Commercial Unit Owner. In the event that the number of owner-occupants of the Condominium is insufficient to establish a majority of the Board Members, then, in such event, pursuant to the By-Laws any owner-occupant shall be entitled to one (1) seat on the Board of Managers.

The project is being financed from Sponsor's own funds and construction loan financing from First Central Savings Bank, a New York savings bank having an office at 70 Glen Street, New York 11542 (hereinafter the "Construction Lender"). The construction loan refinancing closing took place on December 31, 2019. Pursuant to the terms of the construction loan, provided Sponsor is not in default of any loan provision, the Sponsor shall have the right to sell the Units at offering prices that are not less than minimum sales prices negotiated by the Sponsor with the Construction Lender. Sponsor represents that all of the offering prices, as set forth in Schedule A located in Part I of the Offering Plan, are above any proposed minimum sales prices negotiated by Sponsor with the Construction Lender. Further, the Construction Lender has agreed that upon the payment by Sponsor of the greater of the minimum sales or a percentage of gross or net sales proceeds from the closing of each Unit until the loan is paid in full, the Construction Lender will release the Unit closed from the lien of the Construction Lender's construction loan. Additionally, based upon the terms of the construction loan, the Sponsor will not have the right to lease any portion of the Property without the consent of the Construction Lender.

Should Sponsor make a bulk sale of all or some of the Unsold Units, the transferee Successor Sponsor shall be bound by all of the Sponsor's representations herein regarding the sale of Unsold Units.

Features of Condominium Ownership

The Purchaser of a Residential Unit, hereinafter referred to either as a "Unit Owner" or "Residential Unit Owner," owns his Unit similarly in many respects to the manner in which a private home owner owns his home. (References to the masculine gender in the Plan shall be deemed to refer to the feminine gender or plural where the context so requires and shall be deemed to include any duly formed partnership, corporation, limited liability company, trust, estate, fiduciary, unincorporated association or any other entity permitted to own real property in the State of New York.) The Residential Unit Owner or Commercial Unit Owner, as the case may be, owns the Unit in fee and is entitled to the exclusive possession thereof. He is also the owner, in common with the owners of all other Units, of all remaining parts of the Property except for the Units themselves, including the land upon which the Units are built, the foundations and supports of the Building, the exterior walls and the roofs, (hereinbefore and hereinafter called "Common Elements"). Each Unit Owner's proportionate share ("Common Interest") of the Common Elements has been determined upon the basis of such Unit's floor space, location, uniqueness, overall dimensions and similar factors of relative value to other space in the Condominium. These allocations are made pursuant to Section 339-i(1)(iv) of the Real Property Law, which is part of Article 9-B of the Real Property Law of the State of New York (the "Condominium Act"). Any portion of the land or Building, other than the Units themselves, which are for the use of one or more specified Units to the exclusion of all others, are known as "Limited Common Elements." The Plan provides that any individually defined balconies and/or terraces, including roof terraces, which are adjacent to and directly accessed from certain Residential Units shall be Limited Common Elements for the exclusive use of individual Residential Unit Owners. Additionally, other Common Elements include, but are not limited to, a residential storage room in the Building's cellar level, which are for the use of all of the Residential Unit Owners.

A Unit Owner is privileged to mortgage his Unit generally on the terms and in such amount as he or she chooses. With respect to the Residential Units, the By-Laws state that a first mortgage or second mortgage shall be either with an institutional lender, a family member, business associate or employer, or a selling Residential Unit Owner. Purchasers pursuant to this Plan, however, if they seek mortgage financing, shall be required to follow any procedures set forth in the Purchase Agreement located in Part II of the Plan. A mortgage may be made with a reputable private lender other than the selling Residential Unit Owner subsequent to the obtaining of the written permission of either the Sponsor, prior to Sponsor's relinquishing control of the Board of Managers, or the Board of Managers. No Residential Unit Owner shall be permitted to encumber his or her Unit with a third (3rd) mortgage. His or her Unit is not subject to the lien of any mortgages placed by other Unit Owners on their Units.

A Residential Unit Owner can sell or lease his or her Unit to anyone, without restriction or limitation, subject only to a right of first refusal by the Board of Managers of the Condominium (sometimes herein referred to as the "Condominium Board" or the "Board of Managers") at the same price and terms the Owner has been offered.

A Residential Unit Owner can alter and decorate the interior of his or her Unit in any way he or she desires, subject to local codes and the Rules and Regulations of the Condominium, and he or she is obligated for the cost of his or her own interior decoration, maintenance and repair after closing. Each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will not be responsible if any of the other Unit Owners fail to pay their real estate taxes. In the opinion of counsel for the Sponsor, a Residential Unit Owner, like a home owner, may, under most circumstances, deduct from his or her income for income tax purposes his real estate taxes and the interest paid on the mortgage encumbering the Unit(s) owned by him. The Board of Managers of the Condominium will assess against each Unit Owner, in proportion to his respective percentage of Common Interest or Contributing Share, as the case may be, as defined in the section of the Plan titled "Definitions," charges (hereinafter called "Common Charges") for the maintenance of the Common Elements and for the operating costs of the Property (hereinafter called "Common Expenses"), as provided in New York State Real Property Law Sections 339-i and 339-m. Each Unit Owner, including the Commercial Unit Owner, will pay for all electricity consumed within his or her own Unit, the charges for which shall be separately metered. The Commercial Unit shall be sub-metered as to its respective water and sewer charges and, if applicable, the Commercial Unit shall be sub-metered as to its consumption of gas.

If at the time a Unit Owner seeks to perform alterations to his or her own Unit, a PCO has not been issued for the Building, the Unit Owner, prior to commencing any alteration, must obtain the consent of the Sponsor or its designee, which consent shall be at the sole and absolute discretion of Sponsor or its designee. The Sponsor or its designee may refuse to permit a Unit Owner to perform alterations in a Unit until such time as the Building has been completed and a PCO has been obtained therefor. In furtherance thereof, a Unit Owner, who has been granted the consent by the Sponsor or its designee, to perform alterations shall indemnify Sponsor or its designee for any cost, expense, claim or liability incurred or suffered by Sponsor or its designee as a result of any violation of Law or delay in obtaining a TCO or PCO caused by alterations made by such Unit

Owner. Nevertheless, the obligation to obtain the PCO remains that of Sponsor and its principals. In the event the alterations performed by a Unit Owner do adversely affect the issuance or validity of the certificate of occupancy, then upon the written request of Sponsor or its designee, the Unit Owner shall restore the Unit, at such Unit Owner's sole cost and expense, to its original condition. If such Unit Owner fails to commence diligently and continuously, restoring the Unit within fifteen (15) days of receipt of the written request, then the Sponsor or its designee, as the case may be, requesting such restoration shall be entitled to enter and restore the Unit at the expense of the Unit Owner and to exercise any other remedies provided in the By-Laws.

Since the residential storage room is located at the cellar level of the Building, the Board cannot make any representation that the residential storage room will remain dry or will not experience any water infiltration and neither the Sponsor nor the Board will be responsible for any damage to items placed in the residential storage room. Residential Unit Owners who place items in the residential storage room do so at their own risk and Unit Owners are advised to consult with their insurance brokers regarding appropriate coverage for such stored items. Residential Unit Owners must comply with applicable law regarding the residential storage room, which may be subject to periodic inspection by the police and fire departments of the City of New York and other governmental agencies having jurisdiction thereover.

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

The Board of Managers of the Condominium shall be elected and/or designated by the Unit Owners in accordance with the By-Laws. As provided in the By-Laws, at the First Unit Owners meeting, four (4) members of the Board of Managers shall be elected by the Residential Unit Owners (including Sponsor or its designee as to Unsold Units), with the number of votes allocated to each Residential Unit Owner determined by the percentage of Common Interest of his or her respective Unit, and one (1) member of the Board of Managers designated by the Commercial Unit Owner (including Sponsor or its designee as to Unsold Units). The Board of Managers shall have the authority to manage and administer the affairs of the Condominium, including, but not limited to, the determination of Common Charges and the adoption of Rules and Regulations covering the Condominium. Please see the section entitled "Rights and Obligations of Board of Managers/Summary of By-Laws," set forth in Part I, for further discussion.

Units may be purchased either by natural persons over the age of eighteen (18) years or by a duly formed partnership, or corporation, limited liability company, trust, estate, fiduciary,

unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity permitted to own real property in the State of New York.

Sponsor's Reservation of Development Rights

Sponsor has reserved to itself or to Sponsor's designee, their successors or assigns, all unused transferable air rights and/or development rights (hereinafter "Unused Development Rights"). As against all other Unit Owners and the Board of Managers, and any mortgagees thereof, the Sponsor, or Sponsor's designee, their successors or assigns, shall have the exclusive right to cause any part or all Unused Development Rights pertaining to the Property to be conveyed, transferred or otherwise assigned to any other adjoining premises, "zoning lot," "development" or "enlargement" as those prior three (3) terms are now defined in the Zoning Resolution of the City of New York, as amended.

The floor area of the Building is limited and may not be expanded using the Unused Development Rights Sponsor has reserved for itself. Additionally, the transfer of such Unused Development Rights to adjoining premises may allow the owner of an adjoining premises to build a bigger and/or taller structure than permitted as of right under the Zoning Resolution and therefore block views of the Units being offered pursuant to the Offering Plan.

Upon construction of the Building in accordance with the approved Building Plans, there will be no excess development rights, other than a small amount of area that ensures the zoning area is less than the maximum allowable, a de minimis amount. Additionally, if the floor area ratio for the zoning district changes in the future, such change may create excess transferable development rights and/or air rights at that time. Until such time that the floor area ratio for the applicable zoning district changes, it is not possible for Sponsor to represent the maximum amount of additional excess development rights and/or air rights that would be generated or how many stories that may be added to the adjoining properties.

Further, Sponsor and Sponsor's designee have bound themselves, and their successors or assigns, from transferring Unused Development Rights, if such transfer, assignment or surrender shall (i) make illegal the erection, existence or restoration or use of the Building at the time of the recordation of the Condominium Declaration, or (ii) as will allow any party, including Sponsor or Sponsor's designee, but excluding the non-Sponsor controlled Board of Managers of the Condominium, to build on or directly above the land and/or expand the Building. However, with regard to (ii) above, the Sponsor, its designee, their successors or assigns may transfer (pursuant to terms and conditions mutually agreed upon by the foregoing and the Board of Managers) in whole or in part any Unused Development Rights to the Board of Managers of the Condominium subsequent to Sponsor relinquishing control of the Board of Managers.

At the closing of title to a Unit, Purchasers shall appoint the Sponsor and/or Sponsor's designee, their successors or assigns, as their attorney-in-fact, to execute any document to effectuate the transfer, assignment or conveyance by Sponsor, Sponsor's designee and/or their successors or assigns, in whole or part, of the Unused Development Rights which Sponsor has retained for itself or for Sponsor's designee, their successors or assigns.

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

DEFINITIONS

"Appurtenant Interest"	-	With respect to any Unit, the undivided interest of the owner thereof, pursuant to the terms of Section 339-x of the Condominium Act, in and to: (i) the Common Elements; (ii) any other Units owned or leased at the time in question by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners; (iii) any proceeds of the sale or lease of Units of the nature described in subdivision (ii) above; and (iv) any other assets of the Condominium.
"Assessments"	-	The charges allocated and assessed by the Board of Managers to the Unit Owners, pro rata, in accordance with their respective Common Interest, (except as otherwise provided in the Declaration or in the By-Laws).
"Board of Managers" or "Condominium Board"	-	The governing board of the Condominium composed of representatives elected by Unit Owners voting in accordance with their respective percentages of Common Interest.
"Building"	-	The structure known as Acacia 118 Condominium renovated or being renovated at 118 East 1st Street, New York, New York 10009.
"Commercial Common Expenses"	-	As set forth in the By-Laws of the Condominium, in the event of the sub-division of the Commercial Unit into two (2) or more Commercial Units, such Commercial Units shall be solely responsible for the payment of all expenses ("Commercial Common Expenses") arising from snow removal from the front of the Commercial Units, commercial garbage collection; the cost of utilities, including, but not limited to, electricity and water consumption in the Commercial Units but only to the extent that the Commercial Units are not separately metered and/or sub-metered with respect to those utilities; repairs, maintenance and replacement of the Commercial Common Elements; and any other expenses, whether in addition to or established in lieu of the foregoing

expenses, which are not Shared Common Expenses, fairly attributable to the Commercial Units only, or as provided in the By-Laws. The Commercial Common Expenses shall be deemed a part of the Common Expenses of the Condominium to be paid by each Commercial Unit Owner. With respect to any expenses deemed to be Commercial Common Expenses in the Condominium Documents or Offering Plan, in the event there is just one (1) Commercial Unit, the Commercial Unit Owner shall be responsible for paying the full cost thereof.

"Commercial Unit" - An area designated on a portion of the cellar and first floor of the Building, which shall be owned in fee simple absolute. According to the terms of the Offering Plan, there shall be one (1) Commercial Unit.

"Commercial Unit Owner" - The Person, persons, entity or entities owning the Commercial Unit.

"Common Charges" - In the case of the Residential Units, each Residential Unit Owner's proportionate share of the Shared Common Expenses and Residential Common Expenses, as may be applicable.

In the case of the Commercial Unit (or, in the event the Commercial Unit is subdivided into two (2) or more Commercial Units, the Commercial Units), each Commercial Unit Owner's proportionate share of the Shared Common Expenses and Commercial Common Expenses, as may be applicable.

"Common Elements" - All portions of the Property other than Units. Common Elements are comprised of General Common Elements and Limited Common Elements.

"Common Expenses" - (a) Expenses of operation of the Property, and

(b) All sums designated Common Expenses by or pursuant to the provisions of the New York Condominium Act, the Declaration or the By-Laws.

"Common Interest"	-	The proportionate, undivided interest in fee simple absolute in the Common Elements appertaining to each Unit as expressed in the Declaration.
"Condominium"	-	A form of ownership of real property in which individual Units as component parts of a whole are owned in fee simple with the right of exclusive use, by separate individuals or entities, which separate individuals and/or entities jointly own those parts of the whole designated as Common Elements. In the context of the Offering Plan and Condominium Documents, "Condominium" specifically refers to Acacia 118 Condominium, which may also be known as "118 East 1st Street."
"Condominium Act"	-	Article 9-B of the Real Property Law of the State of New York, as the same may be amended from time to time.
"Condominium Documents"	-	The Declaration and all Schedules thereto, the By-Laws, the Rules and Regulations, the Floor Plans, form of Unit Deed and the form of Unit Owners Power of Attorney.
"Consummation of the Plan"	-	Means filing the Declaration of Condominium and the first transfer of title to a condominium unit to at least one (1) purchaser under the Plan following a declaration of effectiveness by the Sponsor and acceptance of the Amendment by the Department of Law confirming or declaring the Plan effective.
"Contributing Share"	-	(a) In the case of the Residential Units, each Residential Unit's proportionate share of the Common Charges payable by all of the Residential Unit Owners. Each Residential Unit's Percentage Contributing Share is calculated as the proportion such Residential Unit's Percentage Common Interest bears to the aggregate Percentage Common Interest of all of the Residential Units. Each Residential Unit Owner's proportionate share of the Common Charges shall be determined by first summing (i) the amount of the Shared Common Expenses allocated to the Residential Units in the aggregate (in a proportion equal to the aggregate Percentage Common Interest of all Residential Units) and (ii) the

amount of the Residential Common Expenses allocated to the Residential Units in the aggregate (i.e., 100% of the Residential Common Expenses), and then multiplying the foregoing sum by such Unit Owner's Percentage Contributing Share.

(b) In the case of the Commercial Unit (or, in the event of the subdivision of the same into two (2) or more Commercial Units), each Commercial Unit's proportionate share of the Common Charges payable by all of the Commercial Unit Owners. For so long as there is just one (1) Commercial Unit, the Commercial Unit's Percentage Contributing Share shall be one hundred percent (100%), but in the event the Commercial Unit is subdivided into two (2) or more Commercial Units, each Commercial Unit's Percentage Contributing Share shall be calculated as the proportion such Commercial Unit's Percentage Common Interest bears to the aggregate Percentage Common Interest of all of the Commercial Units. The Commercial Unit Owner's (and, in the event the Commercial Unit is subdivided into two (2) or more Commercial Units, each Commercial Unit Owner's) proportionate share of the Common Charges shall be determined by first summing (i) the amount of the Shared Common Expenses allocated to the Commercial Unit(s) in the aggregate (in a proportion equal to the aggregate Percentage Common Interest of all Commercial Units) and (ii) the amount of the Commercial Common Expenses allocated to the Commercial Unit(s) in the aggregate (i.e., 100% of the Commercial Common Expenses), and then multiplying the foregoing sum by such Unit Owner's Percentage Contributing Share.

"Declaration" - The instrument, as may be amended from time to time, by which the Property is submitted to the provisions of the New York State Condominium Act, consistent with the provisions of the New York Condominium Act and the By-Laws.

"DOB" - Refers to the Department of Buildings of the City of New York.

"Equal or Better Quality"	-	This phrase shall mean comparable or better quality as recognized by industry standards for performance, efficiency, longevity and/or classifications, as applicable.
"Facility" or "Facilities"	-	As used in the Declaration, the word "Facility" or "Facilities" includes, but is not limited to, the following items (grouped more or less functionally) which are set forth only for purposes of illustrating the broad scope of that term: system, equipment, apparatus, radiator, heater, convertor, heat exchanger, mechanism, device, machinery, motor, pump, control, tank or tank assembly, insulation, induction unit, condenser, compressor, fan, damper, blower, thermostat, thermometer, coil, vent, sensor, shut-off valve or other valve, gong, panel, receptacle, outlet, relay, alarm, sprinkler head, electric distribution facility, wiring, wireway, switch, switchboard, circuit breaker, transformer, fitting, siamese connection, hose, plumbing fixture, lighting fixture, other fixture, bulb, sign, telephone, meter, meter assembly, scaffolding, piping, line, duct, conduit, cable, riser, main shaft, pit, flue, lock or other hardware, rack, screen, strainer, trap, drain, catch basin, leader, filter, canopy, incinerator, closet, cabinet, door, railing, coping, step, furniture, mirror, furnishing, appurtenance, urn, basket, mailbox, carpeting, tile or other floor covering, drapery, shade or other window covering, wallpaper or other wall covering.
"Filing"	-	Means the issuance of a letter from the Attorney General stating that an Offering Plan and/or an Amendment has been accepted for filing.
"First Unit Closing"	-	The first closing of title with a bona fide purchaser of a Unit.
"Floor Plans"	-	The floor plans of the Units certified by a licensed engineer or registered architect, and filed in the City Register's Office of New York County simultaneously with the recording of the Declaration, together with any supplemental floor plans thereto.

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

(a) The land on which the Building is physically erected, and all other lands comprising the Property, if any. Specifically excluded are any unused transferable air rights and/or development rights pertaining to the Land and Building, which rights are being reserved by Sponsor for itself or for its designee, and any successors or assigns thereof. Yard areas or other areaways at the Property, if any, other than the Limited Common Elements as described below, are not intended for public use except for fire egress purposes and are subject to the easement rights, if any, of Sponsor, Sponsor's designee and/or the Commercial Unit Owner;

(b) At the cellar, and first floor levels, all foundations, footings, columns, beams, supports, bearing walls (except to the extent included below as Limited Common Elements or in the dimension of a Unit); also at those levels, those portions of the exterior walls and any insulation or framing beyond the unexposed face of the dry wall at the exterior face of the Building, or, where applicable, those portions of the exterior walls beyond the interior face of the exterior walls; those portions of the walls and partitions dividing the Commercial Unit from a Residential Unit or from the corridors, fire staircases and stairs, elevator shafts, and other Common Elements located beyond the unexposed face of the dry walls enclosing the Commercial Unit, or, where applicable, the blockwork or concrete work of the interior walls of the Building separating the Commercial Unit from a Residential Unit or from corridors, fire staircases and stairs, elevator shafts, and other Common Elements located beyond the unexposed face of the dry walls enclosing the Commercial Unit; the

subfloors and framing joists, if any, including any framing attached to such joists from which the dry wall ceiling of the Commercial Unit below is attached;

(c) The utility and mechanical rooms and storage areas located at the cellar level of the Building, including but not limited to the water/sprinkler pump room at cellar level; any and all cellar or other areas and Facilities which are not designated as part of a Unit or a Limited Common Element;

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

(e) All sewer pipes and drainage pipes;

(f) Those portions of the main roof of the Building, and those portions of the roof bulkheads, which have been designated for the installation of mechanical equipment, including, but not limited to, roof tanks, cooling towers, any ventilation or air-conditioning equipment to the extent same exist and/or are installed, and other related Facilities which service, both the Commercial Unit and the Residential Component and/or General Common Elements;

(g) The boilers, hot water heaters or equipment, if any, heating, ventilation and/or air-conditioning equipment, cooling towers and water tanks, if any, and related machinery or Facilities, wherever located in the Building, which service both the Commercial Unit and the Residential Component and/or General Common Elements;

(h) Any piping and/or ductwork which is necessary for the functioning of the boilers and hot water heaters or equipment, if any, heating, ventilation and/or air-conditioning equipment and cooling towers, if any, wherever located in the Building, which service both the Commercial Unit and the Residential Component and/or General Common Elements;

(i) Any common tanks, common water towers or tanks, pumps, including, but not limited to, motors, fans, compressors, ducts, siamese connections, the Building's water filtration system, and, in general, all apparatus and installations and Facilities existing for common use;

(j) At the cellar level, the janitor's room;

(k) At the cellar level, the building storage room;

(l) The street vault areas that are adjacent to and accessible from the Common Elements of the Building, which shall be for the benefit of the Condominium and its Unit Owners, to be used in a manner to be determined by the Board of Managers. To the extent there are any charges for said vault areas, such charges shall be paid by all of the Unit Owners as a Shared Common Expense; and

(m) Except as specifically noted, all other apparatus, installations and Facilities existing in the Building for common use or necessary or convenient to the existence, maintenance or safety of the Building and the Units.

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

"Land" - All that certain tracts, plots, pieces and parcels of land situate, lying and being in City, County, and

State of New York, as more particularly described in Schedule A to the Declaration.

"Law" - The laws and ordinances of any or all of the Federal, New York State, New York City, and New York County governments, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public, or quasi-public authorities, including the Landmarks Preservation Commission, having jurisdiction over the Property and/or the Condominium, and/or the direction of any public officer pursuant to law.

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

(1) Residential Common Elements:

(1a) At the second floor level and above, columns, beams, supports, bearing walls (except to the extent included below as Limited Common Elements in the dimension of a Unit); also at those levels, those portions of the exterior walls and any insulation or framing beyond the unexposed face of the dry wall at the exterior face of the Building, or, where applicable, those portions of the exterior walls beyond the interior face of the exterior walls; those portions of the walls and partitions dividing the

Residential Units from the corridors, fire staircases and stairs, elevator shafts, and other Common Elements located beyond the unexposed face of the dry walls enclosing the Residential Units, or, where applicable, the blockwork or concrete work of the interior walls of the Building separating the Residential Units from corridors, fire staircases and stairs, elevator shafts, and other Common Elements located beyond the unexposed face of the dry walls enclosing the Residential Units; the subfloors and framing joists, if any, including any framing attached to such joists from which the dry wall ceiling of the Residential Units below is attached;

(1b) At the second floor through ninth floor, any service corridors, fire corridors, halls, stairs, and stairway areas, mechanical, storage, and utility areas that are not part of any Unit, that are not specifically designated below as Residential Limited Common Elements or Commercial Common Elements, and that are located beyond the unexposed face of the dry walls or blockwork or concrete work enclosing any Unit;

(1c) The stairs and stairway areas throughout the Building, including but not limited to the common stairway running from the cellar level to the first floor level and the common stairway running from the cellar level to the roof level (but explicitly excluding any interior access stairs located within Units), which stairs shall be for the exclusive use of all of the Residential Unit Owners in a

manner to be determined by the Board of Managers but subject to an easement in favor of the Commercial Unit Owner or the tenants thereof, their servicemen, consultants and/or repairmen (i) to install, access, maintain, repair and/or replace any and all mechanical equipment servicing the Commercial Unit; and (ii) for the fire egress purposes and access and/or egress to or from the Commercial Unit;

(1d) Common service corridors, fire corridors, and halls located at all levels of the Building, which shall be for the exclusive use of all of the Residential Unit Owners in a manner to be determined by the Board of Managers but subject to an easement in favor of the Commercial Unit Owner or the tenants thereof, their servicemen, consultants and/or repairmen (i) to install, access, maintain, repair and/or replace any and all mechanical equipment servicing the Commercial Unit; and (ii) for the fire egress purposes and access and/or egress to or from the Commercial Unit;

(1e) The trash compactor room and related Facilities located at the cellar level of the Building, together with any trash compactor chute located on all floors of the Building, as set forth on the Floor Plans, which shall be for the exclusive use of all the Residential Unit Owners in a manner to be determined by the Board of Managers;

(1f) The residential entrances to the Building, together with their

canopies, if any, located on East First Street; the residential vestibule and lobby at the first floor, which shall be for the exclusive use of all the Residential Unit Owners in a manner to be determined by the Board of Managers but subject to an easement in favor of the Commercial Unit Owner or tenants, their servicemen, consultants and/or repairmen, for fire egress purposes and access and/or egress to or from the Commercial Unit;

(1g) The residential storage room located at the cellar level of the Building, which service and shall be for the exclusive use of the Residential Unit Owners only in a manner to be determined by the Board of Managers;

(1h) The passenger elevator, passenger elevator machinery, shaft and pit, and the elevator control room, together with all Facilities related thereto, located on any floor of the Building, which shall be for the use of all the Residential Unit Owners in a manner to be determined by the Board of Managers, and subject to an easement in favor of the Commercial Unit Owner or the tenants thereof, their servicemen, consultants and/or repairmen to install, access, maintain, repair and/or replace any and all mechanical equipment servicing the Commercial Units;

(1i) As shown on the Floor Plans, the residential common storage room located at the cellar level, which shall be for the exclusive use of the Residential Unit Owners in a manner

to be determined by the Board of Managers. The use of the residential common storage room shall be subject to the Declaration and By-Laws of the Condominium and any and all rules and regulations promulgated with regard thereto by the Board of Managers in their sole discretion;

(1j) Those portions of the main roof of the Building, and those portions of the roof bulkheads and the roofs located thereover, which have been designated for the installation of mechanical equipment, including, but not limited to, any heating, air-conditioning and ventilation equipment or Facilities which service the Residential Component only, which shall be for the exclusive use of the Residential Unit Owners;

(1k) Any heating, air-conditioning and/or ventilation equipment, hot water heaters, if any, and related machinery or Facilities, wherever located in the Building, which only service the Residential Component, which shall be for the exclusive use of all of the Residential Unit Owners;

(1l) Any piping and/or ductwork which is necessary for the functioning of any heating, air-conditioning and/or ventilation equipment, cooling towers, hot water heaters, if any, wherever located in the Building, which only service the Residential Component, which shall be for the exclusive use of all of the Residential Unit Owners;

(1m) The cooling tower(s), if any, or tanks on the roofs of the Building together with any related Facilities which only service the Residential Component;

(1n) The structural components of the Building's roof bulkheads;

(1o) The residential gas, water and/or electric meters and mechanical, gas, water and/or electric panels, closets, and respective rooms and/or feeders, risers and other improvements, residential cables, pipes, all of which serve the Residential Component exclusively;

(1p) Any and all windows of the Building which are not part of a particular Residential Unit or the Commercial Unit, and any skylights, existing or installed at some future date, that are not directly above any Residential Unit;

(1q) All installations or Facilities on the Property outside the Units for services such as gas, power, light, cable television, heat, telephone and water which only service the Residential Component; and

(1r) All other improvements, installations, apparatus or Facilities exclusively serving all of the Residential Units and/or the Residential Component and which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of the residential portions of the Building.

(2) Commercial Common Elements:

(2a) Those portions of the main roof, bulkheads, or rear yard of the Building, if any, which have been designated for the installation of mechanical equipment, including, but not limited to, any heating, air-conditioning and ventilation equipment or Facilities which service the Commercial Unit only, which shall be for the exclusive use of the Commercial Unit Owner;

(2b) Commercial mechanical and/or electric meter(s), separate cold water meter(s), gas meter(s) and other utility meters (if any) and/or mechanical, electrical, gas, water rooms and/or closets servicing or available for the exclusive use of the Commercial Unit;

(2c) All installations or Facilities on the Property outside the Units for services such as gas, power, light, cable television, heat, telephone and water which service the Commercial Unit only;

(2d) All remaining improvements, installations, apparatus or Facilities exclusively serving the Commercial Unit or which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of the Commercial Unit; and

(2e) The skylights, if any, existing or installed at some future date, that are directly above the Commercial Unit which shall be for the exclusive use of such Unit Owner. The maintenance, repair and replacement of such skylights shall be the responsibility of

the individual Unit Owner of such Unit.

(3) Residential Limited Common Elements:

(3a) The skylights, if any, existing or installed at some future date, that are directly above any Residential Unit which shall be for the exclusive use of such Unit Owner. The maintenance, repair and replacement of such skylights shall be the responsibility of the individual Unit Owner of such Unit;

(3b) Any fireplace, together with any flue and/or ductwork attached thereto, whether gas-fired or wood-burning, existing or installed at some future date in any Unit shall be for the exclusive use of such Unit Owner. The maintenance, repair and replacement of such fireplace, together with any flue and/or duct-work attached thereto, shall be the responsibility of the individual Unit Owner of such Unit; and

(3c) The private balconies and/or private terraces, together with any walls, fencing and/or railings delineating such areas, which are directly accessed from certain Residential Units, as delineated on the Floor Plans, which shall be for the exclusive use of the Unit Owners of such respective Units. Nonstructural, ordinary repairs and maintenance of the private balconies and/or private terraces, together with any walls, fencing and/or railings delineating such areas, shall be the responsibility of the individual Unit Owner(s) who have the exclusive use thereof.

"Majority"	-	Majority of Unit Owners means either (i) more than fifty percent (50%) in Common Interest in the aggregate, or (ii) more than fifty percent (50%) in number of Units in the aggregate, or (iii) more than fifty percent (50%) in the aggregate in both Common Interest and in number of Units, as may be specified herein or in the Declaration or the By-Laws with respect to any matter or matters. Any specified percentage of Unit Owners means (i) such percentage in Common Interest in the aggregate, or (ii) such percentage in number of Units in the aggregate, or (iii) such percentage in Common Interest and such percentage in number of Units, as may be specified herein or in the Declaration or the By-Laws with respect to any matter or matters, provided, however, that different percentages in interest and in number of Units may be so specified.
"Managing Agent"	-	A person employed by the Condominium Board pursuant to Article II, Section 4 of the By-Laws, who shall undertake to perform the duties and services that the Condominium Board shall direct and who shall have whatever powers the Condominium shall delegate, subject to the limitations contained in such Section of the By-Laws.
"Offering Plan"	-	The document filed with the New York State Department of Law which describes the condominium property and pursuant to which individual Units in the Condominium are offered for sale, as the same may be amended from time to time. Sometimes herein referred to as the "Plan".
"Operation of the Property"	-	The administration and operation of the Property and the maintenance, repair and replacement of, and the making of any additions and improvements to, the Common Elements.
"PCO"	-	Refers to a permanent certificate of occupancy issued by the Department of Buildings of the City of New York.
"Permitted Mortgagee"	-	Refers to the holder of a Permitted Mortgage and shall include, without limitation, such banks and financial institutions as constitute the holder(s) of the

mortgages given by Sponsor to acquire and construct the Property, including the successors, assigns, and affiliates thereof.

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

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

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

(ii) the Sponsor and Commercial Unit Owner, as attorneys-in-fact, to amend the Declaration, the By-Laws, and the Rules and Regulations of the Condominium or any of said documents under certain conditions set forth in the Power of Attorney; and

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

"Property" - Means and includes the Land, the Building and all other improvements thereon, (i) owned in fee simple absolute, (ii) all easements, rights and appurtenances belonging thereto, and (iii) all other property, personal or mixed, intended for use in connection therewith, which have been or are intended to be submitted to the provisions of the New York State Condominium Act.

"Purchaser" - Any Person who has entered into an agreement with Sponsor to purchase a Unit and is not in default thereunder.

"Recording officer and "Recording" or "Recorded"	-	Shall have the meanings stated in section two hundred ninety of the New York State Real Property Law.
"Residential Common Expenses"	-	As set forth in the By-Laws of the Condominium the Owners of the Residential Units shall be solely responsible for the payment of all expenses ("Residential Common Expenses") included in the following categories set forth in the "Schedule B, Projected Budget for First Year of Condominium Operation" in the Offering Plan: (i) Payroll and Related Expenses, (ii) Water Charges and Sewer Rent (for the Residential Units and the Common Elements, subsequent to the sub-metering of the Commercial Unit with respect to the same; prior to such sub-metering, the cost of water and sewer charges for the Building shall be a Shared Common Expense, and (iii) Elevator Maintenance, as well as expenses arising from garbage collection for the Residential Units if not collected by the City of New York; and any other expenses, whether in addition to or established in lieu of the foregoing expenses, which are not Shared Common Expenses, fairly attributable to the Residential Units only, or as provided in the By-Laws. The Residential Common Expenses shall be deemed a part of the Common Expenses of the Condominium to be paid by all Residential Unit Owners.
"Residential Component"	-	Collectively, the Residential Units, Residential Common Elements, and Residential Limited Common Elements.
"Residential Unit"	-	A designated apartment in the Building comprising the Condominium which is owned in fee simple absolute.
"Residential Units"	-	Collectively, all the apartments in the Building.
"Residential Unit Owner"	-	Means the person, persons or entity owning a Residential Unit in fee simple absolute.
"Rules and Regulations"	-	The rules and regulations of the Condominium, which are annexed as an addendum to the By-Laws,

as any of the same may be amended, modified, added to, or deleted from time to time pursuant to the terms of the By-Laws, provided that they are not in conflict with the terms of the Condominium Act, the Declaration, or the By-Laws.

"Selling Agent"	-	The entity which will, on behalf of the Sponsor, originate and supervise sales of Units. Acacia 118, LLC is the Selling Agent pursuant to the terms of the Offering Plan.
"Shared Common Expenses"	-	As set forth in the By-Laws of the Condominium the Owners of all of the Units at the Condominium, collectively, shall be responsible for the payment of all shared expenses ("Shared Common Expenses") included in the following categories set forth in the "Schedule B, Projected Budget for First Year of Condominium Operation" in the Offering Plan: (i) Electric (electricity consumption for the Building's mechanical equipment and in the Common Elements), (ii) Water Charges and Sewer Rent (water and sewer charges for the Building, prior to the Commercial Unit being sub-metered with respect to the same; subsequent to such sub-metering, the Commercial Unit Owner shall be solely responsible for all such sub-metered charges, and all other water and sewer charges, relating to the Residential Units and Common Elements, shall be a Residential Common Expense), (iii) Repairs and Maintenance, (iv) Service Contracts other than Elevator Maintenance, (v) Insurance, (vi) Management Fee, (vii) Legal and Audit Fees, (viii) Other Expenses, (ix) Contingency, and (x) Major Capital Improvement Replacement Reserve Fund; vault charges, if any; and any other expenses, whether in addition to or established in lieu of the foregoing expenses, fairly attributable to all of the Units at the Condominium, collectively, or as provided in the By-Laws. The Shared Common Expenses shall be deemed a part of the Common Expenses of the Condominium to be paid by all Unit Owners.
"Sponsor"	-	The promoter of the project and/or Offering Plan to submit the Premises at 118 East 1st Street, New

		York, New York 10009 to the condominium form of ownership; Acacia 118, LLC is the Sponsor of this Offering Plan.
"Sponsor-designee"	-	Any Person designated by Sponsor to hold title to any Unit. Sponsor's statement in writing that a Person is a Sponsor-designee shall be conclusive evidence of such status so as to entitle such Person to all the rights of a Sponsor-designee under this Offering Plan. A Sponsor-designee shall have the right to designate a Person to succeed to its rights and any such designee shall also be deemed a "Sponsor-designee."
"Sponsor's Initial Control Period"	-	Refers to the initial period during which Sponsor, including any designee thereof, retains control of the Board of Managers of the Condominium prior to relinquishing the same. Upon the earlier of (i) the closing of title to Units whose aggregate Common Interest exceeds ninety percent (90%) of the Common Interest allocated to all the Units, or (ii) five (5) years from the First Unit Closing, Sponsor, including any designee thereof, will relinquish control of the Board of Managers if it has such control and will not elect or designate a majority of its nominees for positions on the Board of Managers, even though the total percentage of Common Interest may otherwise enable it to do so.
"TCO"	-	Refers to a temporary certificate of occupancy issued by the Department of Buildings of the City of New York.
"Unit"	-	Any space in the Building designated as a Unit. Such Units are a part of the Property intended for any type of legal use or uses, and adjoin an exit to a public street or highway or a Common Element or elements leading to a public street or highway, and may include such appurtenances as a fireplace and/or a private balcony or roof terrace. Any mechanical equipment, including, but not limited to, sprinkler, heating, hot water, ventilation and air-conditioning equipment, with all related ductwork and piping attached thereto, located outside or inside a Unit

which only services a particular Unit shall be a fixture which is the personal property of the Unit Owner of the Unit it services. Such Unit Owner shall be responsible for the cost of any maintenance, repair or replacement of such mechanical equipment.

"Unit Deed"	-	The deed transferring title to a specified Unit from Sponsor to Purchaser in fee simple absolute.
"Unit Designation"	-	The number, letter or combination thereof or other official designations conforming to the tax lot number, if any, designating the Unit in the Declaration and on the floor plans.
"Unit Owner"	-	The person or persons, or entity owning a Unit in fee simple absolute. It collectively means the respective owners of the Residential Units and the Commercial Unit.
"Unsold Units"	-	Any Unit owned by Sponsor or its designee at the time in question.

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The Property is comprised of one (1) parcel which is currently known as Block 429, Tax Lot 43 on the assessment roll of the City of New York, Borough of Manhattan. The aggregate square footage of the parcel is approximately 2119 square feet.

The Sponsor is newly constructing a nine (9) story building which includes a cellar level, a ninth floor mezzanine level and main roof bulkhead level, to be situated at the Property (hereinafter, the "Building"). The Building will be located on First Street approximately 80 feet westerly from the northwesterly corner formed by the east 1st Street and Avenue A. The Property and the Building as constructed are not in a landmarked district.

The newly constructed Building shall be comprised of four (4) residential units (the "Residential Units") and one (1) commercial unit (the "Commercial Unit"), and other common elements of the Building as defined herein (the "Common Elements"). Hereinafter any or all of the Residential Units and/or Commercial Unit are individually or collectively referred to as the "Unit" or "Units." The Common Elements shall either be for the use of all the Unit Owners ("General Common Elements") or for the exclusive use of one (1) or more Unit Owners ("Limited Common Elements"). All of the four (4) Residential Units will be duplex 3-bedroom units. The Commercial Unit may be physically altered and/or subdivided by Sponsor or its designee or the Commercial Unit Owner, to accommodate more than one (1) rental tenant.

The cellar level of the Building will contain the lower level of the Commercial Unit, Common Elements including the janitor's room, residential storage room, building storage room, water/sprinkler room, trash chute, trash room, electric meter room, as well as the elevator shaft and pit, common corridors and stairs. The first floor of the Building will contain the upper level of the Commercial Unit, and Common Elements including the Building's main entrance and lobby, as well as the elevator shaft, trash chute, common corridors and stairs. The second floor of the Building will contain the lower level of a duplex Residential Unit and Common Elements including, the elevator shaft, trash chute, common corridors and stairs. The third floor of the Building will contain the upper level of a duplex Residential Unit and Common Elements including private balconies, the elevator shaft, trash chute, common corridors and stairs. The fourth floor of the Building will contain the lower level of a duplex Residential Unit and Common Elements including private balconies, the elevator shaft, trash chute, common corridors and stairs. The fifth and seventh floor of the Building will contain the upper levels of a duplex Residential Unit and Common Elements including private balconies, the elevator shaft, trash chute, common corridors and stairs. The sixth and eighth floors of the Building will contain the lower levels of a duplex Residential Unit and Common Elements including private balconies, the elevator shaft, trash chute, common corridors and stairs. The ninth floor of the Building will contain the upper level of a duplex Residential Unit and Common Elements including a private terrace, private balcony, private deck, the elevator shaft, trash chute, common corridors and stairs. The ninth floor mezzanine level of the Building will contain Common Elements including the elevator shaft, trash cute, common corridors and stairs. The Building's roof level will contain (i) the penthouse level of a duplex Residential Unit and (ii) Common Elements including the rest of the Building's main

bulkhead, which will contain the common stairs and the elevator control room, in addition to outdoor mechanical areas. Sets of interior access stairs will connect the lower and upper levels of the duplex Residential Units.

There will be one (1) passenger elevator in the Building which will run from the cellar level to the ninth floor level and service all such floors. There will be one (1) common stairway running from the cellar level to the first floor level, and one (1) common stairway running from the cellar level to the roof level. The latter stairs will be structured as a "scissor" stair between the first floor level and the roof level. The elevator, its elevator shaft and pit, and all common corridors and stairs throughout the Building will be Common Elements for the use of the Residential Unit Owners.

There will be no common recreational areas or facilities at the Property other than the storage rooms at the cellar level. There are private balconies throughout the Building and a private terrace, for the use of certain Residential Units, as described hereinabove. Any other roofs, yards or areaways of the Building are common areas not meant for public access or use. Additionally, there are no parking facilities which are part of the Property.

There is no public or common laundry room at the Building. The Residential Units will each be provided with a laundry area with individual hook-ups for either a side-by-side washer and dryer or one (1) stacked washer and dryer. The washer and dryer units shall be supplied by Sponsor.

Pursuant to the New York City Building Code, the class of construction for the Building is Class 1-B 2 hour fire rating protected. The Sponsor projects that construction of the Building, including the Units and Common Elements, should be completed by approximately July 1, 2022. A Certificate of Occupancy will be obtained by the Sponsor and its principals upon final completion of the project.

The Building is being constructed in accordance with all applicable zoning and buildings laws, regulations, codes and other requirements of the New York City Building Code and applicable zoning requirements.

All license fees and all periodic taxes and charges (“Vault Charges”) for street vaults located in the Common Elements of the Building, if any, or other protrusions beyond the lot lines of the Building shall be paid by the Board of Managers as a Shared Common Expense. However, Vault Charges, if any, attributable to the Commercial Unit which has exclusive use of such vault area shall be paid by the Owner of such Commercial Unit. If an allocation of Vault Charges is necessary to determine those charges allocable to the Commercial Unit, such allocation shall be made on a square footage basis.

The Building’s structural system is a new structure with concrete foundations, concrete columns, concrete slabs, and steel stud in fill walls. The south exterior wall of the Building is a façade with stone. The east and west exterior walls are concrete and steel stud in fill walls with a stucco finish and 1-hour fire rating. The north exterior wall is a concrete and steel stud in fill wall

with a stucco finish. The foundation walls are poured in place concrete and are constructed with proper damp proofing. The floors are cast concrete with a sound insulating mat below the wood floor.

The construction of the Building's roof is a poured concrete slab layers of pitched insulation, coverboard, roofing membrane, and continuous insulation.

All windows are aluminum picture and casement from Schuco windows. Lot Line Windows (defined below) at the east and west façade of the Building are painted metal.

There are lot line windows (each a "Lot Line Window" and collectively the "Lot Line Windows") at the east façade of the Building from the second through the ninth floor mezzanine, affecting Unit 2 (in the kitchen area and its adjacent stairs area, in a bedroom, and in a bathroom and its adjacent stairs area), Unit 5 (in a bedroom, in a bathroom and its adjacent stairs area, in the recreation room and its adjacent closet, and in the kitchen area and its adjacent stairs area), Unit 7 (in the master bedroom, in a bedroom, in the stairs areas, in two bathrooms and its adjacent closet, in the recreation room, in the kitchen and in the living room) and in Unit PH (in the master bedroom, a bedroom, in stairs areas, in two bathrooms and its adjacent closet area, in the living room, in the dining room, in the kitchen and the mezzanine level). There are lot line windows at the west façade of the Building from the eighth floor through the ninth floor mezzanine floor, affecting Unit PH (in a bedroom, in the living room, and dining room). The Lot Line Windows do not provide the legal light and air required for residential occupancy. Legal light and air which is required for the issuance of the certificate of occupancy for the Building is being provided by the windows on the north and/or south façades at the aforementioned affected Units. The Lot Line Windows provide supplementary light and air only. As Lot Line Windows, the view from such windows may be obstructed or completely blocked in the future if a new or enlarged building or structure is constructed on the adjoining property opposite the applicable lot line. It is the opinion of Sponsor's architect that in the event adjacent construction obstructs or completely blocks the Lot Line Windows, which are shatter resistant and sprinkler protected, the Lot Line Windows will not need to be sealed. The subsequent obstruction or sealing of these Lot Line Windows will not affect the validity of the certificate of occupancy.

In the event the Board of Managers determines that, pursuant to applicable Law or guidelines from governmental authorities, including but not limited to DOB, it would be necessary or advisable to seal any Lot Line Windows subsequent to construction that obstructs or completely blocks the same, all construction to enclose the windows shall be performed by the Board of Managers of the Condominium. The cost and expense of such construction shall be the sole responsibility of the Unit Owner or Owners affected and such cost and expense shall be charged to the individual Unit Owners affected as a Special Assessment. As of the date of filing of this Offering Plan, Sponsor estimates that the cost of sealing a single Lot Line Window would be approximately $5,000.00.

The Sponsor, if applicable, or the Board of Managers, their agents, contractors and employees, will have the right to enter any Unit(s) necessary to effect the enclosure of such Lot Line Windows, should same be determined as provided above. The Unit side of the enclosure will

be finished with the same material originally used therein, if available, or if not available, then with such other finish material as will nearly as possible resemble such original material. Decoration of the affected area on the Unit side of the enclosure will also be the responsibility of the Unit Owner, at his or her sole expense.

Heating and cooling for the Units will be provided by electric-only split-system heat pumps. The Building's lobby and common corridors will also be provided with heating and cooling in this manner. Other common areas, including the storage room and cellar level mechanical rooms, will be provided with local electric heating.

The Building's common areas will be mechanically ventilated. Bathrooms and kitchens in Units will be mechanically ventilated; additionally, Residential Units will be provided with natural ventilation via operable windows.

Electrical service to the Building will be provided by the public utility company serving the area. The electric service will be distributed throughout the Building to various loads and will be directly metered by the utility company. The electricity consumed by each individual Residential Unit and the Commercial Unit shall be separately and directly metered. Each Unit Owner shall be responsible for paying his or her own individual electric bill. The electricity consumed in the Common Elements of the Building shall be separately metered and shall be a The electricity consumed in the Common Elements of the Building shall be separately metered and shall be an expense of the all Unit Owners.

No gas service will be provided in the Building.

Water and sewerage services are provided for by the City of New York. The Units and the Common Elements shall be metered for water usage by one (1) or more common meters.

With respect to telephone, cable television, and internet service, each Unit Owner desiring the same shall be responsible for arranging an account with the respective provider thereof, and the costs of any such services shall be the sole responsibility of the respective Unit Owner. With respect to any such services that may be provided to common areas of the Building and/or with respect to the health and safety systems of the Building, the cost thereof shall be a Shared Common Expense.

The Building's passenger elevator which shall service all of the Residential Units is a Residential Common Element. The cost of any repairs, maintenance and/or replacement of this passenger elevator shall be the responsibility of all of the Residential Unit Owners as a Residential Common Expense.

Sponsor notes that Local Law 10 of 1981 requires an elevator inspection to be made by December 31 of each year by an insurance company, elevator maintenance company, elevator manufacturer or elevator inspection company, and that a report be filed with the Department of Buildings of the City of New York within sixty (60) days after delivery of such report to the owner. Failure to comply will result in a civil monetary penalty levied against the owner. Sponsor shall

not be responsible for having such inspection or report made unless Sponsor controls the Board of Managers at the time such inspection report is due. However, even though the Sponsor is in control of the Board of Managers, the cost of such inspection report will be a Residential Common Expense of the Condominium. Subsequent to Sponsor relinquishing control of the Board of Managers, the Board of Managers on behalf of all the Residential Unit Owners shall be responsible for obtaining the requisite inspections for the passenger elevators and the cost of such inspections shall continue to be a Residential Common Expense.

Amendments to the high-rise façade safety statute (formerly known as Local Law 10 of 1980, later known as Local Law 11 of 1998, and now known as the Façade Inspection Safety Program, or "FISP") passed by the City Council and signed by the Mayor of New York City require professional engineers or registered architects to advise the Buildings Department of the City of New York and the owner of a property of any unsafe condition in a building's exterior walls revealed during a FISP inspection. The amendments also subject all exterior walls to be inspected; previously, only walls fronting on a street were affected by the law. The revised law also calls for a certification by the registered professional that a wall is either safe or unsafe; the latter declaration by the professional means that an immediately hazardous condition exists and must be corrected within thirty (30) days with the option of a ninety (90) day extension upon application to the Buildings Department. A building is considered either safe with no further action necessary, or fit, but in a condition that warrants a repair and/or maintenance program. In the latter case, the condition must be corrected during the five (5) year period between mandatory inspections. As a result of the new construction of the Building, the completed Building will require regular five (5) year inspections in accordance with FISP. The first inspection will be required five (5) years after the issuance of the first temporary certificate of occupancy for the Building. Based upon a projected July 1, 2022 date for the issuance of the first temporary certificate of occupancy for the Building, the first FISP inspection is anticipated to be required on or about July 1, 2027. Thereafter, the Building must be inspected in accordance with FISP's five (5) year cycle.

Although not budgeted for the First Year of Condominium operation, the cost of any future additional inspections, if any, required by FISP and any amendments thereto, shall be a Shared Common Expense.

As set forth in the "Description of Property and Building Specifications" included in Part II of the Plan, certain portions of the Residential Units will be delivered with natural materials (including, but not limited to, wood flooring and/or marble or stone surfaces, where applicable), which may require special finishing and maintenance procedures in order to preserve the appearance and quality of the natural materials, and therefore, all natural materials must be maintained in accordance with the recommendations of the manufacturer thereof. Purchasers should also note that, as natural material finishes are often cut from different sources, there may likely be variations in the tone, color, and appearance of such finishes. In addition, natural materials are subject to changes as a result of temperature and humidity as well as chipping, scratching, and cracking. Residential Unit Owners shall be responsible for controlling their respective Units for temperature and humidity, as seasonally appropriate. Sponsor makes no representation or warranty that any such natural materials will maintain their appearance after they

are subject to wear and tear. Residential Unit Owners shall be responsible for the cost of any maintenance, adjustments, or repairs done to such finishes in their respective Units.

In the event that Sponsor, in its sole and absolute discretion, agrees to perform special custom work or install any upgrades or extras at the request of a Purchaser ("Custom Work"), such agreement shall be memorialized, and such Custom Work shall be itemized, in the Purchase Agreement, and the total Custom Work amount agreed upon between Purchaser and Sponsor and memorialized in the Purchase Agreement (the "Custom Work Amount") will be in addition to the total purchase price for the Unit. The Down Payment to be made by Purchaser upon signing a Purchase Agreement shall be increased by the Custom Work Amount. Pursuant to the terms of the Purchase Agreement, all Custom Work is to be performed by Sponsor's contractors. Although initially deposited in escrow, upon the rescission of a Purchase Agreement by Purchaser, the funds deposited for the Custom Work will not be refunded to the Purchaser to the extent such funds have already been expended or will be expended on costs Sponsor has accrued and is obligated to pay with respect to Custom Work. Notwithstanding anything to the contrary herein, in the event Sponsor abandons the Offering Plan, Sponsor shall refund all additional escrowed funds for Custom Work to the Purchaser, notwithstanding whether any such funds have been expended or allocated to costs incurred by Sponsor.

Sponsor shall obtain a "Class A" residential TCO or PCO which shall cover each Residential Unit prior to the closing of title to such Unit. With respect to the Commercial Unit, the certificate of occupancy shall provide for commercial use on a portion of the first floor and accessory storage on a portion of the cellar level in connection with the same, as permitted in the Zoning Resolution of City of New York, as amended. See the section of the Plan titled, "The Commercial Unit," for a discussion of the Commercial Unit Owner's right to change the use of the Commercial Unit. However, Sponsor shall not be obligated to perform any work in the Commercial Unit other than as set forth in the Plan. Please consult the section titled "Rights and Obligations of Sponsor," set forth in Part I, for further discussion.

Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a PCO covering the entire building but with only a TCO, and sometimes with several successive TCOs. Certificates of occupancy are generally governed by Section 301 of the New York Multiple Dwelling Law and local building codes and rules. Both TCOs and PCOs are issued by the 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, regulations for the uses and occupancies specified on the TCO, but means that not all of the construction work and/or inspections have been performed, or that not all of the required documents have been submitted to the DOB. No change of use or occupancy shall be made unless a new TCO or PCO is issued. All TCOs have an expiration date. A TCO typically expires ninety (90) days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance, or sell units. In New York City, it is common for sponsors to commence unit closings when some or all units are covered by a TCO rather than a PCO. 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 PCO covering the entire Building within two (2) years from the date of issuance of the first TCO. However, Sponsor and its principals make no representation or guarantee that DOB will issue the PCO within such two (2) year period. **NOTWITHSTANDING THE FOREGOING, SPONSOR AND ITS PRINCIPALS ARE OBLIGATED TO PROCURE THE PCO FOR THE ENTIRE BUILDING, AND SHALL EXERCISE BEST EFFORTS TO OBTAIN THE PCO WITHIN SUCH TWO (2) 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.

Furthermore, subject to Sponsor's consent, the By-Laws of the Condominium may permit Unit Owners to undertake renovations to individual Units prior to the procurement of a PCO. Such renovations may cause additional delays in the issuance thereof. Notwithstanding the foregoing, and subject to the aforementioned delays, Sponsor and its principals are obligated to procure the PCO. Buyers are advised to visit the DOB website for further recommendations when purchasing a unit in a building that does not have a PCO. See the Section of the Offering Plan titled, "Closing of Title to Units," set forth in Part I, for further details.

LOCATION AND AREA INFORMATION

Location

The property is located on the Northerly side of East 1st Street, 80 feet west of the corner formed by East Houston Street and Avenue A in the East Village of Manhattan.

The neighboring areas of Soho, Noho, the East Village, Greenwich Village, Chinatown, the Lower East Side, Lower Manhattan and Little Italy provide a wide choice of cultural activities. Retail and discount shopping is extensive throughout these neighborhoods. There are also many restaurants and art galleries throughout.

The Sponsor or its principals do not have at this time any right or option to acquire, in whole or part, any adjacent areas. See the section of the Plan titled "Reservation of Development Rights," located hereinafter for further details in this regard.

Area Information

A. Transportation.

Public transportation is convenient. Subway stops are located at Second Avenue (F train), Bowery (J and Z train) and Grand Street (B and D train). Bus lines are located on East Houston (M14A-SBS, M21) and Essex Street (M9).

Access to the Williamsburg Bridge is to the South on Delancy Street, the Holland Tunnel may be accessed to the west via canal Street. The Manhattan and Brooklyn Bridges are nearby and the Financial District of Lower Manhattan is easily accessible.

B. Educational Facilities.

Public Schools located in the general vicinity are:

Pre-K / Grade School:
P.S. 019 Asher Levy at 185 1st Avenue
P.S. 034 Franklin D. Roosevelt at 730 East 12th Street
P.S. 188 the Island School at 442 East Houston Street
East Village Community School at 610 East 12th Street
P.S. 15 The Roberto Clemente School at 333 East 4th Street

High School:
High School for Health Professions and Human Services at 345 East 15th Street
Manhattan Comprehensive Night and Day High School at 240 2nd Ave
Bard High School Early College at 525 East Houston Street
Lower East Side Preparatory High School at 145 Stanton Street
NEST+m (K-12) at 111 Columbia Street
Pace High School at 100 Hester Street

Private Schools located in the area include the following:

Friends Seminary (K-12) at 222 East 16th Street
Grace Church School (Pre-K – 12) at 86 4th Avenue
St George Academy (9-12) 215 East 6th Street

Universities:
New York University at 22 Washington Square North
Cooper Union located at 7 East 7th Street
Pace University at 1 Pace Plaza

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

C. Religious Institutions.

Religious Institutions in the vicinity include the following:
East Side Tabernacle at 254 East 2nd Street
Church of God of 6th Street at 636 East 6th Street
Trinity Lower East Side Lutheran Parish
Islamic Center at NYU at 238 Thompson Street
Assafa Islamic Center at 172 Eldridge Street
Islamic Council of America at 238 Thompson Street
Gong Temple USA is located at 294 Broome Street
Mahayana Temple Buddhist Association at 133 Canal Street
Guangming Buddhist Temple at 214 Centre Street

D. Parks, Recreation and Cultural Facilities.

Roosevelt Park is located Southwest of the Building on Chrystie Street, Tompkins Square Park is located North of the Building on East 7th Street and Hamilton Fish Park is located East of the Building on East Houston and Pitt Street.

E. Medical Facilities.

In addition to several smaller medical, dental, and specialty practices, the following medical facilities are near the Building:

Mount Sinai Beth Israel is located at 281 1st Avenue.

NYU Health + Hospitals / Woodhull is located at 760 Broadway.

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

These services are provided by the City of New York and all charges (except water) are incorporated into City taxes. The Building is located within the 1st Police Department Precinct located at 16 Ericsson Place. The nearest firehouse is Ladder 8, located at 14 North Moore Street.

The Department of Sanitation collects refuse on Tuesdays, Thursdays, and Saturdays with recycling picked up on Saturdays.

G. Zoning.

The Building is located in a C2-5 Zoning District which permits residential occupancies of the type contemplated by this plan. Additionally, in the case of the commercial space the Zoning District permits the uses contemplated under the plan, including, but not limited to, retail enterprises for the Commercial Unit,

The sponsor or its principals does not have at this time any right or option to acquire, in whole or part, any adjacent areas.

H. Mailing Address and Postal Facilities.

The mailing address of the Property with respect to the Residential Units will be: "118 East 1st Street, New York, New York 10009." It is anticipated that the mailing address for the Commercial Unit will be "118 East 1st Street, New York, New York 10009." The post office servicing the Property is located at 244 East 3rd Street.

I. Shopping, Dining and Banking Facilities.

Several grocery stores, restaurants, health food stores, and specialty food shops are located within close proximity to the Property, as are a wide selection of clothing stores, home goods stores, boutiques, pharmacies, and bank branches.

J. Libraries.

The closest branch of the New York Public Library is located at 135 Second Avenue.

ACACIA 118 CONDOMINIUM
118 EAST 1ST STREET
NEW YORK, NEW YORK

11/17/2021

SCHEDULE A
Offering Prices and Related Information
All Projected Charges are for the Twelve Month Period
Commencing July 1, 2022 and Ending June 30, 2023 ("First Year")

Unit (1)	Unit Description: Number of Bedrooms & Bathrooms, Etc. (2)	Approximate Square Footage of Unit (3)	Approximate Square Footage of Private Balcony and/or Terrace(s)	Offering Price (4)	Percentage Common Interest (5)	Percentage Contributing Share (6)	Estimated Annual Common Charges First Year (7)	Estimated Monthly Common Charges First Year (7)	Estimated Annual Real Estate Taxes First Year (8)	Estimated Monthly Real Estate Taxes First Year (8)	Estimated Annual Real Estate Taxes Upon 100% Completion (9)	Estimated Monthly Real Estate Taxes Upon 100% Completion (9)	Estimated Total Annual Carrying Charges First Year (10)	Estimated Total Monthly Carrying Charges First Year (10)
2	3BD/3/T/B/DU	2,871	606	$4,995,000.00	19.3000%	22.4200%	$13,325.55	$1,110.46	$48,446.48	$4,037.21	$48,446.48	$4,037.21	$61,772.03	$5,147.67
5	3BD/3/B/DU	2,872	144	$4,895,000.00	18.9100%	21.9700%	$13,058.09	$1,088.17	$47,474.09	$3,956.17	$47,474.09	$3,956.17	$60,532.18	$5,044.35
7	3BD/3/B/DU	2,879	144	$5,895,000.00	22.78%	26.4600%	$15,726.77	$1,310.56	$57,176.36	$4,764.70	$57,176.36	$4,764.70	$72,903.12	$6,075.26
PH	3BD/3/B/T/DU	3,082	1,194	$6,495,000.00	25.1000%	29.1500%	$17,325.59	$1,443.80	$62,989.07	$5,249.09	$62,989.07	$5,249.09	$80,314.66	$6,692.89
Residential Unit Totals:		11,704	2,088	$22,280,000.00	86.0900%	100.0000%	$59,436.00	$4,953.00	$216,086.00	$18,007.17	$216,086.00	$18,007.17	$275,522.00	$22,960.17
COM	DU	2,026		$3,600,000.00	13.9100%	100.0000%	$7,344.00	$612.00	$34,914.00	$2,909.50	$34,914.00	$2,909.50	$42,258.00	$3,521.50
Non-Residential Totals		2,026		$3,600,000.00	13.9100%	100.0000%	$7,344.00	$612.00	$34,914.00	$2,909.50	$34,914.00	$2,909.50	$42,258.00	$3,521.50
Grand														
Totals		13,730	2,088	$25,880,000.00	100.00%	100.0000%	$66,780.00	$5,565.00	$251,000.00	$20,916.67	$251,000.00	$20,916.67	$317,780.00	$26,481.67

BD denotes Bedroom(s)
C denotes Commercial Unit
B denotes Private Balcony
T denotes Private Terrace(s)
DU denotes Duplex Unit

NOTES TO SCHEDULE A

Offering Prices and Related Information

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

2. Set forth in column numbered (2), titled "Unit Description: Number of Bedrooms & Bathrooms, etc." is a description of the Unit's layout, including the number of bedrooms and bathrooms. Also set forth is whether a Unit has a private balcony and/or terrace(s). The number of rooms in each Residential Unit is set forth below and is not calculated on the basis of any industry standard. For purposes of setting forth room counts below, a bedroom has been counted as one (1) room, a living/dining room has been counted as one (1) room, a kitchen has been counted as one (1) room, a recreation room has been counted as one (1) room, an alcove has been counted as one (1) room, and, with respect to the Unit PH penthouse level, the mezzanine level has been counted as one (1) room.

Residential Unit	Rooms
2	6
5	5
7	6
PH	7

The Building will have four (4) Residential Units and (1) Commercial Unit.

Of the four (4) Residential Units, four (4) three-bedroom apartments.

Throughout the Building, some of the Residential Units will also have at least one (1) private balcony and/or terrace directly accessed from or adjacent to such Unit, which shall be a Limited Common Element for the exclusive use of the owner of such Unit.

Prospective Purchasers should note that the following spaces are not intended for sleeping or living purposes, which uses are not permitted under, and could result in a violation issued pursuant to, the Building Code, which shall be the obligation of the offending individual Unit Owner to remove: (i) in Units 2, 5, 7 the recreation rooms; and (ii) in Unit PH, the mezzanine level.

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

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

3. The approximate square footage of each Unit and, if applicable, its private balcony and/or terrace(s), is set forth in the column numbered (3). The approximate gross square footage of the Units is measured horizontally on their respective floor or floors from the exterior side of the glass or the exterior side of the exterior walls of the Building to the centerline of the interior walls and partitions separating one Unit from another Unit, or the exterior side facing Common Elements of the interior walls and partitions separating a Unit from common corridors, common stairways, mechanical equipment spaces, and other Common Elements; or, if applicable, to the exterior side of the glass or the exterior side of the opposite exterior walls of the Building. Columns, mechanical pipes, shafts, shaftways, chases, chaseways, and conduits as well as the common stairway and common elevator shaft (whether located within the Unit or along the perimeter of the Unit) are not deducted from the approximate gross square foot area of the Units; however, common corridors, common stairways, mechanical equipment spaces, and other Common Elements located outside of the Units are not included in the square footage calculations for the Units.

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

   As set forth above, the approximate square footage of a Unit set forth on the Floor Plans is an approximate gross square footage of the Unit, which is greater than the approximate square footage of a Unit measured by using the legal definition of the Unit which appears in the Declaration of the Condominium in Part II of the Plan. As is customary in New York City, these approximate gross square footages substantially exceed the useable floor area of each Unit.

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

   Any floor layout, plan or sketch shown to a prospective Purchaser is only an approximation of the square foot area and layout of the Unit in question. However, any material change will be set forth in an amendment to the Plan, and, absent any affected Purchaser(s) giving a written consent, no material adverse change will be made in the size, configuration, or layout of a Unit for which a Purchase Agreement has been countersigned by Sponsor and returned to the Purchaser unless the same is dictated by construction conditions at the Property, and after exhaustion of all commercially reasonable alternatives consistent with local construction industry standards, no other means exists to avoid such changes, and in such event, Sponsor will, in the amendment disclosing such change and delivered to Purchasers, offer the affected Purchaser(s) the right, for at least fifteen (15) days, to rescind their Purchase Agreements and receive a refund of their Down Payments, together with all interest earned thereon. There shall be a rebuttable presumption that a reduction in square foot area by five percent (5%) or less is not material.

4. The column numbered (4) titled "Offering Price" contains the offering prices for each Unit. Sponsor's right to make changes in offering prices is set forth in the section of the Plan titled "Changes in Prices or Units" set forth in Part I. Please note that although purchase prices are negotiable, Sponsor fully expects to receive those amounts set forth in the column titled "Offering Price."

   In addition to the purchase price, a Purchaser will be responsible at closing of title for certain other expenses as explained in the section titled "Unit Closing Costs and Adjustments" set forth in Part I. Included in these costs is the Purchaser's contribution to the Working Capital Fund in the amount of two (2) months of Common Charges for the Unit being purchased at the time of closing, payable to the Board of Managers of the Condominium. While general guidelines to certain expenses of Purchaser are approximated in such section, Sponsor is unable to approximate the total amounts which will be incurred by Purchasers because these will vary according to such factors as the cost and size of a particular Unit, whether mortgage financing is obtained and Purchaser's attorney's fees. Purchasers are advised to consult with their attorney as to the exact closing costs they will incur in purchasing their Unit.

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

6. As set forth in column numbered (6), these Percentages Contributing Share reflect: (a) in the case of the Residential Units, each Residential Unit's proportionate share of the Common Charges payable by all of the Residential Unit Owners, and (b) in the case of the Commercial Unit, the proportionate share of the Common Charges payable by all of the Commercial Unit Owners (which, if there is only one (1) Commercial Unit, shall mean one hundred percent (100%) of the same), and, in the event the Commercial Unit is subdivided into two (2) or more Commercial Units, each Commercial Unit's proportionate share of the Common Charges payable by all of the Commercial Unit Owners. Each Unit's projected Common Charges for the First Year of Condominium operation are set forth in column numbered (7). Purchasers are referred to the section of Part I hereof entitled "Definitions" for further information on the allocation of the various categories of Common Expenses, including Shared Common Expenses, Residential Common Expenses, and Commercial Common Expenses.

7. These estimates as set forth in column numbered (7) are based upon the "Projected Budget for the First Year of Condominium Operation," which was prepared for the year commencing July 1, 2022 and which will appear in Schedule B in the Plan, hereinafter

referred to as the "First Year". Included in these charges, amongst other costs, are the cost of insurance for the Property, repairs & maintenance for the common areas, and the cost of utilities for common areas. It does not include the cost of electricity for individual Units, which will be separately metered or sub-metered and billed by the utility company or the Board of Managers to each Unit Owner.

Projected annual Common Charges payable by each Residential Unit Owner in the annual budget for each fiscal year are determined by first summing (i) the amount of the Shared Common Expenses allocated to the Residential Units in the aggregate (i.e., 86.09% of the Shared Common Expenses), and (ii) the amount of the Residential Common Expenses allocated to the Residential Units in the aggregate (i.e., 100% of the Residential Common Expenses), and then multiplying the foregoing sum by such Unit Owner's Percentage Contributing Share.

Projected annual Common Charges payable by the Commercial Unit Owner in the annual budget for each fiscal year are determined by first summing (i) the amount of the Shared Common Expenses allocated to the Commercial Unit (i.e., 13.91% of the Shared Common Expenses), and (ii) the amount of the Commercial Common Expenses allocated to the Commercial Unit (i.e., 100% of the Commercial Common Expenses), and then multiplying the foregoing sum by such Unit Owner's Percentage Contributing Share (which, as there is only one (1) Commercial Unit as of the filing date of this Plan, the Commercial Unit Owner's Contributing Share is 100%).

Purchasers are referred to the section of Part I hereof entitled "Definitions" for further information on the allocation of the various categories of Common Expenses, including Shared Common Expenses, Residential Common Expenses, and Commercial Common Expenses.

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

8. The estimates set forth in column numbered (8) are a calculation of real estate taxes due for each Unit for the projected First Year of Condominium operation commencing on July 1, 2022 and ending June 30, 2023 ("First Year"), which period coincides with the 2022/2023 tax year. Estimates of real estate taxes due for the Units are based upon (i) the projected actual assessed valuation of all of the Units for the 2022/2023 tax year, assuming one hundred percent (100%) completion of the construction prior to January 5, 2022 for assessment purposes, as further explained below; (ii) the projected apportionments of the assessed valuation to the Units, and (iii) the projected tax rate for the 2022/2023 tax year. The estimated taxable assessed valuation as apportioned to all of the Units for the

2022/2023 tax year, and the projected tax rate for the same, have been projected by The Mazursky Group, Inc., 42 Broadway, Suite 1744, New York, NY 10004 ("The Mazursky Group"), as detailed in a letter set forth in Part II of the Plan.

PLEASE NOTE THAT BASED UPON THE PROJECTED AGGREGATE 2022/2023 POST-CONSTRUCTION ASSESSMENTS OF $2,000,000.00 FOR THE BUILDING (OF WHICH APPROXIMATELY $278,200.00 IS ANTICIPATED TO BE APPORTIONED TO THE COMMERCIAL UNIT AND APPROXIMATELY $1,721,800.00 IS ANTICIPATED TO BE APPORTIONED TO THE RESIDENTIAL UNITS IN THE AGGREGATE), AND A PROJECTED TAX RATE OF 12.55%, THE REAL ESTATE TAXES DUE FOR THE ENTIRE 2022/2023 TAX YEAR WOULD BE APPROXIMATELY $34.914.00 FOR THE COMMERCIAL UNIT AND $216,086.00 FOR THE RESIDENTIAL UNITS IN THE AGGREGATE.

In estimating real estate taxes for the Property for the First Year of Condominium operation, it has been assumed by The Mazursky Group that the assessed valuation of the Property for tax year 2022/2023 will reflect the completed structure. Therefore, for purposes of projecting real estate taxes for the Units during the projected First Year of Condominium operation commencing July 1, 2022, The Mazursky Group has assumed completion and full one hundred percent (100%) valuation of the Property for the 2022/2023 tax year, which has a taxable status date of January 5, 2022. However, in the event actual completion of construction is subsequent to the January 5, 2022 taxable status date for the 2022/2023 tax year, the actual total assessment for the Property reflective of completion and full one hundred percent (100%) valuation would not likely be effective until July 1, 2023 for the 2023/2024 tax year, which has a taxable status date of January 5, 2023. For this reason, the taxable total assessed valuation of the Property for the 2022/2023 tax year (which corresponds with the projected First Year of Condominium operation) may reflect the Building as only <u>partially</u> renovated and constructed, and therefore, the 2022/2023 total assessed valuation may be lower than estimated by The Mazursky Group. As a result, aggregate real estate taxes due for the Property may be substantially higher for the 2023/2024 tax year than for the 2022/2023 tax year. See Note 9 below for an additional discussion of the total changes in assessed valuation and real estate taxes for the Property due to the construction to be completed by Sponsor.

The City of New York's assessment ratio policy for Tax Classes 2B and 2C is to assess at forty-five percent (45%) of the market value based upon the value as an income-producing property. Increased values, other than for physical changes, are limited to eight percent (8%) per year or thirty percent (30%) over a five (5)-year period. Increases for physical changes are limited to fifteen percent (15%) of renovation costs. Since the Property is being substantially rehabilitated and newly constructed, which work has already commenced, it can be expected that the actual total assessed valuation will increase for the 2022/2023 tax year and subsequent tax years due to such construction.

The Property is presently classified in Tax Class 2B (primarily residential, rental property, with seven to ten units). After renovations are complete and the Condominium Declaration has been recorded, it is anticipated that the Property will be classified in Tax Class 2C (primarily residential, held in cooperative or condominium ownership, with no more than ten units) as to the Residential Units and the Commercial Unit. The Mazursky Group has projected the 2022/2023 Tax Class 2B rate as 12.55%. Purchasers are advised that this rate is subject to change, and Sponsor makes no representations as to future tax rates and their effect on real estate taxes for the Units.

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

There can be no assurance that there will not be a further increase in the assessed valuation of the Units comprising the Property and/or an increase in the tax rate above those projected for tax year 2022/2023 or subsequent years.

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

In the event the Units have not been separately assessed as independent tax lots at the First Unit Closing Sponsor shall place in escrow at such time an amount equal to the unpaid real estate taxes for the shorter period of (i) six (6) months from the First Unit Closing or (ii) the period from the First Unit Closing until the Units are separately assessed. The amount of such escrow established, if any, shall be disclosed in the post-closing amendment. Sponsor will pay the real estate taxes from this escrow account as they become due and payable. However, at Unit closings, individual purchasers shall adjust real estate taxes with the Sponsor from the midnight preceding the date of the Unit closing through the end of the tax period within which the closing date occurs. If no separate Unit apportionment has yet occurred, such adjustment shall be on the basis of the percentage of Common Interest

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

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

It is the opinion of Sponsor's counsel that a Residential Unit Owner who itemizes his deductions and whose Unit is used by him for residential purposes will, for Federal income tax purposes, be entitled to a deduction for real estate taxes incurred with respect to his Unit in the year paid under Section 164 of the Internal Revenue Code of 1986, as amended, subject, however, to certain exceptions and limitations that are more particularly set forth in the Section of Part I of the Offering Plan titled "Counsel's Income Tax Opinion Letter."

9. The estimates set forth in column numbered (9) are a calculation of real estate taxes due for each Unit upon one hundred percent (100%) completion of renovation and construction of the Property. As stated in Note 8 above, in estimating real estate taxes for the Property for the First Year of Condominium operation, it has been assumed by The Mazursky Group that the assessed valuation of the Property for tax year 2022/2023 will reflect the completed structure. Therefore, for purposes of projecting real estate taxes for the Units during the projected First Year of Condominium operation commencing July 1, 2022, The Mazursky Group has assumed completion and full one hundred percent (100%) valuation of the Property for the 2022/2023 tax year, which has a taxable status date of January 5, 2022. However, in the event actual completion of renovation and construction is subsequent to the January 5, 2022 taxable status date for the 2022/2023 tax year, the actual total assessment for the Property reflective of completion and full one hundred percent (100%) valuation would not likely be effective until July 1, 2023 for the 2023/2024 tax year, which has a taxable status date of January 5, 2023. For this reason, the taxable total assessed valuation of the Property for the 2022/2023 tax year (which corresponds with the projected First Year of Condominium operation) may reflect the Building as only <u>partially</u> renovated and constructed, and therefore, the 2022/2023 total assessed valuation may be lower than estimated by The Mazursky Group. As a result, aggregate real estate taxes due for the Property may be substantially higher for the 2023/2024 tax year than for the 2022/2023 tax year.

PLEASE NOTE THAT BASED UPON THE PROJECTED AGGREGATE 2022/2023 POST-CONSTRUCTION ASSESSMENTS OF $2,000,000.00 FOR THE BUILDING (OF WHICH APPROXIMATELY $278,200.00 IS ANTICIPATED TO BE APPORTIONED TO THE COMMERCIAL UNIT AND APPROXIMATELY

$1,721,800.00 IS ANTICIPATED TO BE APPORTIONED TO THE RESIDENTIAL UNITS IN THE AGGREGATE), AND A PROJECTED TAX RATE OF 12.55%, THE REAL ESTATE TAXES DUE FOR THE ENTIRE 2022/2023 TAX YEAR WOULD BE APPROXIMATELY $34,914.00 FOR THE COMMERCIAL UNIT AND $216,086.00 FOR THE RESIDENTIAL UNITS IN THE AGGREGATE.

Due to the assumption that the Property will be fully assessed for the 2022/2023 tax year, which corresponds with the projected First Year of Condominium operation, the estimated real estate taxes set forth in column numbered (8) for the First Year are equal to those set forth in column numbered (9) for one hundred percent (100%) completion. However, Purchasers should not anticipate that real estate taxes will remain the same from tax year to tax year, and should be aware that even if the Property is fully assessed for the First Year, Sponsor cannot predict, and makes no representations, as to what real estate taxes would be in subsequent tax years.

10. The figures in this column numbered (10) equal the sum of the Estimated Monthly/Annual Common Charges (First Year) and the Estimated Monthly/Annual Real Estate Taxes (First Year).

SCHEDULE B

PROJECTED BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION BEGINNING JULY 1, 2022

Acacia 118 Condominium

ESTIMATED INCOME

Common Charges – Residential Units (Note 2)	$	59,436
Common Charges – Commercial Unit (Note 3)	$	7,344
Total Estimated Income	$	66,780

ESTIMATED EXPENSES (Note 4)

Payroll and Related Expenses (Note 5)	$	7,800
Electric (Note 6)	$	5,721
Water Charges and Sewer Rent (Note 7)	$	4,204
Repairs and Maintenance (Note 8)	$	5,824
Service Contracts (other than Elevator and Maintenance) (Note 9)	$	4,022
Elevator Maintenance (Note 10)	$	4,572
Insurance (Note 11)	$	7,004
Management Fee (Note 12)	$	7,200
Legal and Audit Fees (Note 13)	$	9,250
Other Expenses (Note 14)	$	3,500
Contingency (Note 15)	$	1,773
Major Capital Improvement Replacement Reserve Fund (Note 16)	$	5,910
Total (Note 17)		$66,780

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

NOTES TO SCHEDULE B

1. Projected First Year of Condominium Operation

Amounts are projected on the assumption that the First Year of Condominium operation will be the year from July 1, 2022 to June 30, 2023. The actual First Year of Condominium operation may be earlier or later than projected.

If the actual or anticipated date of commencement of condominium operations is delayed by more than six (6) months from the commencement of the projected First Year of Condominium operation, Sponsor will amend the Plan to include a revised budget disclosing current projections ("Revised Budget Amendment"). If such amended projections exceed original projections by twenty-five percent (25%) or more in the aggregate, Sponsor will offer all Purchasers that entered into Purchase Agreements prior to the date of the Revised Budget Amendment the right to rescind their Purchase Agreements for a period of fifteen (15) days after the date of the presentation of the Revised Budget Amendment setting forth the right to rescind, and any Purchasers electing rescission pursuant to such offer will have their Down Payments returned, together with any interest earned thereon.

Pursuant to RPL §339-m, common expenses and profits (except as to insurance) must be charged and distributed in accordance with the allocation of common interests, unless otherwise permitted as provided in that statute. RPL §339-m further provides that such common expenses and profits, if authorized by a condominium declaration and by-laws, may be specially allocated: (a) by the board of managers to non-residential units, and/or (b) based upon special or exclusive use or availability or exclusive control of particular units or common areas by particular unit owners. Paragraph 21 of the Condominium's Declaration and Article VI of the Condominium's By-Laws authorize the special allocation of Common Expenses and assessment of Common Charges in accordance with either or both of the foregoing methods.

2. Common Charges – Residential Units

This amount reflects the amount of Common Charges payable by the Residential Unit Owners during the First Year of Condominium operation. This amount represents the expenses that the Residential Unit Owners are responsible to pay, which amounts are for expenses for costs or services which benefit the Residential Unit Owners, as described in Schedule B. Each Residential Unit Owner's proportionate share of the Common Charges shall be determined by first summing (i) the amount of the Shared Common Expenses allocated to the Residential Units in the aggregate (in a proportion equal to the aggregate Percentage Common Interest of all Residential Units) and (ii) the amount of the Residential Common Expenses allocated to the Residential Units in the aggregate (i.e., 100% of the Residential Common Expenses), and then multiplying the foregoing sum by such Unit Owner's Percentage Contributing Share. Each Residential Unit's Percentage Contributing

Share is calculated as the proportion such Residential Unit's Percentage Common Interest bears to the aggregate Percentage Common Interest of all of the Residential Units. The Residential Unit Owners' aggregate Common Charges for the First Year of Condominium Operation are estimated to be $59,436.

3. Common Charges – Commercial Unit

This amount reflects the amount of Common Charges payable by the Commercial Unit Owner during the First Year of Condominium operation. This amount represents the expenses that the Commercial Unit Owner is responsible to pay, which amounts are for expenses for costs or services which benefit the Commercial Unit, as described in Schedule B. The Commercial Unit Owner's (and, in the event the Commercial Unit is subdivided into two (2) or more Commercial Units, each Commercial Unit Owner's) proportionate share of the Common Charges shall be determined by first summing (i) the amount of the Shared Common Expenses allocated to the Commercial Unit(s) in the aggregate (in a proportion equal to the aggregate Percentage Common Interest of all Commercial Units), and (ii) the amount of the Commercial Common Expenses allocated to the Commercial Unit(s) in the aggregate (i.e., 100% of the Commercial Common Expenses), and then multiplying the foregoing sum by such Unit Owner's Percentage Contributing Share. For so long as there is just one (1) Commercial Unit, the Commercial Unit's Percentage Contributing Share shall be one hundred percent (100%), but in the event the Commercial Unit is subdivided into two (2) or more Commercial Units, each Commercial Unit's Percentage Contributing Share shall be calculated as the proportion such Commercial Unit's Percentage Common Interest bears to the aggregate Percentage Common Interest of all of the Commercial Units. The Commercial Unit Owner's Common Charges for the First Year of Condominium operation are estimated to be $7,344.

Total Estimated Income

The amounts set forth in Notes (2) through (3) above represent the total funds projected to be available to the Board of Managers for the payment of expenses for the First Year of Condominium operation. The Common Charges will be utilized by the Board of Managers to finance the operating expenses of the Condominium.

4. Estimated Expenses

Common Charges include the costs and expenses in connection with the maintenance and operation of, and any alteration to, the General Common Elements and Residential Common Elements and the provision of services to all Unit Owners in general, such as service contracts applicable to the Building as a whole, employees who will provide services to the entire Condominium, the Managing Agent for the Condominium, and insurance coverage for the Common Elements.

5. Payroll & Related Expenses ($7,800.00)

The Building staff shall consist of a non-resident porter who will be an independent contractor for garbage and cleaning services at an annual cost of $7,800. This is estimated at $150 per week, which is about 7.5 hours of work at $20 per hour. The porter will maintain public areas i.e. picking up trash, glass cleaning, sweeping, mopping, and general straightening in addition to other agreed upon tasks to be set by the Board and the Managing Agent. The Condominium will provide all necessary garbage bags and cleaning supplies. The supplies will be kept at the Building at all times.

It is the Sponsor's opinion that this level of staffing complies with all applicable housing and labor laws. The budget reflects current wage rates and payroll taxes applicable for the budgeted year. No Increases to the labor budget are included as there is no applicable labor contract which mandates increases. The labor wages meet state minimum wage laws. The cost hereof shall be a Residential Common Expense.

6. Electric ($5,721.00)

These estimates include the cost of electricity supplied by Consolidated Edison Company to the Common Elements of the Building, which shall be a Common Expense of the Unit Owners. The cost of electricity is based upon projections, dated May 1, 2021 made by Hardie & Associates, located at 246 Woodmere Boulevard, Woodmere, NY 11598. Unit electric charges are based on the unit cost of $0.24/KWH which

The electricity supplied to the Common Elements will be used, in large part, to operate the fans, hot water circulating pumps, other pumps and equipment, and public area lighting and power.

The cost of electric charges have been estimated by Hardie & Associates estimates that the Common Elements will consume approximately 23,840 KWH of electricity per year at a projected cost of $0.24 per KWH, for a total of approximately $5,721.00.

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

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

Hardie & Associates anticipates that estimated energy costs will escalate by approximately five percent (5%) per year. The cost hereof shall be a Shared Common Expense.

7. Water & Sewer Charges ($4,204.00)

The cost of water and sewer has been estimated by Hardie & Associates. Hardie & Associates estimates that the Residential Units and Common Elements will use approximately 243,840 gallons per year at a cost of $5.08per 100 cubic feet (748 gallons) for water and sewer use for a total annual cost of approximately $4,204.00. The budgeted amount constitutes a projection of the water charges and sewer rents that will be payable with respect to the residential component of the Building.

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

Water and sewerage services are provided for by the City of New York. The Units and the Common Elements shall be metered for water usage by one (1) or more common meters.

The Commercial Unit shall be sub-metered as to its respective water and sewer charges. In the event the Commercial Unit is not initially sub-metered for water consumption, the Commercial Unit Owner shall be responsible for installing a sub-meter prior to such Commercial Unit Owner or a commercial tenant occupying the space. Upon installation of such sub-meter, the Commercial Unit Owner shall be solely responsible for the cost of water consumption, together with any related sewer charges, in the Commercial Unit. Subsequent to the time that the Commercial Unit is separately sub-metered, the cost of water consumption, together with any sewer charges, in the Residential Units and in the Common Elements, shall be a Residential Common Expense. However, in the event the Commercial Unit is not initially sub-metered for water consumption, the cost of water and sewer charges at the Building will be a Shared Common Expense until such sub-metering of the Commercial Unit occurs. The cost hereof shall be a Shared Common Expense.

8. Repairs, Maintenance, and Supplies ($5,824.00)

Estimated expenses are based upon repairs which can normally be anticipated of public fixtures. They include supplies consisting of cleaning materials, lubricants, tools, bulbs for and including replacement of public fixtures, general and hardware supplies, painting of public halls, painting of exterior, and the general upkeep and maintenance of the Building. Individual Unit Owners, however, will be responsible for the cost of interior repairs in and decoration of their respective apartments, including appliances. Such estimated expenses for repairs, maintenance and supplies shall be approximately $5,824.00. The expenses in this category shall be Shared Common Expenses.

Amounts indicated above are estimates made by the Sponsor based upon its experience with similar type buildings.

9. Service Proposals and/or Contracts (other than Elevator, Maintenance) and Sprinkler ($4,022.00)

EMR Mechanical Corp. located at 2714 Gerritsen Avenue, Brooklyn, NY 11229 has proposed a quote for sprinkler inspections and maintenance at an initial annual cost of $2,722, including tax.

Chelsea Pest Control, located at 82 Nassau Street, New York, NY 10038 has proposed a quote for exterminating and pest control at an initial annual cost of $1,300.00, including tax.

The cost hereof shall be a Shared Common Expense.

10. Elevator Maintenance ($4,572.00)

Alpha Elevator located at 61-43 186th Street, Fresh Meadows, NY 11365 has proposed a quote for elevator preventative maintenance service at an initial annual cost of $4,572.00, including tax. The cost hereof shall be a Residential Common Expense.

11. Insurance ($7,004.30)

The following is recommended for the First Year of Condominium operation in a proposal from Curran Cooney Penny Agency, 11 Powerhouse Road, Roslyn Heights, NY 11577, dated May 26, 2021, setting forth the following coverages:

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

- Building $8,000,000
  (Special Form, to include agreed value, & replacement cost coverage, subject to a $10,000 deductible and to all the policy conditions and exclusions)

- Business Income $40,000
  (Special Form, subject to a $10,000 deductible & to all the policy conditions and exclusions)

- Equipment Breakdown Coverage Included
  Earthquake $1,000,000
  Ordinance or Law B & C -Sublimit up to: $1,600,000
  Superior Flood Coverage $1,000,000

- Commercial General Liability
  -Each Occurrence $1,000,000
  -Aggregate $2,000,000

ESTIMATED ANNUAL PREMIUM $ 7,004.30

The total premium for these various coverages is estimated at $7,004.30. This coverage does not include claims for personal injury or property damage resulting from occurrences in individual Units, nor does it include coverage of the furniture or personal property of Unit Owners. It may be desirable for Unit Owners to obtain such additional insurance at their own cost, to cover such risks and liabilities for occurrences within their Unit or, where applicable, on Limited Common Elements.

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

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

Insurance expenses have been allocated among all Units on the basis of percentage of Common Interest. Coverage for items such as rent insurance, Directors and Officers coverage, umbrella liability, excess liability and fidelity bond are not included and may be available at extra cost. In the event of any uncovered claim or damage the Board may need to assess a special assessment to the Unit owners to be able to pay for the claim and or damage. The expenses in this category shall be Shared Common Expenses.

12. <u>Management Fees ($7,200.00)</u>

Based on the proposed Management Agreement to be entered into with Rivbo, LLC, located at 57 Prince St, #5N, New York, NY 10012, at or before the First Closing, it is expected that the Managing Agent will receive an annual fee of $7,200.00, consistent with prevailing rates, for the First Year. For further discussion of the terms of the Management Agreement, including of additional fees that may be payable by the Board of Managers and the individual Unit Owners, reference should be made to the “Management Agreement and

Other Contractual Arrangements" Section of the Offering Plan, found in Part I. The expenses in this category shall be Shared Common Expenses.

13. Legal and Audit Fees ($9,250.00)

Based upon the estimate of Glass & Class CPA, P.C, located at 585 Stewart Avenue, Garden City, NY 11530, $7,175.00 has been budgeted for fees to be incurred in connection with the preparation of the year-end financial statements for the Condominium's First Year of Condominium operation and its Federal, New York State and New York City income tax returns. The balance of the budgeted amount ($2,075) 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 expenses in this category shall be Shared Common Expenses.

14. Other Expenses: ($3,500.00)

Other Expenses covers permit filing fees, inspection, permits, franchise taxes and other general expenses. The expenses in this category shall be Shared Common Expenses.

15. Contingency ($1,773.00)

This amount is to cover possible increases in expenses not now foreseen and for expenses not included, such as any possible income taxes which may become due from the Condominium. The budget may be modified from time to time prior to commencement of, or during, the First Year of Condominium operation to increase items of expenses and decrease the contingency reserve. The contingency shall be a Shared Common Expense.

16. Major Capital Improvement Replacement Reserve Fund ($5,910.00)

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

Reserve Fund, it may be necessary to increase the Common Charges or institute a Special Assessment. See the section of the Plan titled "Reserve Fund" located in Part I of the Plan for further details.

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

The projections set forth in the Budget assume that the First Year of Condominium operation will begin on or about July 1, 2022, with no representation, however, of any Closing Date, being made in the Plan.

IN THE OPINION OF MANAGING AGENT, THE PROJECTED RECEIPTS ARE ADEQUATE TO MEET THE ESTIMATED EXPENSES FOR THE CONDOMINIUM BOARD'S FIRST YEAR OF OPERATION, ASSUMING SUCH FIRST YEAR TO BE THE FISCAL YEAR COMMENCING JULY 1, 2022. THE FOREGOING BUDGET, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE BY ANYONE THAT THE ANNUAL RENT (COMMON CHARGES), OTHER INCOME OR EXPENSES FOR THE FIRST OR ANY SUBSEQUENT YEAR OF OPERATION OF THE PROPERTY BY THE CONDOMINIUM BOARD WILL BE AS SET FORTH IN SAID BUDGET, AND IT IS LIKELY THAT THE ACTUAL INCOME AND EXPENSES WILL VARY FROM THE AMOUNTS SHOWN IN THE BUDGET.

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

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

SCHEDULE B-1

Individual Residential Unit Electric Charges:

The cost of individual Residential Unit electric charges has been estimated as of May 1, 2021, by Hardie & Associates, located at 246 Woodmere Boulevard, Woodmere, NY 11598. The estimates set forth on the following pages for each Residential Unit are estimates of annual electric energy costs including, but not limited to, cooling and heating, household appliances, general power, and lighting.

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

Costs can vary considerably depending upon actual usage, personal habits and maintenance of equipment in efficient operation condition as well as thermostat settings. These figures are not intended to be guaranteed.

The estimated cost for electricity consumption is based on the unit cost of $0.24/KWH as of April 2021 (includes supply and delivery charges). Please see the pages immediately following for a table listing annual costs of electricity for all Residential Units individually.

Individual Electric Charges for Commercial Unit:

As set forth in this Offering Plan, the Commercial Unit will be separately metered for electricity consumption. As consumption of electricity in the Commercial Unit will vary based upon how the Commercial Unit is used (which usage is not yet known), Sponsor is unable to offer projections of the same.

Apartment 1 (2nd and 3rd Levels)

1. Heating (Heat Pump and supplemental heating)

19 KWH x 0.50 x 180 days =1,710 KWH/heating season

1,710 x $0.24 = $410/heating season

2. Air Conditioning (Heat Pump):

20 Kwh x 0.50 x 180 days = 1,800 KWH/year

1,800 kwh/yr. x $0.24 = $432/cooling season

a) Kitchen Appliances:

Built-in dishwasher which consumes on average 350 kwh/year. The annual cost:

350 KWH/year x $0.24 = $84/year

Refrigerator consumes on average 600 kwh/year. The annual cost:
600 kwh/year x $0.24 = $144/year

Electric range and oven with an estimated usage of 2 hours per day at approximately 5 KWH assuming the range and stove will be used at 75% of its maximum capacity, the estimated cost:

2 hrs./day x 5KWH x 0.75 x 365 days/year = 2,738 KWH/year

2,738 KWH /year x $0.24/KWH = $657/year

The estimated annual charge cost for electric consumption (hot water heater):

6KW-input x 250 hrs./year. = 1,500 KWH/year.

1,250 KWH/year x $0.24 = $360/year

Clothes dryers with an estimated usage of 6 hrs/week x 5KWH x 52 weeks/year =1,560 KWH/year.

1560 KWH/year x $0.24 = $375/year

Kitchen exhaust hood Air King Range Hood. Assuming hood exhaust operates on average two (2) hours per day, the annual cost:

0.7 KWH x 2 hrs. x 365 days = 511 kwh/year
511 KWH/year x $0.24= $123/year

Apartment1 (2nd and 3rd Levels) (continued)

Electric washing machine. Four (4) washers per week power is
4 KWH

4 KWH 4 washes/week x 52 weeks = 832 kwh/year

832 KWH x $0.24= $200/year.

c) Kitchen exhaust fan. Assuming that the exhaust fan operates 2 hours per day, the annual cost:

1 KWH x 2 hours per day x 365 days = 730kwh/year

730 KWH/year x $0.24= $175/year

d) Lighting + Miscellaneous Power:

Lighting in the apartment will be provided by LED lighting. The fixtures are assumed to be on for six (6) hours a day for evening and early morning lighting. Assuming energy efficient fixtures to meet NYS Energy Code.

1 watt/square foot x 2,129 sq. ft. = 2,129 watts
2,129 watts/1,000 watts/kw x 6 hr. x 365 days/yr. x $0.24/kwh = $1,120/year

Total annual electrical cost: $4,080

Apartment 2 (4th and 5th Levels)

1. Heating (Heat Pump and supplemental heating)

19KWH x 0.50 x 180 days =1,710 KWH/heating season

1,710 x $0.24= $410/heating season

2. Air Conditioning (Heat Pump):

20 Kwh x 0.50 x 180 days = 1,800 KWH/year

1,800 kwh/yr. x $0.24 = $432/cooling season

a) Kitchen Appliances:

Built-in dishwasher which consumes on average 350 kwh/year. The annual cost:

350KWH/year x $0.24 = $84/year

Refrigerator consumes on average 600 kwh/year. The annual cost:
600 kwh/year x $0.24 = $144/year

Electric range and oven with an estimated usage of 2 hours per day at approximately 5 KWH assuming the range and stove will be used at 75% of its maximum capacity, the estimated cost:

2 hrs./day x 5KWH x 0.75 x 365 days/year = 2,738 KWH/year

2,738 KWH /year x $0.24/KWH = $657/year

The estimated annual charge cost for electric consumption (hot water heater):

6KW-input x 250 hrs./year. = 1,500 KWH/year.

1,500 KWH/year x $0.24 = $360/year

Clothes dryers with an estimated usage of 6 hrs/week x 5 KWH x 52 weeks/year =1,560 KWH/year.

1,560 KWH/year x $0.24 = $375/year

Apartment 2 (4th and 5th Levels) (continued)

Kitchen exhaust hood Air King Range Hood. Assuming hood exhaust operates on average two (2) hours per day, the annual cost:

0.7 KWH x 2 hrs. x 365 days = 511 kwh/year
511 KWH/year x $0.24 = $123/year

Electric washing machine. Four (4) washers per week power is
4 KWH

4 KWH 4 washes/week x52 weeks = 832 kwh/year

832 KWH x $0.24 = $200/year.

c) Kitchen exhaust fan. Assuming that the exhaust fan operates 2 hours per day, the annual cost:

1 KWH x 2 hours per day x 365 days = 730 kwh/year

730 KWH/year x $0.24 = $175/year

d) Lighting + Miscellaneous Power:

Lighting in the apartment will be provided by LED lighting. The fixtures are assumed to be on for six (6) hours a day for evening and early morning lighting. Assuming energy efficient fixtures to meet NYS Energy Code.

1 watt/square foot x 2,123 sq. ft. = 2,123 watts
2,123 watts/1,000 watts/kw x 6 hr. x 365 days/yr. x $0.24/kwh = $1,116/year

Total annual electrical cost: $4,076

Apartment 3 (6th and 7th Levels)

1. Heating (Heat Pump and supplemental heating)

19 KWH x 0.50 x 180 days =1,710 KWH/heating season

1,710 x $0.24/kwh = $410/heating season

2. Air Conditioning (Heat Pump):

20 Kwh x 0.50 x 180 days = 1800KWH/year

1,800 kwh/yr. x $0.24 = $432/cooling season

a) Kitchen Appliances:

Built-in dishwasher which consumes on average 350 kwh/year. The annual cost:

350 KWH/year x $0.24 = $84/year

Refrigerator consumes on average 600 kwh/year. The annual cost:
600 kwh/year x $0.24 = $144/year

Electric range and oven with an estimated usage of 2 hours per day at approximately 5 KWH assuming the range and stove will be used at 75% of its maximum capacity, the estimated cost:

2 hrs./day x 5KWH x 0.75 x 365 days/year = 2,738 KWH/year

2,738 KWH /year x $0.24/KWH = $657/year

Apartment 3 (6th and 7th Levels) (continued

The estimated annual charge cost for electric consumption (hot water heater):

6KW-input x 250 hrs./year. = 1,500 KWH/year.

1,500 KWH/year x $0.24 = $360/year

Clothes dryers with an estimated usage of 6 hrs/week x 5 KWH x 52 weeks/year =1,560 KWH/year.

1,560 KWH/year x $0.24 = $375/year

Kitchen exhaust hood Air King Range Hood. Assuming hood exhaust operates on average two (2) hours per day, the annual cost:

0.7 KWH x 2 hrs. x 365 days = 511 kwh/year
511 KWH/year x $0.24/kwh = $123/year

Electric washing machine. Four (4) washers per week power is
4 KWH

4 KWH 4 washes/week x52 weeks = 832 kwh/year

832 x $0.24 = $200/year.

c) Kitchen exhaust fan. Assuming that the exhaust fan operates 2 hours per day, the annual cost:

1 KWH x 2 hours per day x 365 days = 730 kwh/year

730 KWH/year x $0.24 = $175/year

d) Lighting + Miscellaneous Power:

Apartment 3 (6th and 7th Levels) (continued

Lighting in the apartment will be provided by LED lighting. The fixtures are assumed to be on for six (6) hours a day for evening and early morning lighting. Assuming energy efficient fixtures to meet NYS Energy Code.

1 watt/square foot x 2,117 sq. ft. = 2,117 watts
2,117 watts/1,000 watts/kw x 6 hr. x 365 days/yr. x $0.24/kwh = $1,113/year

Total annual electrical cost: $4,073

Apartment PH (8th, 9th and Mezzanine Levels)

1. Heating (Heat Pump and supplemental heating)

21 KWH x 0.50 x 180 days =1,890 KWH/heating season

1,890 KWH x $0.24/kwh = $454 heating season

2. Air Conditioning (Heat Pump):

22 KWH x 0.50 x 180 days = 1,980 KWH/year

1,980 KWH/yr. x $0.24/kwh = $475/cooling season

a) Kitchen Appliances:

Built-in dishwasher which consumes on average 350 kwh/year. The annual cost:

350 KWH/year x $0.24 = $84/year

Refrigerator consumes on average 600 kwh/year. The annual cost:
600 kwh/year x $0.24 = $144/year

Apartment PH (8th, 9th and Mezzanine Levels) (continued)

Electric range and oven with an estimated usage of 2 hours per day at approximately 5 KWH assuming the range and stove will be used at 75% of its maximum capacity, the estimated cost:

2 hrs./day x 5KWH x 0.75 x 365 days/year = 2,738 KWH/year

2,738 KWH /year x $0.24/KWH = $657/year

The estimated annual charge cost for electric consumption (hot water heater):

6KW-input x 250 hrs./year. = 1,500 KWH/year.

1,500 KWH/year x $0.24 = $360/year

Clothes dryers with an estimated usage of 6 hrs/week x 5 KWH x 52 weeks/year =1,560KWH/year.

1,560 KWH/year x $0.24 = $375/year

Kitchen exhaust hood Air King Range Hood. Assuming hood exhaust operates on average two (2) hours per day, the annual cost:

0.7 KWH x 2 hrs. x 365 days = 511 kwh/year
511 KWH/year x $0.24/kwh = $123/year

Electric washing machine. Four (4) washers per week power is
4 KWH

4 KWH 4 washes/week x52 weeks = 832 kwh/year

832 x $0.24 = $200/year.

c) Kitchen exhaust fan. Assuming that the exhaust fan operates 2 hours per day, the annual cost:

1 KWH x 2 hours per day x 365 days = 730 kwh/year

730 KWH/year x $0.24 = $175/year

d) Lighting + Miscellaneous Power:

Lighting in the apartment will be provided by LED lighting. The fixtures are assumed to be on for six (6) hours a day for evening and early morning lighting. Assuming energy efficient fixtures to meet NYS Energy Code.

1 watt/square foot x 2,336 sq. ft. = 2,336 watts
2,336 watts/1,000 watts/kw x 6 hr. x 365 days/yr. x $0.24/kwh = $1,228/year

Electric BBQ on roof (PH Apartment):

2 hrs./day x 2 KWH x 90 days/year = 360 KWH/year

360 KWH/year x $0.24 = $87/year

Total annual electrical cost: $4,362

POLLOCK REALTY
99 South Elliott Place, Basement Office
Brooklyn, New York 11217

COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-1(1)

118 E. 1st Street Condominium
c/o The Board of Managers
118 E. 1st Street
New York. NY 10009

Re: 118 East 1st Street Condominium
118 East 1st Street
New York, NY 10009

Gentlemen *I* Mesdames :

This letter is with respect to the Plan of Condominium Organization of the premises at the above address and the allocation of the Percentage of Common Interest to the respective Units therein.

It is our opinion that the allocation of the Percentage of Common lnterest allocated to the respective Units as set forth in Schedule A of the Plan of Condominium Organization are in compliance with the regulations issued pursuant to Real Property Law Article 9-B, Section 339-1(1).

The sponsor had used method (iv) contained in Section 339-1(1) of the New York Condominium Act, that is upon floor space, subject to relative value to the other space in the Condominium, the uniqueness of the Unit, the availability of the common elements for exclusive or shared use, and the overall dimensions of the particular unit.

The allocation of the percentage of Common Interest as set forth in the said "Schedule A" is based on the following: size of Unit, layout of Unit, location of the Unit in the Building and its status as a Residential Unit.

Our firm is in the real estate management business for a period of twenty (20) years. We currently manage residential brownstone and conventional elevator and non-elevator apartment buildings which are either operated in the cooperative or condominium form of ownership or as rental properties. Some of the properties that we currently or have managed are as follows:

1. 96 South Elliott Place, Brooklyn, NY 11217
2. 99 South Elliott Place, Brooklyn, NY 11217
3. 9 Great Jones Street, NY 10012
4. 171 Spring Street, NY 10012
1. S. 19 Bond Street, NY 10012

5. 129 Grand Street, NY 10012
6. Buttermilk Fall Inn & Spa, Milton, NY 12547

This firm will not act as either the Selling Agent or the Managing Agent of the Property. We have no beneficial interest in the Sponsor and no interest in the profits of this offering plan other than the fee for this service.

Very Truly Yours,

By: _____

Robert Pollock

Date: 02-17-2022

DLPARTNERS

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

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

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° Also Admitted In MA

February 24, 2022

Acacia 118, LLC
111 John Street, Suite 200
New York, New York 10038

Re: Acacia 118 Condominium
118 East 1st Street
New York, New York 10009
(the "Condominium")

Gentlemen/Mesdames:

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

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

Based upon our review of the foregoing, we have determined that Common Interests were allocated pursuant to the method set forth in Real Property Law Section ("RPL") 339-i(1)(iv), i.e.,

based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit.

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

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

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

Very truly yours,

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

THE COMMERCIAL UNIT

The Commercial Unit, which consists of space on portions of the first floor and cellar level of the Building, is not being offered for sale at this time. The Commercial Unit may be physically altered and/or subdivided by Sponsor or its designee or the Commercial Unit Owner to accommodate more than one (1) rental tenant. The Sponsor or its designee reserves the right at some future date to offer the Commercial Unit for sale, but shall amend the Offering Plan prior to offering the same.

The Commercial Unit may be used for any legal use permitted by the Zoning Resolution of the City of New York, as amended, or other applicable laws. The Commercial Unit Owner shall have the right to change the use of the Commercial Unit and certificate of occupancy accordingly without the consent of the Board of Managers and without paying any cost or charge to the Board of Managers. The Building is located within a C2-5 zoning district, which permits residential and commercial occupancies of the type contemplated by this Plan, including uses under Use Group 2 (residential), Use Group 4 (community facility), and Use Group 6 (commercial- retail and office). The legal uses proposed shall comply with all Zoning requirements, and initially will be as set forth in the approved application filed with the Department of Buildings of the City of New York ("DOB"). The predominant use of this Building is residential and such use will be located at the first floor mezzanine level and above, but will also include portions of the first floor and cellar level. Portions of the cellar level will include accessory residential storage, as well as the lower level of the Commercial Unit, which is intended for accessory storage in connection therewith. The portion of the first floor comprising the upper level of the Commercial Unit will be dedicated to commercial use. The commercial and community facility uses allowed are defined in the Zoning Resolution. Permitted uses include, but are not limited to, retail stores, personal service establishments, and restaurants.

The percentage of Common Interest attributable to the Commercial Unit and the resulting Common Charges to be paid by the Commercial Unit Owner are sufficient to cover the expenses fairly attributable to such Unit.

The electricity consumed by the Commercial Unit shall be separately and directly metered, and the Commercial Unit Owner shall be responsible for paying its own individual electric bill.

It is not anticipated that the Commercial Unit will have a gas connection, but should the Commercial Unit Owner desire the same, it shall be the responsibility of such Commercial Unit Owner to arrange sub-metering by the utility company, with the cost thereof and the cost of consumption measured thereby to be the sole cost of such Commercial Unit Owner.

Water and sewerage services are provided for by the City of New York. The Units and the Common Elements shall be metered for water usage by one (1) or more common meters.

The Commercial Unit shall be sub-metered as to its respective water and sewer charges. In the event the Commercial Unit is not initially sub-metered for water consumption, the Commercial

Unit Owner shall be responsible for installing a sub-meter prior to such Commercial Unit Owner or a commercial tenant occupying the space. Upon installation of such sub-meter, the Commercial Unit Owner shall be solely responsible for the cost of water consumption, together with any related sewer charges, in the Commercial Unit. Subsequent to the time that the Commercial Unit is separately sub-metered, the cost of water consumption, together with any sewer charges, in the Residential Units and in the Common Elements, shall be a Residential Common Expense. However, in the event the Commercial Unit is not initially sub-metered for water consumption, the cost of water and sewer charges at the Building will be a Shared Common Expense until such sub-metering of the Commercial Unit occurs.

Currently, the Commercial Unit is being constructed and is unoccupied. The Commercial Unit is not currently leased. The sale of the Commercial Unit will be subject to the terms of any lease the Sponsor enters into. The terms of any lease shall be provided to a prospective purchaser upon written request.

As stated above, the Commercial Unit may be used for any legal use permitted by the Zoning Resolution of the City of New York, as amended, or other applicable laws. However, although the Commercial Unit Owner has the right to change the use of the Commercial Unit, any other permitted use of the Commercial Unit must comply with the certificate of occupancy for the Building as it currently exists or as amended by Sponsor or Sponsor's designee or the Commercial Unit Owner, and the Declaration and By-Laws of the Condominium.

However, the right of the Commercial Unit Owner to change the use of the Commercial Unit may result in a greater number of people entering and leaving the ground floor level of the Building, a higher volume of noise and/or hours of usage and other possible adverse effects on the Building resulting from the use of the Commercial Unit. Accordingly, it is possible that a change of usage could have an adverse impact on other Unit Owners at the Condominium.

The percentage of Common Interest for the Commercial Unit was allocated pursuant to method (iv) contained in Section 339-i(1) of the New York Condominium Act, which takes into consideration floor space, subject to the relative value to the other space in the Condominium, the uniqueness of the Unit, the availability of the common elements for exclusive or shared use and the overall dimensions of the particular Unit.

With respect to allocation of expenses, other than for the allocation of specific expense items, including but not limited to, (i) water and, if applicable, gas, which, as provided above, must be separately sub-metered with respect to the Commercial Unit, with consumption measured thereby to be at the sole expense of the Commercial Unit Owner or its tenant, (ii) the repair or replacement of the Residential Common Elements and/or Residential Limited Common Elements, which shall be a Residential Common Expense, and (iii) the cost of refuse removal which is a separate cost of the Commercial Unit Owner, the Commercial Unit is treated similarly to the other Units and the common charges payable by the Commercial Unit Owner are sufficient to cover the expenses fairly attributable to the Commercial Unit. The allocation of common charges attributable to the Commercial Unit shall also reflect special exclusive use or availability or exclusive control of particular common areas by the Commercial Unit Owner.

Sponsor, its designee and/or the Commercial Unit Owner shall also have the right to make alterations, additions, improvements or repairs to the Units, to subdivide the Units or later combine a subdivided Unit without the approval of the Board of Managers and without paying any cost or charge to the Board of Managers.

The Sponsor, Sponsor's designee and/or the Commercial Unit Owner, and any tenant or tenants of the Commercial Unit pursuant to the term of any lease pertaining thereto, shall have the right, and an easement, without charge or limitation and without the consent of the Board of Managers, any Unit Owner or mortgagee thereof, to install (i) elevators, escalators, staircases and/or other mechanical equipment in the Commercial Unit, and (ii) HVAC equipment at the main roof, bulkheads, or at the rear yard of the Building, which is necessary in the sole discretion of the Sponsor, its designee or the Commercial Unit Owner for the lawful use of the Commercial Unit. All such installations will comply with all applicable law, ordinances or building codes.

The Sponsor, Sponsor's designee and/or the Commercial Unit Owner and any tenant or tenants thereof, shall have an easement, without charge or limitation, to use the sidewalks in front of the Commercial Unit for any lawful purpose and in conjunction with the use of the Commercial Unit.

The Commercial Unit Owner, their servicemen, consultants and/or repairmen, shall have an easement by means of the shortest distance and/or route from the entrances to the Building and through the public staircases and/or by use of the elevators of the Building in, on, over and across the cellar, first floor, or other common areas of the Building for the sole purpose of maintaining, repairing and/or replacing any mechanical equipment, including, but not limited to, HVAC equipment, located in the cellar, or roof level or bulkhead mechanical or utility areas, or on the roofs or at the yards, of the Building and which services the Commercial Unit.

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

The Commercial Unit Owner, and any tenant or tenants of the Commercial Unit pursuant to the terms of any lease pertaining thereto, shall have the right, without charge or limitation, and without the consent of the Board of Managers to install, repair, replace and maintain either within

or in the immediate location of the Commercial Unit at the first floor level and on the sidewalk adjacent to the Commercial Unit's entrance or entrances, a sign or signs, which may be illuminated, including neon, flags, banners, lettering, fixtures or decorations of any size, material or content, for advertising or identification purposes. Additionally, the Commercial Unit Owner, and any tenant or tenants of the Commercial Unit pursuant to the terms of any lease pertaining thereto, shall have the right, without charge or limitation and without the consent of the Board of Managers to install, or erect, repair, replace and maintain in the immediate location of the Commercial Unit at the first floor level, but not to interfere with the entrance of any other Unit or to the Building, a canopy and/or awning for advertising or identification purposes or an automatic teller machine ("ATM") to be used in conjunction with the use of the Commercial Unit. The Commercial Unit Owner and any tenant of space in the Commercial Unit shall comply with all of the laws, orders, rules and regulations of the governmental authorities having jurisdiction thereof, including zoning laws, building codes and as required by insurance underwriters. The Commercial Unit Owner or its tenant shall obtain and pay for all permits required for such signs, canopies, awnings, or ATM and/or any necessary renewal fees related thereto.

Other than as set forth herein regarding the use of the Commercial Unit, it is Sponsor's opinion that those rights have no material adverse impact on the Condominium.

At the request of the Sponsor, a Sponsor-designee or the Commercial Unit Owner, the Board of Managers will execute any application or other document required to be filed with any governmental agency having or asserting jurisdiction in connection with any addition, alteration, improvement, repair or subdivision of the Commercial Unit or the operation or use of the Commercial Unit, at which time, the requesting party shall indemnify and hold the Board of Managers of the Condominium and the other Unit Owners harmless from any expense or liability by virtue of the execution of the application of such other documents.

The Condominium shall have a right to access, upon reasonable notice, unless such access is needed in an emergency, in which case no notice is required, to any portion of the Commercial Unit on the ground floor or cellar level to service equipment which is necessary for the operation of the residential portion of the Building.

The Commercial Unit Owner shall be responsible for the cost of removing debris and snow from the sidewalks directly in front of its entrance and shall also be responsible for the cost of debris and snow removal from the entire sidewalk which is adjacent to its Unit.

Notwithstanding anything herein to the contrary, the maintenance, repair and/or replacement of all sidewalks, plantings and/or shrubbery, including the planters in which they are contained, in front of any residential portions of the Building, including the main entrance thereto, shall be a Residential Common Expense.

In the event of a dispute between the Commercial Unit Owner and the Condominium as to any issue relating to the Commercial Unit, the Commercial Unit Owner or any tenant of the Commercial Unit Owner and the Condominium, at the sole option of the Commercial Unit Owner only, the Board of Manager and the Condominium shall be obligated to arbitrate, on an expedited

basis, the dispute pursuant to the provisions of Article XV of the By-Laws of the Condominium. The decision of the arbitrator shall be final and binding. In the event that the Commercial Unit Owner elect not to arbitrate, the Commercial Unit Owner and the Board of Managers of the Condominium on behalf of all of the Residential Unit Owners may exercise all remedies available to them in equity and at law.

CHANGES IN PRICES OR UNITS

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

In order to meet the possible varying demands for number and type of Units, or to meet the particular needs of prospective Purchasers, or for any other reason, Sponsor reserves the right to change: (a) the layout of, or number of rooms in, Unsold Units and (b) the size and/or number of Unsold Units, by subdividing one (1) or more separate Unsold Units, by combining two (2) or more separate Unsold Units into one (1) or more Unsold Units, by altering the boundary walls of any Unsold Unit, or otherwise, including, without limitation, the use of any portion of the Common Elements adjacent to such Unsold Units to the extent that such portion is not required to be maintained as Common Elements pursuant to the terms of the Declaration and By-Laws. Such right may be exercised by Sponsor from time to time, both before and after the First Unit Closing, without the consent or approval of any Selling Agent, the Managing Agent, the Condominium Board, any Unit Owner, any mortgagee or any other party. However, Sponsor will first obtain the approval of all governmental authorities having jurisdiction thereof whose approval is required by law.

No change will be made by Sponsor in the size or number of Units, the respective percentages of Common Interest of Units, or in the size or quality of Common Elements except by amendment to the Offering Plan and to the Declaration. Unless the affected Purchaser provides a written consent, or is given a right of rescission due to material adverse changes dictated by construction conditions as described hereinbelow, no material change will be made by Sponsor in size or layout of a Unit or percentage of Common Interest of a Unit if a Purchase Agreement has been executed and delivered to the Sponsor for that Unit.

Absent any affected Purchaser(s) giving a written consent as described hereinabove, no material adverse change will be made in the size, configuration, or layout of a Unit for which a Purchase Agreement has been countersigned by Sponsor and returned to the Purchaser unless the same is dictated by construction conditions at the Property, and after exhaustion of all commercially reasonable alternatives consistent with local construction industry standards, no other means exists to avoid such changes, and in such event, Sponsor will, in the amendment disclosing such change and delivered to Purchasers, offer the affected Purchaser(s) the right, for

at least fifteen (15) days, to rescind their Purchase Agreements and receive a refund of their Down Payments, together with all interest earned thereon.

There shall be a rebuttable presumption that a reduction in square foot area by five percent (5%) or less is not material.

No material change will be made in the size or quality of Common Elements unless all Purchasers consent.

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

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

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

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

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

may substitute materials, fixtures, appliances and equipment which are of Equal or Better Quality for any of those set forth in the specifications or otherwise in this Plan.

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

INTERIM USE AND OCCUPANCY AGREEMENTS

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

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

The risk of loss from fire or other casualty with respect to a Unit shall remain with the Sponsor until the closing of title for the Unit. The Sponsor, at its sole discretion, reserves the right to either repair or restore such Unit (which election shall be made within one hundred twenty (120) days of loss or casualty), whereupon Purchaser shall be obligated to close without an abatement in

the purchase price, or not repair or restore and grant Purchaser the right to rescind the Purchase Agreement. In the event Purchaser exercises a right to rescind his or her Purchase Agreement in this case, Sponsor shall return Purchaser's Down Payment, together with any interest earned thereon, within twenty (20) days of Purchaser's exercise of rescission. Notwithstanding the above, in the event that Purchaser, or one claiming by or through Purchaser, enters into possession of the Unit prior to the closing of title, including when such possession is subject to an Interim Use and Occupancy Agreement, then Purchaser shall bear the risk of loss or other casualty not otherwise covered by either Sponsor's insurance or the Condominium's insurance with respect to the Unit. Additionally, Purchaser shall be solely responsible for any damage to, or loss or other condition in, the Unit and Sponsor shall not be obligated to repair any damages to the Unit and/or, including but not limited to its appliances, fixtures and equipment.

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

PROCEDURE TO PURCHASE

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

In the event that Sponsor, in its sole and absolute discretion, agrees to perform special custom work or install any upgrades or extras at the request of a Purchaser ("Custom Work"), such agreement shall be memorialized, and such Custom Work shall be itemized, in the Purchase Agreement, and the total Custom Work amount agreed upon between Purchaser and Sponsor and memorialized in the Purchase Agreement (the "Custom Work Amount") will be in addition to the total purchase price for the Unit. The Down Payment to be made by Purchaser upon signing a Purchase Agreement shall be increased by the Custom Work Amount. Pursuant to the terms of the Purchase Agreement, all Custom Work is to be performed by Sponsor's contractors. Although initially deposited in escrow, upon the rescission of a Purchase Agreement by Purchaser, the funds deposited for the Custom Work will not be refunded to the Purchaser to the extent such funds have already been expended or will be expended on costs Sponsor has accrued and is obligated to pay with respect to Custom Work. Notwithstanding anything to the contrary herein, in the event Sponsor abandons the Offering Plan, Sponsor shall refund all additional escrowed funds for Custom Work to the Purchaser, notwithstanding whether any such funds have been expended or allocated to costs incurred by Sponsor.

Purchasers pursuant to this Offering Plan who have not had an opportunity to review the Offering Plan and any filed amendments for at least three (3) business days prior to their executing a Purchase Agreement shall be afforded seven (7) days after delivering an executed Purchase

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

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

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

In accordance with section 71-a(3) of the Lien Law, Sponsor has appointed the law firm of D'Agostino, Levine, Landesman, Lederman & Rivera, LLP, with an address at 345 Seventh Avenue, 23rd Floor, New York, NY 10001, telephone number 212-564-9800, to serve as escrow agent (the "Escrow Agent") for Sponsor and Purchaser to hold all Deposits, other than the deposit for a copy of the Offering Plan, received by it from Purchaser, either directly or through its agents or employees in trust. The Escrow Agent has established the escrow account at Sterling National Bank, located at 489 Fifth Avenue, 5th Floor, New York, New York 10017 (the "Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled "D'Agostino, Levine, Landesman, Lederman & Rivera, LLP Escrow Account for Acacia 118 Condominium" or a similar name (the "Escrow Account"). Purchasers are further advised that a Purchaser's funds are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000.00 in the aggregate per account type per insured bank. If a Purchaser makes a Down Payment in excess of $250,000.00 for the purchase of a Unit, such Down Payment will not be federally insured in excess of $250,000.00. Additionally, if Purchaser has an additional account at the Bank, the aggregate of Purchaser's funds at the Bank, including funds in the additional account and the Down Payment,

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

The Escrow Agent has designated the following partners to serve as signatories: Wayne R. Landesman, Esq., Bruce H. Lederman, Esq., Jose M. Rivera, Esq., Bettina Miraglia, Esq., Jonharold A. Cicero, Esq., Christopher M. Tarnok, Esq. and Eric Garcia, Esq. All designated signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatories on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

All Deposits remitted to Escrow Agent shall be in the form of certified or official checks, personal checks subject to collection, or wire transfers upon prior consent by Sponsor and Escrow Agent, and shall be made payable to, or endorsed by the Purchaser, to the order of D'Agostino, Levine, Landesman, Lederman & Rivera, LLP, as Escrow Agent.

The interest rate for all Deposits made into the Escrow Account shall be the prevailing rate for such accounts, which, as stated as of February 14, 2022 by the Bank is approximately 0.01%. Interest shall begin to accrue as of the business day following the date the deposit of the Down Payment clears and is posted by the Bank to the Escrow Account. Absent Purchaser's default, all interest earned thereon shall be paid to or credited to the Purchaser at closing. Prior to the release of the Deposits, no fees of any kind from the principal or any interest earned thereon may be deducted from the Escrow Account, and the Sponsor shall bear all administrative costs associated with the maintenance of the Escrow Account. Notwithstanding anything contained herein to the contrary, unless and until Purchaser has delivered to the Escrow Agent a completed and originally-executed Form W-9 (Request for Taxpayer Identification Number and Certification) or Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding), whichever may be applicable, along with any other items reasonably required by the Bank to open the account, the Down Payment will be deposited in a non-interest-bearing escrow account at the Bank.

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

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

(b) As an alternative to depositing Down Payments in escrow as set forth in (a) above, Sponsor may post a bond or indemnity contract with a licensed surety company

ensuring return of such monies, which bond or contract is to be delivered to Purchaser. If Sponsor elects to post a bond pursuant to this paragraph (b), an amendment to the Offering Plan, disclosing the same, which complies with the applicable provisions of the Attorney General's Regulations will be filed with the Department of Law.

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

(d) The Purchase Agreement shall contain the following:

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

Within five (5) business days after the Purchase Agreement has been executed by all necessary parties and 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 after placing the deposit in the Escrow Account, Escrow Agent shall provide written notice to Purchaser and Sponsor, confirming the Deposit. The notice shall provide the account number and the initial interest rate to be earned on the Deposit. Any Deposits made for Custom Work shall be initially deposited into the Escrow Account, and released in accordance with the terms of the Purchase Agreement between Purchaser and Sponsor.

The Form Purchase Agreement is set forth in Part II of the Offering Plan. The relevant escrow trust fund provisions are included in Section 16 of the Purchase Agreement, which must be executed by the Escrow Agent. 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 the Purchase Agreement has been executed by all necessary parties and tendered, along with the Deposit, to Escrow Agent (the "Date of Tender"), he or she may cancel the Purchase Agreement within ninety (90) days after the Date of Tender. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 28 Liberty Street, 21st Floor, New York, NY 10005. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning Deposits and requisite notice was timely mailed to the Purchaser.

All Deposits, except for advances made for Custom Work received in connection with the Purchase Agreement to the extent such payments have already been disbursed or are required to pay for such Custom Work, are and shall continue to be the Purchaser's money, and may not be comingled with any other money or pledged or hypothecated by Sponsor, as per GBL §352-h. Such funds shall not be a part of the estate of the Sponsor or the Escrow Agent upon any bankruptcy, incapacity, or death.

Except as to any payments received by Escrow Agent for Custom Work which may be released in accordance with the terms of the Purchase Agreement between Purchaser and Sponsor, under no circumstances shall Sponsor seek or accept release of the Deposit of a defaulting Purchaser until after Consummation of the Plan, as evidenced by the acceptance of a post-closing amendment by the New York State Department of Law. Consummation of the Plan does not relieve the Sponsor of its obligations pursuant to GBL §§352-3(2-b) and 352-h.

The Escrow Agent shall release the Deposit if so directed:

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

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

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

If the Escrow Agent is not directed to release the Deposit pursuant to paragraphs (a), (b), or (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 Condominium 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 Offering Plan or an amendment thereto; or

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

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

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

In the event that insufficient funds are raised through the offering or otherwise to effectuate the contemplated transaction, or in the event the Sponsor is unable for any reason to perform in accordance with the terms of the Purchase Agreement and the Purchase Agreement has been subsequently terminated as set forth above, such monies will be fully returned to Purchaser with any interest. Although initially deposited in escrow, upon the rescission of a Purchase Agreement by Purchaser, the funds deposited for the Custom Work will not be refunded to the Purchaser to the extent such funds have already been expended or will be expended on costs Sponsor has accrued and is obligated to pay with respect to Custom Work. Notwithstanding anything to the contrary herein, in the event Sponsor abandons the Offering Plan, Sponsor shall refund all additional escrowed funds for Custom Work to the Purchaser, notwithstanding whether any such funds have been expended or allocated to costs incurred by Sponsor.

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

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

The Escrow Agent will maintain all records concerning the escrow account for seven (7) years after the release of the funds. In the event of the dissolution of the firm comprising the Escrow Agent, the former partners or members of the firm shall make appropriate arrangements

for the maintenance of such records by one of them or by the successor firm, and shall notify the Department of Law of such transfer.

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

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

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

Sponsor anticipates the First Residential Unit Closing to occur on or about July 1, 2022. In the event that the First Residential Unit Closing is delayed twelve (12) months or more beyond July 1, 2022, then all Unit Purchasers who have executed Purchase Agreements and whose Purchase Agreements are still in effect, will be given the right to rescind their Purchase Agreements.

If Purchaser defaults under the Purchase Agreement, Sponsor shall notify Purchaser in writing of such default and advise Purchaser that he or she has thirty (30) days from the mailing date or thirty (30) days after personal delivery of such notice within which to cure such default. TIME IS OF THE ESSENCE FOR PURCHASER TO CURE ANY DEFAULT UNDER THE

PURCHASE AGREEMENT WITHIN THE APPLICABLE PERIOD. "Time is of the essence" means that if such default is not cured within thirty (30) days from the mailing date or thirty (30) days after personal delivery of such written notice, Sponsor may (but shall not be obligated to) elect to cancel the Purchase Agreement. If Sponsor elects to cancel the Purchase Agreement, Sponsor shall notify Purchaser in writing of said cancellation and the monies held by the Escrow Agent, but not more than ten percent (10%), or, if applicable, fifty percent (50%), of the Purchase Price including ten percent (10%), and any other amounts paid by the Purchaser for any Custom Work, plus any interest earned thereon, shall be paid over to the Sponsor as and for liquidated damages and thereafter the Purchase Agreement shall become null and void. Notwithstanding the above, subsequent to the Consummation of the Plan, the Sponsor may receive the actual costs incurred for any Custom Work as a part of its liquidated damages even though the total amount of liquidated damages thereby exceeds ten percent (10%) or, if applicable, fifty percent (50%) of the total purchase price. Sponsor hereby waives any right to seek specific performance in the event of a default by Purchaser.

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

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

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

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

Unit prior to the closing of title, then Purchaser shall bear the risk of loss or other casualty not otherwise covered by either the Condominium's insurance or Sponsor's insurance, with respect to the Unit. Additionally, Purchaser shall be solely responsible for any damage to, or loss or other condition in, the Unit and Sponsor shall not be obligated to repair any damages to the Unit or its appliances, fixtures and equipment. Accordingly, Purchaser, or one claiming by or through Purchaser, who takes possession of the Unit prior to the closing of title should obtain insurance coverage for the Unit prior to taking possession, since, despite any loss, Purchaser will remain obligated to purchase the Unit under the terms of this Purchase Agreement, without any abatement in the purchase price. Purchaser should consult with an attorney and/or insurance agent as to his or her insurance needs.

Within twenty (20) days of receiving four (4) copies of a Purchase Agreement, each executed by Purchaser, together with the required Down Payment, the Sponsor must either accept the Purchase Agreement by returning to Purchaser a fully executed copy of the Purchase Agreement or reject the Purchase Agreement by returning to Purchaser the Down Payment tendered. If Sponsor takes no action within said twenty (20) day period the Purchase Agreement shall be deemed null and void. Sponsor reserves the right to request thorough identification and financial information concerning any prospective Purchaser, subject to any limitations and requirements imposed by law. Sponsor reserves the right to reject any prospective Purchaser without cause or explanation, provided that such rejection is not based on race, creed, color, age, sex, disability, marital status, national origin, ancestry, or any other ground proscribed by law, and to refuse to execute a Purchase Agreement for any Unit, or a Purchase Agreement or Purchase Agreements, as the case may be, for more than one (1) Unit to any one (1) person or entity.

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

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

set forth as **Exhibit "A"** to the Purchase Agreement which is included in Part II of the Offering Plan.

The assigned storage spaces, if any, which are part of a respective Residential Unit may not be completed prior to the closing of title to a particular Residential Unit and the fact that a storage space may not be available for use at the time of the Closing will not constitute a basis for a Purchaser to fail to close title to a Residential Unit. Sponsor intends to complete the construction of all of the storage spaces prior to the issuance of a Temporary Certificate of Occupancy for all of the Residential Units in the Building.

The residential storage room is located on the cellar level of the Building. The Sponsor and the Board cannot make any representation that the storage room will remain dry or will not experience any water infiltration and neither the Sponsor nor the Board will be responsible for any damage to items placed in the storage room. Residential Unit Owners who place items in the storage room do so at their own risk and Unit Owners are advised to consult with their insurance brokers regarding appropriate coverage for such stored items. Residential Unit Owners must comply with Applicable Law regarding the storage room, which may be subject to periodic inspection by the police and fire departments of the City of New York and other governmental agencies having jurisdiction thereover.

Regulations governing disclosure of information regarding Lead Based Paint (the "Regulations") issued by the US Environmental Protection Agency ("EPA") and the US Department of Housing and Urban Development ("HUD") became effective on September 6, 1996. Such Regulations apply to the sale of Residential Condominium Units, except for studio apartments and open lofts which do not have a child less than six years old in residence. The Sponsor does not have any actual knowledge of any lead-based paint or lead-based paint hazards in the Residential Units or in the Property. However, the prior existing building at the Property was constructed prior to 1978 and therefore either the Property or the Units may contain lead-based paint and lead-based paint hazards. The Sponsor has not undertaken any separate investigation or risk assessment as to the presence of lead-based paint and/or lead-based paint hazards in the Property and/or the Units. The Sponsor also does not have any actual knowledge that anyone else has undertaken any such investigation or risk assessment. Pursuant to the Purchase Agreement, the Purchaser will acknowledge that the Sponsor indicated it did not have any reports or records pertaining to lead-based paint or lead-based paint hazards as to the Units or the Property. The regulations require the Sponsor to disclose to the Purchaser that the exposure to lead from lead-based paint may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The Purchaser will further recognize and agree pursuant to the Purchase Agreement that the Sponsor does not guaranty the accuracy of Sponsor's disclosure as to lead-based paint or lead-based hazards set forth herein as to the existence (including the magnitude thereof) or nonexistence of lead-based paint hazards in the Units or the Property. Pursuant to the Purchase Agreement, the Purchaser shall assume all risks, if any, as to lead-based paint hazards in the Units or the Property. The Purchaser may undertake his own risk assessment

or inspection for possible lead-based paint hazards. If a Purchaser wishes to complete such inspection or risk assessment, it shall be undertaken by Purchaser prior to the execution of a Purchase Agreement. In connection therewith and pursuant to a "Pre-Contract Lead Paint Inspection Agreement," attached to the Purchase Agreement as **Exhibit "C"** which must be simultaneously executed by the Purchaser with the Purchase Agreement, the Purchaser will either undertake his own inspection or risk assessment or waive his rights to undertake same. The Purchaser will also acknowledge receipt of the lead-based paint hazard information brochure entitled "Protect Your Family From Lead in Your Home" prepared by the EPA, HUD and the Consumer Product Safety Commission.

Any conflict between this Offering Plan and the Purchase Agreement will be resolved in favor of the Offering Plan. In no event may the Purchase Agreement contain, or be modified to contain, any provision waiving Purchaser's rights, other than the ability of Purchaser to waive his right to thirty (30) days' notice prior to the closing of title to Purchaser's Unit. In no event may the Purchase Agreement contain, or be modified to contain, any provision abrogating Sponsor's obligations under the Offering Plan or under Article 23-A of the General Business Law. Purchase Agreements are not assignable without Sponsor's prior written consent which may be withheld for any reason.

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

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

With regard to any model unit, which Unit or Units ("Model Unit") shall be designated by Sponsor in Sponsor's sole and absolute discretion, such Model Unit shall be delivered by Sponsor to a Purchaser thereof in "AS IS" condition, including but not limited to, normal wear and tear. Sponsor shall have no further obligations with regard to any Model Unit except for Sponsor's warranty covering patent and latent defects as set forth in the section of the Plan titled "Rights And Obligations Of Sponsor. Additionally, Sponsor shall be under no obligation to repaint or repair anything in a Model Unit, including but not limited to, refinishing the floors in a Model Unit,

repairing any appliance in a Model Unit or painting any room in a Model Unit. Any Model Unit, however, shall be built in accordance with all applicable laws and codes and in accordance with the Floor Plans submitted herewith, as may be amended.

Pursuant to the Geographic Targeting Order issued on January 6, 2016 (as revised and as may be further revised from time to time, the "Order") by the Director of the United States Department of the Treasury's Financial Crimes Enforcement Network ("FinCEN"), title companies are now required to collect and report information regarding purchasers in transactions where: (1) the purchaser is a "Legal Entity" as defined in the Order; (2) the purchaser purchases residential real property located in the Boroughs of Brooklyn, Queens, Bronx, Manhattan, or Staten Island; (3) the total purchase price is $300,000.00 or more; (4) the purchaser does not obtain a bank loan or similar form of external financing; and (5) the purchase is made, at least in part, using currency or a cashier's check, a certified check, a traveler's check, a personal check, a business check, or a money order in any form, a funds transfer, or virtual currency. The Order affects all residential real property closings occurring on or after March 1, 2016 and until the expiration of the effective period of such Order, i.e., April 29, 2022, which date is subject to change by FinCEN.

Purchasers should note that even if the First Unit Closing occurs on or before July 1, 2022 or within the twelve (12) month period thereafter, the Closing of subsequent Units may be substantially delayed beyond such date if a TCO or PCO covering such Units has not been issued. In such case, provided Sponsor is diligently pursuing completion of construction and the issuance of a TCO or PCO and is otherwise in compliance with its obligations under the Offering Plan, Purchasers will not be entitled to a right of rescission or to make claims against the Sponsor for damages or losses as a result of such delays and will not be excused from paying the full Purchase Price for their respective Units. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER THE POSSIBILITY OF SUCH DELAYS IN THEIR DETERMINATION AS TO WHETHER TO PRUCHASE A UNIT.

ASSIGNMENT OF PURCHASE AGREEMENTS

No assignment or transfer of an executed Purchase Agreement shall be permitted without the prior written consent of Sponsor which may be withheld for any reason. Prior to and for eighteen (18) months subsequent to, the First Unit Closing, Purchaser shall not advertise or otherwise offer, promote or publicize the availability of his or her respective Residential Unit for sale, or resell such Residential Unit ("Restriction on Resale"). This provision is to survive closing of title to the Residential Unit, and is not applicable to the Commercial Unit. However, such Restriction on Resale shall expire, and shall no longer be applicable to: (i) any Residential Unit once Sponsor has sold all of its Unsold Residential Units. Any purported sale or lease of a Residential Unit in violation of this provision shall be voidable at the election of the Sponsor or its designee, as the case may be.

EFFECTIVE DATE OF PLAN

All Purchase Agreements signed by Sponsor shall be contingent upon Sponsor's declaring the Offering Plan effective pursuant to the requirements and terms of the Plan. These requirements, stated below, must be satisfied within one (1) year of the date the Plan is accepted for filing unless the Plan is amended so as to extend this period. However, any amendment to the Plan is hereby deemed to extend this time period to the same extent that the Plan is extended by such amendment. The closing of title to any Unit may not occur until after the Plan has been declared effective and an amendment has been accepted for filing by the Department of Law substantiating same, and the Condominium Declaration and By-Laws have been duly recorded.

The Plan may be declared effective when Purchase Agreements have been both executed and accepted by a bona fide Purchaser (including investors) and Sponsor for the sale of one (1) Residential Unit, which represents a minimum of at least fifteen percent (15%) of the Residential Units offered under the Plan. Prior to effectiveness, Sponsor will at all times offer at least fifteen percent (15%) of the total number of anticipated Residential Units in the Condominium to the public. For purposes of calculations regarding effectiveness, the Commercial Unit has not been counted, and Sponsor will determine the number of Residential Units in contract required to declare the Plan effective based upon the total number of anticipated Residential Units in the Condominium. Further, with respect to any advertising material that contains percentages of Residential Units sold, Sponsor shall calculate such percentages based upon the total number of anticipated Residential Units in the Condominium. Finally, if after Sponsor declares the Offering Plan effective, all Purchase Agreements are rescinded and/or terminated prior to the date of the First Unit Closing, the Sponsor shall re-declare the Offering Plan effective prior to closing on any Units.

The Plan must be declared effective when Purchase Agreements have been both executed and accepted by Sponsor for the sale of four (4) Units, which represents a minimum of at least eighty percent (80%) of the Residential Units offered under the Plan.

The Plan may be abandoned, at Sponsor's sole option, at any time before the amendment substantiating effectiveness is filed and before eighty percent (80%) of the Units have been purchased. The Plan, if abandoned, shall be abandoned by amendment filed with the Department of Law in appropriate form together with a notice of abandonment on form RS-3. Such amendment shall explain the basis for abandonment and must state how any funds received pursuant to the Plan will be distributed. All monies paid by Purchasers pursuant to Purchase Agreements (including, if applicable, all additional escrowed funds for Custom Work paid to Sponsor by Purchasers, notwithstanding whether any such funds have been expended or allocated to costs incurred by Sponsor) shall be refunded to them in full, with interest, if any, within five (5) days of such abandonment.

Once a Plan has been declared effective, Sponsor may not abandon it for any reason other than for: (a) a defect in title which cannot be cured without litigation or cannot be cured for less than a cost which does not exceed an amount equaling one half of one percent (.5%) of the Total

Offering Price set forth on the front cover of the Plan, as may be amended from time to time; or (b) substantial damage or destruction of the Building by fire or other casualty which cannot be cured for less than a cost which does not exceed an amount equaling one half of one percent (.5%) of the Total Offering Price set forth on the front cover of the Plan, as may be amended from time to time; or (c) the taking of any material portion of the Property by condemnation or eminent domain. The aforementioned amount set forth above as a basis for abandonment after effectiveness of the Plan shall exclude any title defects, attorneys' fees, hazardous or dangerous conditions, work orders or determinations of any authority or regulatory association which exist as of the date the Plan is declared effective and either are known to the Sponsor or are a matter of public record.

The Plan will be declared effective by either an amendment to the Plan or by the mailing or personal delivery of written notice to all purchasers. If the Plan is declared effective by notice, Sponsor shall, within five (5) business days after such notice is given, submit to the Department of Law an amendment to the Plan stating that the Plan has been declared effective and specifying the date of such notice of effectiveness. If requested, Sponsor will submit to the Department of Law copies of all Purchase Agreements, together with any amendments or modifications to such Agreements, within five (5) business days after the request is received.

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

TERMS OF SALE

When sold by the Sponsor, the Units will be sold in fee simple to Purchasers, who may be individuals, a duly formed partnership, corporation, limited liability company, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government, any department or agency thereof, or any other entity which is permitted to own property in the State of New York. The sale of the Units will be made at the respective offering prices set forth in Schedule A (as such prices may be changed by the Sponsor), and, with respect to Units, will include the respective undivided interests in the Common Elements.

Good and marketable title to the Units and their appurtenant interests in the Common Elements will be conveyed by the Sponsor by Bargain and Sale Deed with Covenants against Grantor's Acts and containing the provisions set forth in subdivision 5, Section 13 of the Lien Law, free and clear of all liens and encumbrances other than those set forth below, provided that such additional states of facts does not render title unmarketable. The form of Unit Deed is set forth in Part II of the Plan.

1. Survey Exceptions as shown on survey made by Precision Surveys, Profession Land Surveyors last dated 11/25/2019 (Job Number 45468):

    (a) Temporary wood fences along portions of southerly, easterly and westerly lines encroach up to 25.17 feet onto East 1st Street;
    (b) Metal fence on 12" concrete wall varies with westerly line and encroaches up to 4.86 feet onto East 1st Street;
    (c) Easterly wall of 6 story building adjacent to the west on portion of westerly line;
    (d) Chain link fence on 12" concrete curb varies with westerly line;
    (e) Westerly wall of the building on premises adjacent to the east encroaches up to 0.11 feet onto subject premises;

2. Any state of facts which an accurate survey would show, including possible encroachment upon the Unit being insured by adjoining Units and/or Common Elements and possible encroachments of the insured Unit upon adjoining Units and/or Common Elements, providing such survey does not render title unmarketable;

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

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

5. Easements in favor of adjoining Units and in favor of the Common Elements for the continuance of all encroachments of such adjoining Units or Common Elements on the Unit, existing as a result of construction and rehabilitation of the Building, or construction

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

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

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

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

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

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

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

12. All covenants, declarations, restrictions, reservations, agreements and easements of record, if any, which are still in force and effect on the date of the First Unit Closing, provided that they are not violated by and do not prevent residential use of the Residential Units or Common Elements and legal permitted uses of the Commercial Unit at the Property or prevent the existence of the newly rehabilitated and constructed structure, including, but not limited to, the following:

    (a) Zoning Lot Description and Ownership Statement dated 7/10/1986 and recorded 7/23/1986 in Reel 1093 Page 1233;

(b) Zoning Lot Description and Ownership Statement dated 2/3/2015 and recorded 2/13/2015 in CRFN 2015000052447;

(c) Zoning Lot Certificate dated as of 2/9/2015 and recorded 2/25/2015 in CRFN 2015000064880;

(d) Zoning Lot Description and Ownership Statement dated 2/9/2015 and recorded 2/25/2015 in CRFN 2015000064881;

(e) Certificate Pursuant To Zoning Lot Subdivision dated as of 3/31/2017 and recorded 10/10/2017 in CRFN 2017000373443;

(f) Declaration of Zoning Lot Restrictions dated as of 9/28/2017 made by and between Rental Apartments, LLC and ACACIA 118 LLC and recorded 10/10/2017 in CRFN 2017000373442;
With regard thereto:
(i) Waiver of Declaration of Zoning Lot Restrictions made by Midfirst Bank, recorded 10/10/2017 in CRFN 2017000373444;
(ii) Waiver, Consent and Subordination recorded in CRFN 2017000373445.

(g) Zoning Lot Development Agreement dated as of 9/28/2017 made by and between Rental Apartments, LLC and ACACIA 118 LLC and recorded 10/10/2017 in CRFN 2017000373446.
With regard thereto:
Waiver of Declaration and Consent and Subordination to Zoning Lot Development Agreement made by Dime Community Bank f/k/a The Dime Savings Bank of Williamsburgh recorded 10/10/2017 in CRFN 2017000373445;

(h) Lotline Window Restriction Declaration dated as of 1/7/2015 made by Cynthia Wu, as Declarant, dated 1/7/2015 and recorded 5/27/2015 in CRFN 2015000175911. Policy insures that a violation of the said covenants and restriction will not result in a forfeiture or reversion of title to said premises; and

(i) Building and Nuisance Restrictions set forth in Liber 347 Page 107, if same is still in effect.

13. Any service contracts to be entered into and/or assumed by the Condominium at the First Unit Closing;

14. 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);

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

16. Covenants, conditions, restrictions, easements and agreements set forth in Zoning Lot and Development Agreement, Zoning Lot Descriptions and Ownership Certifications and/or Zoning Lot Certifications to be recorded; and

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

The Sponsor represents that, until it no longer controls the Board of Managers, the Property will be maintained, repaired, cared for and operated in substantially the same condition and manner as it was on the date of the First Unit Closing, subject to strikes, lockouts, labor difficulties, acts of God, fire or other casualty, storm, riots, insurrection, inability to obtain materials, equipment or labor, governmental restrictions or any other acts over which the Sponsor is reasonably unable to exercise control. If the Sponsor is prevented from so maintaining the Property for any of these reasons other than fire or other casualty, the Sponsor will make any repairs subsequent to the First Unit Closing that it was obligated to make as of the First Unit Closing. As set forth in the section of the Plan titled "Effective Date", in the event of a casualty which cannot be repaired for less than a cost which exceeds an amount equaling one half of one percent (.5%) of the Total Offering Price set forth on the front cover of the Plan, as may be amended from time to time (as estimated with respect to the casualty by an insurance adjuster retained by Sponsor) and which occurs prior to the First Unit Closing and the Sponsor elects not to make repairs, then the Sponsor may, at its option, abandon this Offering Plan. In such event all Purchase Agreements will be deemed automatically cancelled and Purchasers in good standing will be refunded their deposits with any interest earned thereon. Upon such refund being made, the Condominium and the Sponsor will be relieved and discharged of all liability under the Plan and Purchase Agreements.

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

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

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

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

Notwithstanding the foregoing, if the Purchaser is given possession of the Affected Unit under an Interim Use and Occupancy Agreement prior to the casualty, such Purchaser shall assume the risk of loss or other casualty with respect to the Unit, which loss or other casualty is not otherwise covered by either the Condominium's insurance or Sponsor's insurance, and the

obligation to repair the damage, unless the cause of such loss originated outside his or her Unit and did not result from the acts of Purchaser or other occupants of the Unit or Purchaser's guests, invitees or workmen. If the Purchaser is obligated to repair the damage in accordance with the foregoing, then his or her failure to repair the damage shall not excuse him or her from paying the balance due under his or her Purchase Agreement and accepting title to the Unit.

Should Sponsor decide to make repairs to an Affected Unit, such repairs shall be done within a reasonable amount of time after the occurrence of the casualty. However, notwithstanding anything to the contrary herein, the Sponsor and/or the Condominium will in no event be liable to Purchasers under this Plan, and the Sponsor will not be liable to the Condominium, in the event of any delay in repairing the damage.

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

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

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

CLOSING ADJUSTMENTS WITH THE CONDOMINIUM BOARD

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

(a) Any Common Charges which are Sponsor's obligation for the period from the First Unit Closing to the end of the month in which same occurs;

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

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

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

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

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

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

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

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

(j) vault charges, if any; and

(k) such other items as are customarily included in closing adjustments in the City of New York, as well as any other applicable reimbursements from the Condominium Board to Sponsor.

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

At the time of the first closing of title to each Unit to a bona fide Purchaser, such Purchaser shall pay into the Working Capital Fund of the Condominium the sum equal to two (2) months of Common Charges for the Unit being purchased at the time of the closing. This fund is to be used for payment by the Board of Managers of any net closing adjustment expenses owed to Sponsor

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

Other than as set forth above, no provision has been made for a Working Capital Fund. Further, other than as set forth in "Schedule B, Projected Budget for First Year of Condominium Operation Commencing July 1, 2022," no provision has been made for a Reserve Fund.

CLOSING OF TITLE TO UNITS

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

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

(1) The issuance of a TCO or PCO for the Building, or, alternatively, the issuance of a TCO or PCO for the Unit closed. Sponsor shall complete construction and obtain a PCO for the entire project within two (2) years subsequent to the First Unit Closing or at such sooner time as the TCO, as same may be renewed, replaced or extended, expires. If, at the time of closing of title to a Residential Unit Sponsor has only obtained a "Class A" residential TCO covering such Unit, then Sponsor shall place in escrow with its attorney an amount, as determined by an architect chosen by Sponsor, which is sufficient in such architect's opinion to cover (i) the cost to complete all alterations and improvements to the public portions and common areas of the Building, and (ii) the cost to obtain a "Class A" residential PCO covering that Unit. Such escrow amount shall be released to Sponsor or its designee upon the obtaining of a "Class A" residential PCO covering such Unit or the Building. Alternatively, upon approval by the Department of Law, the Sponsor shall have the option of either depositing with an escrow agent an unconditional, irrevocable letter of credit in the amount determined by Sponsor's architect or posting a surety bond or other collateral acceptable to the Department of Law, provided the use of any such alternate security was previously disclosed in a filed amendment to the Plan.

Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a PCO covering the entire building but with only a TCO, and sometimes with several successive TCOs. Certificates of occupancy are generally governed by Section 301 of the New York Multiple Dwelling Law and local building codes and rules. Both TCOs and PCOs are issued by the 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, regulations for the uses and occupancies specified on the TCO, but means that not all of the construction work and/or inspections have been performed, or that not all of the required documents have been submitted to the DOB. No change of use or occupancy shall be made unless a new TCO or PCO is issued. All TCOs have an expiration date. A TCO typically expires ninety (90) days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance, or sell units. In New York City, it is common for sponsors to commence unit closings when some or all units are covered by a TCO rather than a PCO. 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 PCO covering the entire Building within two (2) years from the date of issuance of the first TCO. However, Sponsor and its principals make no representation or guarantee that DOB will issue the PCO within such two (2) year period. **NOTWITHSTANDING THE FOREGOING, SPONSOR AND ITS PRINCIPALS ARE OBLIGATED TO PROCURE THE PCO FOR THE ENTIRE BUILDING, AND SHALL EXERCISE BEST EFFORTS TO OBTAIN THE PCO WITHIN SUCH TWO (2) 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.

Furthermore, subject to Sponsor's consent, the By-Laws of the Condominium may permit Unit Owners to undertake renovations to individual Units prior to the procurement of a PCO. Such renovations may cause additional delays in the issuance thereof. Notwithstanding the foregoing, and subject to the aforementioned delays, Sponsor and its principals are obligated to procure the PCO. Buyers are advised to visit the DOB website for further recommendations when purchasing a unit in a building that does not have a PCO.

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

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

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

(5) The amending of the Offering Plan by Sponsor with an amendment substantiating that the Plan has been declared effective and confirming that the Units to be closed have been constructed in accordance with the applicable plans and specifications

and that Sponsor has satisfied, or will satisfy prior to closing of title, all of the requirements of this section titled “Closing of Title to Units”.

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

UNIT CLOSING COSTS AND ADJUSTMENTS

1. General:

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

a. Payment of the cost of fee title insurance, if Purchaser elects to obtain title insurance. Purchaser may order such insurance from any reputable title or abstract company authorized to do business in the State of New York, including Stewart Title Insurance Company, having an office at 60 East 42nd Street, Suite 1260, New York, New York 10165, Attn: Holly Hasbrouck, telephone number 800-433-4698 ("Stewart Title"). If Purchaser elects to obtain title insurance from another title insurance company and/or abstract company, there shall be no additional cost to Purchaser due to such choice. Purchaser will pay the premiums for title insurance, which will vary depending upon the purchase price of the Unit and, if applicable, the amount of the mortgage loan being obtained to finance the purchase thereof.

As of April 6, 2020, the rate schedule for title insurance premiums, promulgated by the Title Insurance Rate Service Association, Inc. ("TIRSA") is as follows:

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

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

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

Purchasers are required to accept such title as a reputable title insurance company and/or abstract company authorized to do business in the State of New York will provide, approve and insure at its regular rates and without additional premium, provided that the only liens, encumbrances and conditions affecting title shall be Permitted Encumbrances, as described in the "Terms of Sale" section of Part I of this Plan. As a result, Sponsor is not obligated to cause Purchaser's title company to omit any exception to title if another reputable title insurance company and/or abstract company authorized to do business in the State of New York is willing to insure Purchaser's title without such exception, at its regular rates and without additional premium, by either (i) omitting same from Purchaser's title insurance policy or (ii) insuring against collection from the Unit. Purchaser will be responsible to pay to the title company the entire premium for Purchaser's title insurance.

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

b. Recording fee for recording the deed and power of attorney of approximately $500.00;

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

    1. Legal fees of the lending institution's attorney;

    2. Mortgage title insurance policy costs for a mortgage title insurance policy naming the lending institution as the insured. Mortgage title insurance rates

as quoted by Stewart Title, are set forth in sub-paragraph a. above, as of the date set forth therein;

3. A mortgage recording tax of one and eight-tenths percent (1.80%) of the first ten thousand dollars ($10,000.00) of the amount of the mortgage signed by the Purchaser and a mortgage recording tax of two and five one-hundredths percent (2.05%) of the amount of the balance of the mortgage actually signed by Purchaser for mortgages in the amount of less than $500,000.00. For mortgages of $500,000.00 or more, the rate is two and one hundred seventy-five thousandths percent (2.175%). Please note the discussion of Mortgage Tax Credit below. Institutional Lenders are required to pay one quarter of one percent (0.25%) of the two and five one-hundredths percent (2.05%), or, if applicable, two and one hundred seventy-five thousandths percent (2.175%), tax, thereby reducing Purchaser's cost to one and eight tenths percent (1.80%) less $30.00, for mortgages less than $500,000.00 and one and nine hundred twenty-five thousandths percent (1.925%) less $30.00 for mortgages of $500,000.00 or more;

4. Recording fee of approximately $650.00 for (i) recording of the Purchaser's Mortgage and the partial release of mortgage and termination of any Uniformed Commercial Code Financial Statement related to the Unit and any underlying Mortgage, construction loan or otherwise, obtained by Sponsor and (ii) ACRIS service fee of the title company related to the required filing of real estate transfer tax forms;

5. Commitment fee or origination fee, appraisal fee, application fee, credit fee, if any, charged by the lending institution;

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

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

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

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

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

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

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

Sponsor would not otherwise have had to pay but for an unauthorized delay in closing of title by Purchaser;

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

In the event that the taxing authority of the City of New York determines that either (i) the conveyance of more than one (1) condominium Unit to the same Purchaser, or (ii) the conveyance of a Residential Unit is taxable at the non-residential rates, then, in such event, (a) the NYC Transfer Tax to be paid by Purchaser shall be one and four hundred twenty-five thousandths percent (1.425%) of the aggregate consideration, as discussed above, where the consideration is $500,000.00 or less, and two and six hundred twenty-five thousandths percent (2.625%) of the

aggregate consideration when the consideration is greater than $500,000.00, and (b) the higher NYS Transfer Tax rate of $3.25 for each $500.00 of consideration or part thereof shall apply where the aggregate consideration is $2,000,000.00 or more, even if such consideration is less than the $3,000,000.00 minimum where such higher rate would be applicable to residential real property.

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

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

Furthermore, in the event that the City of New York determines additional transfer taxes are due following an audit of any closed transactions, it shall be the Purchaser's sole obligation, which shall survive the closing, to respond to and defend such audit and pay any additional tax imposed. Purchasers are advised to consult with their attorney and/or a tax expert to determine the tax consequences of their purchase.

With respect to the NYS Transfer Tax and NYC Transfer Tax, the non-residential rates shall be applicable to the Commercial Unit.

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

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

Notwithstanding anything herein to the contrary, if, through no fault of Sponsor, Purchaser fails for any reason to close title to his Unit on the originally Scheduled Closing Date and Sponsor does not have the right to, or elects not to, cancel this Agreement as a result of the same, (a) the adjustments for real estate taxes and Common Charges will be made as of midnight of the day

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

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

If the Units have not been separately assessed for real estate tax purposes prior to the First Unit Closing, and such First Unit Closing occurs during a tax payment period, Sponsor will have previously paid the real estate taxes through the end of such tax payment period. For example, if the First Unit Closing occurs on July 1, 2022, Sponsor will have paid the real estate taxes for the Property through December 31, 2022. Sponsor shall place in escrow in the name of the Condominium's Board of Managers at the First Unit Closing money sufficient to pay the real estate taxes for six (6) months subsequent to the date of the First Unit Closing. If the real estate taxes have already been paid for all or part of this six (6) month period, then this six (6) month period shall be reduced by the amount of time subsequent to the First Unit Closing for which the taxes have been paid. For example, if the First Unit Closing occurs on July 1, 2022, and real estate tax have been paid through December 31, 2022, then Sponsor shall not be required to place any amount of real estate taxes into escrow in the name of the Condominium's Board of Managers since six (6) months of real estate taxes will have already been paid. If any escrow amount is due, Sponsor shall have the right to reduce this escrow on a Unit by Unit basis by requiring each Purchaser to fund into escrow, at such Purchaser's Unit Closing, the amount necessary, on the basis of percentage of Common Interest, to cover the period for which real estate taxes have not been paid for such Unit up to six (6) months from the First Unit Closing or an amount necessary to pay the amount of allocated taxes for the Unit which will be due on the next tax payment date (which in New York City is either July 1st or January 1st). At the option of Sponsor, this funding may occur in addition to Purchaser paying such funds to its mortgagee, or by paying such monies into the escrow held by the Board of Managers. The amount of such escrow established, if any, shall be disclosed in the post-closing amendment. Sponsor shall pay the real estate taxes from this escrow account when they are next due and shall be entitled to reimbursement from any Unit Owner who either did not pay any money into escrow or paid less than was required to cover the real estate taxes attributable to such Unit for the time Purchaser owned the Unit. Notwithstanding anything to the contrary herein, Sponsor shall have the sole and absolute discretion to elect, in lieu of establishing at the First Unit Closing the real estate tax escrow described immediately hereinabove, to cause the Board of Managers (for so long as Sponsor controls the same), pursuant to Article VI Section 17 of the By-Laws, to charge each Unit Owner, as a Common Charge, its respective pro rata share (on the basis of the percentage of Common Interest attributable to such Unit) of all real

estate taxes with respect to the Property, until the Units have been separately assessed for real estate tax purposes.

The obligations of Sponsor and Purchasers differ regarding depositing money into escrow for real estate taxes because for so long as the Units are not separately assessed, the Department of Finance will continue to issue bills for real estate taxes for the entire Property in the name of the Sponsor, and Purchasers who become Unit Owners will not receive their own bills until their respective Units have been separately assessed. During the period after closings commence but before real estate taxes have been separately assessed, in order to ensure that each Purchaser's respective pro rata share of the estimated real estate tax bill for the subsequent tax period has been accounted for in preparation for future payment of the same, Purchasers will be required to fund an escrow equal to an estimated six (6) months of real estate taxes, which represents the duration of tax period subsequent to the period in which the closing occurs, for their respective Unit. Additionally, as further explained in this "Unit Closing Costs and Adjustments" section of the Plan, Purchasers who become Unit Owners are responsible for adjusting with or otherwise reimbursing Sponsor for their respective pro rata share of any actual amounts paid for real estate taxes.

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

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

2. Mortgage Tax Credit

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

> "In the event the proceeds of a construction mortgage were applied to construction of a unit of a condominium submitted to the provisions of this article, or in the event that a unit submitted to the provisions of this act was subject to a blanket mortgage whose proceeds were applied exclusively to payment of the construction mortgage

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

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

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

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

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

A numerical example for the costs set forth in this section of the Offering Plan for a typical Residential Unit, Unit 7 with a purchase price of $5,895,000.00 and a mortgage of $4,716,000.00 are estimated as set forth below. Tax, insurance and recording rates are subject to change.

1.	Title insurance for fee and mortgage, including the simultaneous fee discount $25,273 ($20,967.00 fee + $4,306.00 mortgage);	$ 25,273.00
2.	recording costs for deed and power of attorney $500.00;	$ 500.00
3.	mortgage recording tax (including payment to Sponsor pertaining to mortgage tax credit, if any): $90,753.00 Borrower's portion; not including $11,790.00 Lender's portion;	$ 90,753.00
4.	recording cost of mortgage, partial release, UCC Termination Statement $650.00;	$ 650.00
5.	New York City Real Property Transfer Tax $85,746.83;	$ 85,746.83
6.	New York State Real Estate Transfer Tax $38,866.75;	$ 38,866.75
7.	New York State Mansion Tax $134,527.58;	$ 134,527.58
8.	legal fee of Sponsor's attorney (assuming the closing takes place in the office of Sponsor's attorneys, no assignment and no unauthorized delay in closing by Purchaser) $3,750.00;	$ 3,750.00
9.	Working Capital Fund (2 months common charges) $2,408.54;	$ 2,408.54
10.	Real Estate Tax Escrow and Real Estate Tax Adjustment –	
	For a closing occurring on July 1, 2022, first half 2022/2023 real estate taxes will have been paid. However, for second half 2022/2023 real estate taxes, due January 1, 2023, six (6) months of real estate tax escrow would be picked up, provided real estate taxes have not yet been individually apportioned to the Units for such tax period. For Unit 7, this amount would be estimated at $28,588.20, based upon the estimates in Schedule A for the First Year of Condominium operation. It is also noted that for a July 1, 2022 closing, where the first half 2022/2023 real estate taxes will have been paid, Purchaser would have to reimburse Seller for six (6) months of real estate taxes. For Unit 7, based upon the estimates in Schedule A for the First Year of Condominium operation, this amount would equal approximately $28,588.20.	$57,176.40

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

Total estimated costs for items 1 through 10 above equal approximately: $ 439.652.10

RIGHTS AND OBLIGATIONS OF SPONSOR

No bond or other security has been furnished to secure the performance of the Sponsor's obligations. Pursuant to 13 NYCRR 20.5(c)(4) of the Attorney General's Regulations, in the event that Sponsor is unable to perform its obligations pursuant to the Offering Plan, Sponsor shall cease all sales activity and amend the Offering Plan to disclose its current financial condition. The amendment will also provide that Purchasers, will be given, for fifteen (15) days after the presentation of the amendment, a right to rescind their Purchase Agreement by written notice to Sponsor and be refunded all monies paid thereunder, with any interest earned thereon. However, such rescission, as to a Purchaser who first became an occupant of the Building pursuant to a Purchase Agreement, will be conditioned on the cancellation of any interim use and occupancy agreement and surrender of possession of his Residential Unit within thirty (30) days thereafter.

The project is being financed from Sponsor's own funds and construction loan financing from First Central Savings Bank, a New York savings bank having an office at 70 Glen Street, New York 11542 (hereinafter the "Construction Lender"). The construction loan refinancing closing took place on December 31, 2019. Pursuant to the terms of the construction loan, provided Sponsor is not in default of any loan provision, the Sponsor shall have the right to sell the Units at offering prices that are not less than minimum sales prices negotiated by the Sponsor with the Construction Lender. Sponsor represents that all of the offering prices, as set forth in Schedule A located in Part I of the Offering Plan, are above any proposed minimum sales prices negotiated by Sponsor with the Construction Lender. Further, the Construction Lender has agreed that upon the payment by Sponsor of the greater of the minimum sales or a percentage of gross or net sales proceeds from the closing of each Unit until the loan is paid in full, the Construction Lender will release the Unit closed from the lien of the Construction Lender's construction loan. Additionally, based upon the terms of the construction loan, the Sponsor will not have the right to lease any portion of the Property without the consent of the Construction Lender.

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

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

2. The Sponsor will diligently, expeditiously and at Sponsor's own cost and with the proceeds of any construction financing, complete the construction of the Units and Common Elements in accordance with the plans and specifications described herein. If any work still remains to be done to complete such work, provided such work will not prevent the issuance of a PCO, Sponsor, at Sponsor's own cost and expense, will perform or cause all such work to be performed and will supply or cause all material therefor to be supplied and will pay for such work and materials and discharge or bond all mechanics' liens which may be filed as a result of the construction of the Units or Common Elements.

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

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

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

Changes to the size or layout of a Unit or percentage of Common Interest of a Unit for which a Purchase Agreement has been executed by Purchaser and Sponsor and delivered to the Purchaser or changes in the amount or quality of Common Elements directly affecting or servicing a Unit for which a Purchase Agreement has been executed by Purchaser and Sponsor and delivered to Purchaser shall be made only with the written consent of the Purchaser of such Unit, if applicable. Notwithstanding the foregoing, such changes may be made, provided all directly affected Unit Owners consent in writing to such change and all directly affected Purchasers who are still contract vendees either consent in writing to such changes or are given the right to rescind and receive from Sponsor a return of any deposit or Down Payment for fifteen (15) days from the date of mailing or personal delivery of written notice from Sponsor.

3. The Sponsor, at Sponsor's sole cost and expense, will obtain, prior to the closing of a particular Unit, the issuance of a TCO or PCO for the Unit closed. Sponsor shall complete construction and obtain a PCO for the entire project within two (2) years subsequent to the First Unit Closing or at such sooner time as the TCO, as same may be renewed, replaced or extended, expires. If, at the time of closing of title to a Residential Unit Sponsor has only obtained a "Class A" residential TCO covering such Unit, then Sponsor shall place in escrow with its attorney an amount, as determined by an architect chosen by Sponsor, which is sufficient in such architect's opinion to cover (i) the cost to complete all alterations and improvements to the public portions and common areas of the Building, and (ii) the cost to obtain a "Class A" residential PCO covering that Unit. Such escrow amount shall be released to Sponsor or its designee upon the obtaining of a "Class A" residential PCO covering such Unit or the Building. Alternatively, upon approval by the Department of Law, the Sponsor shall have the option of either depositing with an escrow agent an unconditional, irrevocable letter of credit in the amount determined by Sponsor's architect or posting a surety bond or other collateral acceptable to the Department of Law, provided the use of any such alternate security was previously disclosed in a filed amendment to the Plan.

Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a PCO covering the entire building but with only a TCO, and sometimes with several successive TCOs. Certificates of occupancy are generally governed by Section 301 of the New York Multiple Dwelling Law and local building codes and rules. Both TCOs and PCOs are issued by the 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, regulations for the uses and occupancies specified on the TCO, but means that not all of the construction work and/or inspections have been performed, or that not all of the required documents have been submitted to the DOB. No change of use or occupancy shall be made unless a new TCO or PCO is issued. All TCOs have an expiration date. A TCO typically expires ninety (90) days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance, or sell units. In New York City, it is common for sponsors to commence unit closings when some or all units are covered by a TCO rather than a PCO. 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 PCO covering the entire Building within two (2) years from the date of issuance of the first TCO. However, Sponsor and its principals make no representation or guarantee that DOB will issue the PCO within such two (2) year period. **NOTWITHSTANDING THE FOREGOING, SPONSOR AND ITS PRINCIPALS ARE OBLIGATED TO PROCURE THE PCO FOR THE ENTIRE BUILDING, AND SHALL EXERCISE BEST EFFORTS TO OBTAIN THE PCO WITHIN SUCH TWO (2) 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.

Furthermore, subject to Sponsor's consent, the By-Laws of the Condominium may permit Unit Owners to undertake renovations to individual Units prior to the procurement of a PCO. Such renovations may cause additional delays in the issuance thereof. Notwithstanding the foregoing, and subject to the aforementioned delays, Sponsor and its principals are obligated to procure the PCO. Buyers are advised to visit the DOB website for further recommendations when purchasing a unit in a building that does not have a PCO.

If at the time a Unit Owner seeks to perform alterations to his or her own Unit, a PCO is not issued for the Building, the Unit Owner, prior to commencing any alteration, must obtain the consent of the Sponsor or its designee, which consent shall be at the sole and absolute discretion of Sponsor or its designee. The Sponsor or its designee may refuse to permit a Unit Owner to perform alterations in a Unit until such time as the Building has been completed and a PCO has been obtained therefor. In furtherance thereof, a Unit Owner, who has been granted the consent by the Sponsor or its designee, to perform alterations shall indemnify Sponsor or its designee for any cost, expense, claim or liability incurred or suffered by Sponsor or its designee as a result of any violation of Law or delay in obtaining a TCO or PCO caused by alterations made by such Unit Owner. Nevertheless, the obligation to obtain the PCO remains that of Sponsor and its principals. In the event the alterations performed by a Unit Owner do adversely affect the issuance or validity of the certificate of occupancy, then upon the written request of Sponsor or its designee, the Unit Owner shall restore the Unit, at such Unit Owner's sole cost and expense, to its original condition. If such Unit Owner fails to commence diligently and continuously, restoring the Unit within fifteen (15) days of receipt of the written request, then the Sponsor or its designee, as the case may be, requesting such restoration shall be entitled to enter and restore the Unit at the expense of the Unit Owner and to exercise any other remedies provided in the By-Laws.

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

5. The Sponsor will pay all Common Charges, real estate taxes, special Assessments and other expenses allocable to any Units owned by the Sponsor, so long as Sponsor shall continue to own the same. However, Sponsor, where Purchaser has caused an unauthorized delay in closing of title, shall be entitled to certain reimbursement of real estate taxes, Common Charges and interest. Sponsor represents that it has the financial resources to meet its obligations with respect to Unsold Units. Sponsor's financial obligations to the

Condominium will be funded from sales proceeds. If this source proves insufficient Sponsor shall seek funds from the construction lender, if any, or another lender.

Notwithstanding anything herein to the contrary, until title to all Units has been conveyed, the Sponsor as owner of any Unsold Units, may decide that Sponsor will, at Sponsor's sole option and discretion, pay in lieu of payment of each Unit's Common Charges, provided that such "in lieu" payments are less than the Common Charges then due, an amount which equals each Unit's proportionate share (based upon each Unit's Percentage Common Interest) of the total cost necessary to operate the Condominium with the services to be provided under the Offering Plan.

In the event Sponsor elects to delay the collection of Common Charges and instead make "in lieu" payments, Sponsor shall indicate on the closing statement for each Purchaser that closes during the delay period that Common Charges have been waived (except with respect to the two months of Common Charges collected for contribution to the Working Capital Fund). Thereafter, Sponsor shall also disclose such fact in the post-closing amendment to the Offering Plan as a benefit to subsequent Purchasers. Such amendment shall also disclose the anticipated period of delay. Prior to commencing the collection of common charges, Sponsor will notify all Unit Owners by written notice of the expiration of the delay period. Notice shall be given to owners in writing at least thirty (30) days prior to the commencement of collection of Common Charges. During any such delay period, Sponsor shall: (i) timely pay all expenses of the Condominium out of the aggregate in lieu payments, including, but not limited to, insurance premiums; (ii) pay from Sponsor's funds any reserve fund payments required by Sponsor's lenders; and (iii) remain obligated to update the budget for the Condominium, as provided in the governing regulations. Additionally, Sponsor represents that upon commencement of the collection of Common Charges, there will not be an assessment for any item set forth in the approved Budget of the Condominium. Upon commencement of collection of Common Charges, Sponsor shall disclose such fact in the next substantive amendment to the Offering Plan as a benefit to subsequent Purchasers.

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

7. The Sponsor will promptly correct any patent defects in the construction of the Building and the Units therein, or in the installation or operation of any mechanical equipment therein, due to substantially improper workmanship or materials substantially at variance with the architectural plans and specifications, provided Sponsor is notified of such defects in writing by the Unit Owner as to the Unit, or, if a Residential Unit, any Residential Limited Common Elements appurtenant to such Unit, affected within six (6) months from the date of closing of title to such Unit or, with respect to General Common Elements, Residential Common Elements, and/or Commercial Common Elements, that Sponsor is notified by the Board of Managers within six (6) months after substantial completion of

the General Common Element, Residential Common Element, and/or Commercial Common Element in question. Sponsor will also correct any latent defects in the construction of the Building and the Units therein or in the installation or operation of any mechanical equipment therein due to substantially improper workmanship or material substantially at variance with the architectural plans and specifications, provided it is notified of such defects in writing by the Unit Owner as to such Unit, or, if a Residential Unit, any Residential Limited Common Elements appurtenant to such Unit, within one (1) year from the closing of title to such Unit or is notified by the Board of Managers with respect to General Common Elements, Residential Common Elements, and/or Commercial Common Elements, within one (1) year after substantial completion of the General Common Element, Residential Common Element, and/or Commercial Common Element in question. Notwithstanding anything contained in the Offering Plan to the contrary, Sponsor shall be obligated to construct the Premises in accordance with all applicable codes, filed plans and specifications. If there are any inconsistencies between the disclaimers contained in the Offering Plan and Sponsor's obligation to construct the Premises in accordance with all applicable codes, filed plans and specifications, the latter shall control. Sponsor, in its sole discretion, shall select the method of correcting any defect. On three (3) days' notice from Sponsor, the Board of Managers and/or the Unit Owner in question shall allow Sponsor, Sponsor's contractors and/or the Managing Agent access to the Building or the Unit in question on any weekday which is not celebrated as a federal or state holiday to inspect and/or correct such defect. The quality of construction shall be comparable to local standards customary in the particular trade and in accordance with the plans and specifications.

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

Notwithstanding the foregoing, Sponsor will not be responsible for correcting or repairing any latent defects of construction or defects in the installation or operation of any appliances, equipment or fixtures with respect to which assignable warranties or other undertakings (however denoted) from contractors, materialmen, or others, are assigned to the Board of Managers or Unit Owners. **In addition, in no event shall the Sponsor be responsible for any condition resulting from (i) normal wear and tear or natural deterioration or from the normal settling or shifting of the Building, (ii) for defects of an immaterial nature, such as, without limitation, partial or total death of any trees,**

shrubs, bushes or other landscape improvements, nail pops, ridging and cracking on sheet rock walls, lumber shrinkage, door sticking or window sticking due to weather, door warpage, scratches in Formica or porcelain surfaces, bath and kitchen tile grouting, adjustment of any bi-fold or sliding doors, walls not square, electrical plates not straight, discoloration or shrinkage, slight separation between base and floor, (iii) normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks in any concrete roof pavers, or concrete cracks which do not impair the structural soundness of the Building, (iv) variations in any floor levels, (v) ceiling imperfections, (vi) minor painting defects, (vii) alignment of bathroom finishes, (viii) air infiltration from windows, (ix) normal plumbing system, heating system and air conditioning system noises, (x) normal floor noises and creaking, (xi) carpet or floor discoloring or stretching, (xii) variations in width, length or tone of wood floor strips, also, normal shrinkage or expansion of wood flooring due to changes in moisture content of wood, (xiii) repair of chips, scratches, marks, breaks or other defects in windows and window sashes, sliding glass doors, shower doors, electrical fixtures and globes, painted surfaces, sinks, tubs, basins, kitchen cabinets and countertops, vanity tops and cabinets, ceramic tile, marble floors, saddles, appliances, woodwork and doors, mirrors, hardware, appliance cabinets and flooring, (xiv) subsequent to the Unit Closing, paint touch-ups, repairs of dented appliances, or replacement of fluorescent light ballasts, (xv) cracks or variations in tone, finish or color of any marble, granite or stone used in kitchens or bathrooms or cracks, variations in tone, finish or color of vanity tops or other marble, granite or stone aggregate surfaces, (xvi) salting or color variation in exterior colored mortar and deep colored brick, (xvii) ponding and/or controlled drainage on the roof surface, or (xviii) cracks in any pressure treated wood or redwood used or intended for use outside the Building. Sponsor shall be obligated to repair only abnormally chipped stone, Formica and porcelain surfaces, which repair shall be made by grinding the stone, filling the Formica or refinishing the porcelain, but Sponsor shall not be obligated to replace such stone, Formica or porcelain surfaces.

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

Notwithstanding any provision to the contrary herein, Sponsor shall not be obligated to correct, and shall not be liable to any Purchaser as a result of, (i) any immaterial variations from the plans and specifications or the description of the Building or a Unit set forth in the Offering Plan or (ii) immaterial variations from the plans and specifications or

description of the Building or a Unit set forth in the Offering Plan which are neither in violation of applicable building codes, nor require approval of any governmental authority having jurisdiction, provided such variations are of Equal or Better Quality.

8. With regard to any model unit, which Unit or Units ("Model Unit") shall be designated by Sponsor in Sponsor's sole and absolute discretion, such Model Unit shall be delivered by Sponsor to a Purchaser thereof in "AS IS" condition, including but not limited to, normal wear and tear. Sponsor shall have no further obligations with regard to any Model Unit, except for Sponsor's warranty covering patent and latent defects as set forth in paragraph 7 above. Additionally, Sponsor shall be under no obligation to repaint or repair anything in a Model Unit, including but not limited to, refinishing the floors in a Model Unit, repairing any appliance in a Model Unit or painting any room in a Model Unit. Any Model Unit, however, shall be built in accordance with all applicable laws and codes and in accordance with the Floor Plans submitted herewith, as may be amended

9. The Sponsor represents that, until it no longer controls the Board of Managers, the Property will be maintained, repaired, cared for and operated in substantially the same condition and manner as it was on the date of the First Unit Closing, subject to strikes, lockouts, labor difficulties, acts of God, fire or other casualty, storm, riots, insurrection, inability to obtain materials, equipment or labor, governmental restrictions or any other acts over which the Sponsor is reasonably unable to exercise control. If the Sponsor is prevented from so maintaining the Property for any of these reasons other than fire or other casualty, the Sponsor will make any repairs subsequent to the First Unit Closing that it was obligated to make as of the First Unit Closing.

   As set forth in the section of the Plan titled "Effective Date," in the event casualty which cannot be repaired for cost of less than an amount equaling one half of one percent (.5%) of the Total Offering Price set forth on the front cover of the Plan, as may be amended from time to time (as estimated by an insurance adjuster retained by Sponsor), occurs prior to the First Unit Closing and the Sponsor elects not to make repairs, then the Sponsor may, at its option, abandon this Offering Plan. In such case all Purchase Agreements will be deemed automatically cancelled and Purchasers in good standing will be refunded their deposits with any interest earned thereon. Upon such refund being made, the Condominium and the Sponsor will be relieved and discharged of all liability under the Plan and Purchase Agreements.

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

   The Purchase Agreements for all Units, other than "Affected Units" (as previously defined in the section of the Plan titled "Terms of Sale"), shall remain in full force and effect and the Purchasers thereunder shall pay the full purchase price at the closing. Such Purchasers shall not be entitled to adjourn the closing nor be allowed any abatement in the purchase

price, nor credit against same, nor retain (in escrow or otherwise) any portion of such purchase price pending restoration and repair of the damage to the Building and the Affected Units.

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

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

Should Sponsor decide to make repairs to an Affected Unit, such repairs shall be done within a reasonable amount of time after the occurrence of the casualty. However, notwithstanding anything to the contrary herein, the Sponsor and/or the Condominium will in no event be liable to Purchasers under this Plan, and the Sponsor will not be liable to the Condominium, in the event of any delay in repairing the damage.

10. Sponsor shall deliver to The Board of Managers a set of as-built architectural plans upon completion of the project.

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

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

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

shall not be liable for or obligated to defend any suits, proceedings or claims arising out of any occurrence which was prior to the date of the First Unit Closing except suits, proceedings or claims arising out of acts or omissions of Sponsor.

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

13. 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.

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

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

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

17. Although it is the intent of Sponsor to sell all of the Residential Units, Sponsor does not endeavor in good faith to sell all of the Units offered hereunder in a reasonably timely manner. Sponsor shall not be obligated to make a good faith effort to sell the Residential Units to purchasers who will occupy their Units as their personal residences ("owner-occupants"). Prospective purchasers should be aware that the decision to sell, not to sell or rent any Unit shall be made by the Sponsor based upon its evaluation of market conditions and its own financial considerations and shall be in the sole discretion of the Sponsor. However, the Sponsor may not lease Units without restriction prior to Consummation of the Plan. The only permitted occupancy before the Consummation of the Plan is via an interim use and occupancy agreement signed in conjunction with a Purchase Agreement. In the event that Unsold Units are not offered for sale they may be rented at such rents as the Sponsor determines and market conditions allow. Prospective purchasers should also be aware that if the Unsold Units are not offered for sale and/or are subsequently rented, such decision by Sponsor may have an impact on the types of financing available to

purchasers, the cost of such financing, and even, perhaps, on the availability of financing. The policy of banks may vary and may involve restrictions in the types and varieties of loan terms available (such as the percentage of financing offered; fixed/variable; term of loan; verification requirements; etc.) to possible unwillingness to provide any financing. Prospective purchasers are advised to consult with their intended lenders/mortgage brokers with regard to the percentage of Units which may be held as Unsold Units, and the lender's policies with regard to same, prior to entering into a contract to purchase a Unit. The decision of Sponsor to rent Units same may continue to apply indefinitely and may have an adverse impact on the ability of a Unit Owner to resell their Unit and/or the price which they are able to obtain for the Unit.

Additionally, because the Sponsor is not limiting the conditions under which it will rent rather than sell Units after Consummation of the Plan, there is no commitment on the Sponsor's part to sell more Units than the fifteen percent (15%) necessary to declare the Offering Plan effective and as a result owner-occupants may never gain effective control of the Condominium. Further, pursuant to the terms of the Offering Plan and By-Laws of the Condominium, the Board of Managers has no right to approve or reject the sale of a Unit to a prospective purchaser and therefore there is no limit as to the number of "investor" or "non-occupant owners" of Units in the Building. However, as set forth in Article III, Section 1.(b) of the By-Laws of the Condominium which are set forth in Part II of the Offering Plan, subsequent to the date that the Sponsor, including any designee thereof, relinquishes control of the Board of Managers, all Board members, other than those members which the Sponsor or its designee have the right to designate thereunder, must be owner-occupants of the Condominium who are not related to Sponsor or the principals of Sponsor. Notwithstanding anything herein to the contrary, such owner-occupancy requirement shall not apply to those Board Members designated by the Commercial Unit Owner. In the event that the number of owner-occupants of the Condominium is insufficient to establish a majority of the Board Members, then, in such event, pursuant to the By-Laws any owner-occupant shall be entitled to one (1) seat on the Board of Managers.

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

Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on purchase financing. Such restrictions include requiring that a certain percentage of Units in a building or group of buildings be sold before a lender will consider making a loan. Thus, is may be possible for a Purchaser to experience difficulty obtaining a loan in a building or group of buildings where the Sponsor has not sold a substantial percentage of the Units in the building or group of buildings, which in

some cases may be as high as seventy percent (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 ten percent (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.

18. Sponsor and its designee(s) shall have the right, until the fifth anniversary of the First Unit Closing, to use, without charge, portions of the Building, including the Common Elements, for exhibitions, events, promotional functions, but only in connection with any sales programs for Unsold Units. Such activities will result in increased traffic and noise in the Building, and may interfere with owner-occupants' enjoyment of the Building. However, in exercising this right, Sponsor shall follow all Rules and Regulations of the Condominium, which are disclosed as an addendum to the By-Laws in Part II of the Offering Plan.

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

Sponsor's Rights of Access

(a) General

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

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

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

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

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

3) Right to show vacant or leased Units;

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

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

Sponsor's Right to Perform Alterations

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

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

Amendments to Condominium Declaration and By-Laws

Notwithstanding anything to the contrary contained herein, the Sponsor or its designees shall have the right to amend the Declaration, By-Laws and/or certificate of occupancy without the consent of the Board of Managers and/or Unit Owners provided such amendments have no material adverse effect on other Unit Owners and/or the Common Elements (except for Limited

Common Elements existing for the exclusive use of only Units owned by the Sponsor or its designees). Should such an amendment have a material adverse effect on a purchaser of a Unit in contract, Sponsor shall offer to such purchaser a right to rescind his purchase agreement pursuant to 13 NYCRR 20.5(a)(5) of the Attorney General's Regulations.

Marketing Materials

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

CONTROL BY SPONSOR

Title to all Units which have not been sold by the time of the First Unit Closing will remain with the Sponsor or its designee(s) until such Units shall thereafter be sold to bona fide purchasers. Such sales do not require a right of first refusal to the Board of Managers. Until the first annual meeting of the Condominium, the Board of Managers shall consist of three (3) persons designated by Sponsor. Accordingly, until such first annual meeting, Sponsor will have absolute voting control of the Board of Managers and will thus have control of maintenance, facilities and services to be provided, as well as determining the Common Charges to be paid by Unit Owners. Sponsor, including any designee thereof, shall relinquish voting control of the Board of Managers, if it has such control, upon the earlier of (i) the transfer of title to Units, the percentage Common Interest of which, in the aggregate, exceeds ninety percent (90%) or (ii) five (5) years after the First Unit Closing (thus ending "Sponsor's Initial Control Period"). However, Sponsor will call for the first annual meeting of the Unit Owners to elect a new Condominium Board consisting of five (5) managers, with four (4) members elected by the Residential Unit Owners (including Sponsor or its designee as to Unsold Units) and one (1) member designated by the Commercial Unit Owner (including Sponsor or its designee as to Unsold Units), within thirty (30) days after the earlier of (i) the closing of title to Units whose percentage of Common Interest, in the aggregate, exceeds ninety percent (90%) or (ii) two (2) years after the First Unit Closing. Sponsor, during the time there are Unsold Units, will have the right to, and intends to, vote the percentage of Common Interests allocated to such Units, but subsequent to its relinquishing voting control of the Board of Managers Sponsor will not use such vote to elect a particular individual to the Board of Managers which would, by the election of such individual, give Sponsor voting control of the Board. Subsequent to the expiration of Sponsor's Initial Control Period, all Board members, other than those members which the Sponsor or its designee have the right to designate pursuant to the By-Laws, must be owner-occupants of the Condominium who are not related to Sponsor or the principals of Sponsor. Notwithstanding anything herein to the contrary, such owner-occupancy requirement shall not apply to those Board Members designated by the Commercial Unit Owner. In the event that the number of owner-occupants of the Condominium is insufficient to establish a majority of the Board members, then, in such event, pursuant to the By-Laws any owner-occupant shall be entitled to one (1) seat on the Board of Managers.

As long as the Sponsor or any Sponsor-designee shall continue to own twenty-five percent (25%) of the Common Interests allocated to the Units, but in no event for a period in excess of five (5) years from the First Unit Closing, the Board of Managers may not, without the Sponsor's or Sponsor-designee's prior written consent, (i) make any addition, alteration or improvement to the Common Elements or to any Unit or (ii) assess any Common Charge for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, except that Sponsor will consent to replacements to (a) the contingency fund provided for in Schedule B of the Offering Plan for the Property to the extent that the aggregate amount of such fund does not exceed three percent (3%) of the budgeted expenses of the Condominium, and (b) the Major Capital Improvement Replacement Reserve Fund provided for in Schedule B for the Property and as required by the Federal Housing Administration and Fannie Mae guidelines, to the extent that the

aggregate amount of such fund does not exceed ten percent (10%) of the budgeted expenses of the Condominium, but subject to Sponsor's right to obtain a reserve study that may justify the reduction of the requisite percentage or (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent that existing reserves are insufficient) or (iv) increase the number or change the type of employees from that described in Schedule B of the Offering Plan or (v) provide for new or additional services from those indicated in Schedule B of the Offering Plan, unless the annual cost of all other services being provided is no greater than the total cost of those provided for in Schedule B. As long as the Sponsor or any Sponsor-designee shall continue to own a Unit the Board of Managers may not, without the Sponsor's or Sponsor designee's prior written consent, (i) amend the Declaration or By-Laws so as to in any way adversely affect the Sponsor or its designees or (ii) interfere with: the offer and sale or leasing of Units at the Property; the operations of sales or leasing offices at the Property; actions necessary for construction, renovation, repair or correction at the Property, as required by Sponsor to comply with applicable laws in construction, renovations or repair of Units. The Sponsor or Sponsor-designee shall have the right to withhold its consent to any of the foregoing actions. However, notwithstanding these restrictions, the Sponsor or Sponsor-designee shall not withhold its consent to the making of capital repairs to the Common Elements or assessment of any Common Charge for expenses required to comply with applicable law or regulation, including but not limited to any matter affecting the health and safety of occupants of the Building, to remedy any notice of violation or to remedy any work ordered by an insurer.

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

BOARD OF MANAGERS

Under the By-Laws of the Condominium, the affairs of the Condominium will be managed by a Board of Managers consisting of, other than the initial Board selected by the Sponsor, not fewer than three (3) and not more than seven (7) persons. The Unit Owners shall hold annual meetings and at each such meeting they shall elect members of the Board of Managers. Each Unit Owner, including the Sponsor or its designee, shall be entitled to cast one (1) vote for each .0001% of interest in the Common Elements attributable to their Unit(s) on all matters put to a vote at all meetings of the Unit Owners except that, when voting for the election of members of the Condominium Board, each Unit Owner: (i) shall be entitled to one (1) vote for each .0001% of Common Interest attributable to his Unit per member to be elected, and (ii) shall not have the right to cumulate his votes in favor of any one (1) or more members to be elected. If Units are owned by more than one (1) person or entity as joint tenants, tenants by the entirety or as tenants in common, the persons or entities owning said Unit shall agree among themselves and cast the votes (including Sponsor or its designee as to its Unsold Units) for their Unit.

The Board of Managers of the Condominium for the period terminating upon the earlier of (i) the closing of title to Units whose percentage of Common Interest, in the aggregate, exceeds ninety percent (90%) or (ii) two (2) years after the First Unit Closing, shall be selected by the Sponsor. During this period the Board of Managers will consist of three (3) individuals designated by Sponsor. Such individuals are anticipated to be Warren Freyer, which is Sponsor's principal, Cynthia Wu and Sebastian Freyer who are affiliates of Sponsor. These individuals will resign as members of the Board upon the termination of the aforesaid period and will call for the first annual meeting of the Unit Owners to elect a new Condominium Board consisting of five (5) Managers, with four (4) members elected by the Residential Unit Owners (including Sponsor or its designee as to its Unsold Units) and one (1) member designated by the Commercial Unit Owner (including Sponsor or its designee as to its Unsold Units), within thirty (30) days after the expiration of the aforementioned period. Thereafter, elections to the Condominium Board will be held at the regular annual meeting of Unit Owners. However, regardless of the total number of Managers, the Commercial Unit Owner (including Sponsor or its designee as to Unsold Units) shall always maintain the right to designate one (1) Manager. The calling of the first annual meeting to elect a Condominium Board does not require Sponsor to surrender control of the Board. Sponsor control provisions are set forth below. The annual meetings shall be held on or about the anniversary of the date of the first annual meeting. A special meeting of the Unit Owners shall be called by the President of the Condominium as directed by the Board of Managers or upon a petition signed by a majority of the Unit Owners having been presented to the Secretary.

Each of the members of the Condominium Board will serve until the next regular annual meeting of Unit Owners and until a successor is elected and qualified. Members of the Board of Managers, except for those members elected and/or designated by the Sponsor, to be eligible for election, must be either a Unit Owner, the principal or officer of a Unit Owner, or the spouse of a Unit Owner. Except for a member of the Board of Managers designated by Sponsor or a Sponsor-designee or the Commercial Unit Owner, Managers may be removed from office, with or

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

As long as the Sponsor or a Sponsor designee shall continue to own: (i) Units representing ten percent (10%) or more in Common Interest, allocated to the Units, the Sponsor or Sponsor-designee shall have the right to elect and/or designate at least three (3) of the five (5) members of the Board of Managers or in any event a majority of the members of the Board of Managers for up to five (5) years subsequent to the First Unit Closing; or (ii) at least one (1) Unit but less than ten percent (10%) in Common Interest, or Units representing ten percent (10%) or more in Common Interest five (5) years or more subsequent to the First Unit Closing, the Sponsor or Sponsor-designee shall have the right to elect and/or designate at least two (2) of the five (5) members of the Board of Managers and in any event the right to elect a number of members of the Board which equals one (1) fewer than a majority of the Board. 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.

As set forth in Article III, Section 1(c) of the By-Laws of the Condominium which are set forth in Part II of the Offering Plan, subsequent to the date that the Sponsor, including any designee thereof, relinquishes control of the Board of Managers, all Board members, other than those members which the Sponsor or its designee have the right to designate thereunder, must be owner-occupants of the Condominium who are not related to Sponsor or the principals of Sponsor. Notwithstanding anything herein to the contrary, such owner-occupancy requirement shall not apply to those Board Members designated by the Commercial Unit Owner. In the event that the number of owner-occupants of the Condominium is insufficient to establish a majority of the Board Members, then, in such event, pursuant to the By-Laws any owner-occupant shall be entitled to one (1) seat on the Board of Managers.

The 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, including the different types of Common Expenses to be paid by the Unit Owners, 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, if any, and generally managing or supervising the Condominium property as provided in the Declaration and By-Laws. The Common Expenses shall include such

amounts as the Board of Managers deems proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, for a reserve fund for capital replacements and to make up any deficit in the Common Expenses for any prior year. However, notwithstanding anything in the Condominium Declaration or By-Laws to the contrary, the Commercial Unit Owner will not be obligated to contribute towards any reserve fund for the repair, maintenance and/or replacement of the Residential Common Elements or Residential Limited Common Elements. The Board, in its discretion, may delegate such managerial powers as it sees fit to the officers of the Condominium. The Board of Managers is authorized to employ for the Condominium, a Managing Agent on such terms as the Board of Managers may deem proper. As set forth in the Plan, in the section titled "Management Agreement and other Contractual Arrangements", at or immediately prior to the First Unit Closing the Board of Managers shall enter into a management agreement with Rivbo, LLC, commencing on the date of the First Unit Closing at an annual fee of $7,200.00 being payable in twelve (12) equal monthly installments of $600.00.

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

The principal officers of the Condominium shall be: The President, the Vice-President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Managers. Other than an officer designated by the Sponsor, Sponsor's designee, or the Commercial Unit Owner, the President and the Vice President each must be both a member of the Board of Managers and either a Unit Owner, the principal or officer of a Unit Owner, or the spouse of a Unit Owner. Other officers need not be either a Unit Owner, principal or officer of a Unit Owner or the spouse of a Unit Owner or a member of the Board of Managers. The Board of Managers may appoint an Assistant Treasurer and an Assistant Secretary, and such other officers as in its judgment may be necessary. All officers shall serve without compensation from the Condominium. The President shall be the chief executive officer of the Condominium and shall preside at all meetings of the Board of Managers and of Unit Owners. The Vice President shall take the place of the President in his or her absence. The Secretary shall be empowered to take and keep minutes of all meetings

and to keep the books and records of the Condominium. The Treasurer shall be responsible for the funds of the Condominium and for accurately keeping the financial records and books of the Condominium. The Board of Managers, in its discretion, shall delegate such powers to the officers as it sees fit to execute agreements, contracts, deeds, leases and checks etc. on behalf of the Condominium.

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

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

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

The By-Laws of the Condominium may be modified or amended by the affirmative vote of Unit Owners owning not less than sixty-seven percent (67%) of the Units and whose percentage of Common Interest, in the aggregate, equals or exceeds sixty-seven percent (67%). However, for as long as Sponsor or its designee owns title to one or more Units, the By-Laws, including the Rules and Regulations of the Condominium, may not be amended in a manner which would adversely affect the Sponsor or its designee in any way, in the sole discretion of Sponsor or its designee, unless the Sponsor or its designee gives its written consent to such an amendment. Additionally, the By-Laws, including the Rules and Regulations of the Condominium, may not be amended or modified in any way so as to adversely affect the Commercial Unit or the Commercial Unit Owner without the prior written consent of the Commercial Unit Owner.

The Condominium Declaration may be amended by an affirmative vote at a duly held meeting by Unit Owners owning not less than sixty-seven percent (67%) of the Units and whose percentage of Common Interest equals, in the aggregate, at least sixty-seven percent (67%), provided, however, that (i) no such amendment shall adversely affect the lien of any mortgage without the written consent of the mortgagee; (ii) no such amendment may increase the percentage of Common Interests allocated to any Unit or Units without the written consent of the mortgagee of such Unit, or Units, if any; (iii) no amendment may change the percentage of Common Interests

allocated to any Unit, or Units, without the written consent of such Owner; and (iv) no amendment shall adversely affect the Sponsor or its designee or the Commercial Unit Owner, without the prior written consent of Sponsor or such designee or the Commercial Unit Owner, as the case may be.

Notwithstanding anything to the contrary contained herein, the Sponsor or its designees or Commercial Unit Owner shall have the right to amend the Declaration, By-Laws and/or certificate of occupancy without the consent of the Board of Managers and/or Residential Unit Owners provided such amendments have no material adverse effect on other Unit Owners and/or the Common Elements (except for Limited Common Elements existing for the exclusive use of only Units owned by the Sponsor or its designees or, in the case of an amendment by the Commercial Unit Owner, Limited Common Elements existing for the exclusive use of such Commercial Unit).

The Condominium may be terminated by withdrawing the Property from the provisions of the New York Condominium Act, by an affirmative vote of not less than eighty percent (80%) of Unit Owners in number and whose percent of Common Interest equals, in the aggregate, not less than eighty percent (80%). The Sponsor shall not cast the votes of any Unsold Units it holds for such withdrawal unless votes equaling eighty percent (80%) in number and of the Common Interest have been so cast or unless at least eighty percent (80%) in number and in Common Interest of all other Unit Owners have voted to terminate. If the Unit Owners vote to terminate the Condominium the Property shall be subject to an action for partition by any Unit Owner or lienor and the net proceeds of sale shall be divided among all the Unit Owners in proportion to their respective Common Interests, provided that no Unit Owner shall receive any payment until there has first been paid out of such Unit Owner’s share of the net proceeds all liens on his Unit.

RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND THE BOARD OF MANAGERS

Sale or Lease of Unit

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

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

The Sponsor also hereby reserves the right to lease a Unit to the Purchaser of said Unit prior to the conveyance of title. In addition, Sponsor reserves the right to lease Units to non-purchasers after Consummation of the Plan without limitation as to the rents to be charged therefor except such rents shall not be in violation of any applicable law. If, in fact, prior to the sale of a Unit, the Sponsor leases such Unit to any person or entity who does not purchase, the initial purchaser thereof will be purchasing a Unit that has been previously occupied. In all such cases Sponsor will deliver title to such Units at closing free and clear of any tenancy or occupancy. No amount paid as either rent or security under the lease will be credited towards the purchase price. Sponsor also reserves the right to use license agreements in lieu of or in addition to the leases. Generally, pursuant to a lease, a lessee is given exclusive possession of a demised premises for a specified term; whereas, pursuant to a license, a licensee is given permission to use a demised premises at the discretion of the licensor, and is revocable. Any prospective purchaser entering into a lease or license agreement with Sponsor is encouraged to speak with their own counsel with respect to the differences thereof.

Each purchasing Unit Owner, at the closing of title to his or her Unit, shall be required to execute an instrument in the form of that contained in Part II in the section of the Plan titled "Power of Attorney," designating the Board of Managers and their successors, as his or her attorneys in fact, coupled with an interest, for the purpose of selling, conveying, mortgaging, leasing, subleasing (but not voting the votes of) or otherwise dealing with Units acquired by the Board of Managers or their designee, on behalf of all Unit Owners.

Each Conveyance of Unit by a Unit Owner shall include, as part of the property to be conveyed, the Unit Owner's: (i) Common Interest; (ii) undivided interest in any Unit or Units acquired by the Condominium Board from Unit Owners (or the proceeds received at a foreclosure or other judicial sale of a Unit); and (iii) undivided interest in any other assets of the Condominium. In addition, title to a Unit may not be conveyed unless all unpaid Common Charges and liens against such Unit, other than mortgages placed on such Unit in compliance with the By-Laws, are paid and satisfied at or prior to closing.

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

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

No residential lease shall be entered into by Sponsor having a commencement date which is prior to the issuance of a TCO or PCO for the Building, or, alternatively, the issuance of a TCO for the Unit which permits lawful use of the leased Unit.

With the exception of the Commercial Unit, no portion of a Unit other than the entire Unit may be leased.

No assignment or transfer of an executed Purchase Agreement shall be permitted without the prior written consent of Sponsor which may be withheld for any reason. Prior to and for eighteen (18) months subsequent to, the First Unit Closing, Purchaser shall not advertise or otherwise offer, promote or publicize the availability of his or her respective Residential Unit for sale, or resell such Residential Unit ("Restriction on Resale"). This provision is to survive closing of title to the Residential Unit, and is not applicable to the Commercial Unit. However, such Restriction on Resale shall expire, and shall no longer be applicable to any Residential Unit once Sponsor has sold all of its Unsold Residential Units. Any purported sale or lease of a Residential Unit in violation of this provision shall be voidable at the election of the Sponsor or its designee, as the case may be.

Severance of Ownership Prohibited

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

Right of First Refusal; Units Acquired or Leased by Board of Managers

In administering the right of first refusal granted to the Board of Managers with respect to any sale or lease of a Unit not owned by Sponsor or its designee or the Commercial Unit Owner,

the Board shall be required to exercise such rights, if at all, within twenty (20) days of its receipt of written notice from a Unit Owner of the Unit Owner's intention to sell or lease the Unit to a bona fide grantee or lessee. Notice of the decision to exercise or waive such right must be given to the Unit Owner within five (5) days after the exercise of such decision and in any event within said twenty (20) day period by certified or registered mail. Failure of the Board to either exercise such right or to give notice of the exercise of such right within the time periods provided above shall constitute a waiver of the right of first refusal.

In the event the Board does exercise its right of first refusal, the acquisition or lease of the Unit may be made from the working capital and Common Charges or, if such funds are insufficient, the Board of Managers may assess each Unit Owner, other than the offering Unit Owner, in proportion to each Unit Owner's percentage of Common Interest or may borrow money to finance such acquisition. The sole security which may be given for any funds so borrowed is the Unit to be acquired. The Board of Managers may also assess each Unit Owner, as provided above, for the cost of paying the Common Charges or rent and the maintenance of such Unit. In the event any Units are acquired or leased by the Board of Managers the title or lease shall be held by the Board on behalf of all Unit Owners in proportion to their percentage of Common Interest and any sale or lease of such Unit shall be made by the Board on behalf of all Unit Owners in proportion to their percentage of Common Interests. Such Unit, while owned or leased by the Board of Managers, may be used for any purpose for which it could be used by an individual Unit Owner. In no event, however, may the Board of Managers at any meeting of Unit Owners vote the votes appurtenant thereto.

Mortgage of Units

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

Easements and Right of Access

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

Use of Units

The Residential Units shall be used only for general residential use (Use Group 2), except that a Residential Unit Owner may use his Residential Unit for any home occupation use permitted under applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction. Such Residential Units may also be used as professional offices by a resident thereof provided such professional use does not violate any zoning law and ordinances and provided further, that the prior written consent of the Board of Managers to such professional use is obtained. In the event that any Residential Unit shall be used for home occupation or professional purposes in conformity with the Declaration and the By-Laws, no patients, clients, or other invitees shall be permitted to wait in any public hallway. No illuminated or other sign may be used in connection with the aforementioned use, excepting only a professional sign, non-illuminated, not larger than the size permitted by the Board of Managers.

Notwithstanding the foregoing, the Sponsor or Sponsor-designee shall have the right, without charge, (i) to maintain general and sales offices in one or more Units or elsewhere on the Property, to use one or more Units as models and for other promotional purposes and to erect and maintain signs on the Property; (ii) to have its employees, contractors and sales agents present on the Property; (iii) to do all things necessary or appropriate, including the use of the Common Elements, to sell or lease Units and to comply with its obligations.

A Residential Unit may only be occupied by: (i) any individual who is a Residential Unit Owner or permitted lessee; (ii) any officer, director, shareholder or employee of any corporation which is a Residential Unit Owner or permitted lessee; (iii) any partner or employee of any partnership which is a Residential Unit Owner or permitted lessee; (iv) any member or employee of any limited liability company which is a Residential Unit Owner or permitted lessee; (v) the fiduciary or beneficiary or employee of any fiduciary which is a Residential Unit Owner or permitted lessee; (vi) any principal or employee of any other entity (including, but not limited to, embassies and consulates of foreign governments) which is a Residential Unit Owner or permitted lessee; provided that in each instance in clauses (ii) through (vi) above: (A) the designated officer,

director, shareholder, partner, member, fiduciary, beneficiary, principal or employee is designated as the primary occupant of the Residential Unit and is not being designated to use the Residential Unit on a transient basis or as other than the primary occupant; and (B) such use is not, in fact or in effect, part of or in furtherance of a program, plan, entity, agreement or other arrangement providing for short-term, fractional or shared use and/or ownership of such Unit; and (vii) family members, domestic employees and/or non-paying guests of the foregoing.

The following spaces are not intended for sleeping or living purposes, which uses are not permitted under, and could result in a violation issued pursuant to, the Building Code, which shall be the obligation of the offending individual Unit Owner to remove: (i) in Units 2, 5, 7 the recreation rooms; and (ii) in Unit PH, the mezzanine level.

The Commercial Unit may be used for any legal use permitted by the Zoning Resolution of the City of New York, as amended (the "Zoning Resolution"), or other applicable laws.

No sale, lease or sublease or use of all or any portion of the Commercial Unit shall be deemed to adversely affect the Residential Units. The Board of Managers does not have the right to approve or change the use of the Commercial Unit, or any part thereof, or to apply for or cause any amendment to the Building's certificate of occupancy to authorize a different use, except at the request or direction of Sponsor, a Sponsor-designee, or the Commercial Unit Owner, as applicable.

The Commercial Unit Owner, and any tenant or tenants of the Commercial Unit pursuant to the terms of any lease pertaining thereto, shall have the right, without charge or limitation, and without the consent of the Board of Managers to install, repair, replace and maintain either within or in the immediate location of the Commercial Unit at the first floor level and on the sidewalk adjacent to the Commercial Unit's entrance or entrances, a sign or signs, which may be illuminated, including neon, flags, banners, lettering, fixtures or decorations of any size, material or content, for advertising or identification purposes. Additionally, the Commercial Unit Owner, and any tenant or tenants of the Commercial Unit pursuant to the terms of any lease pertaining thereto, shall have the right, without charge or limitation and without the consent of the Board of Managers to install, or erect, repair, replace and maintain in the immediate location of the Commercial Unit at the first floor level, but not to interfere with the entrance of any other Unit or to the Building, a canopy and/or awning for advertising or identification purposes or an automatic teller machine ("ATM") to be used in conjunction with the use of the Commercial Unit. The Commercial Unit Owner and any tenant of space in the Commercial Unit shall comply with all of the laws, orders, rules and regulations of the governmental authorities if applicable, having jurisdiction thereof, including zoning laws, building codes and as required by insurance underwriters. The Commercial Unit Owner or its tenant shall obtain and pay for all permits required for such signs, canopies, awnings, or ATM and/or any necessary renewal fees related thereto.

The residential storage room, which is located at the cellar level of the Building, may only be used for storage which is accessory to the Residential Units' use, including the storage of personal effects of the Residential Unit Owner, provided that no stored article or material that shall pose a threat to the health or safety of the Unit Owners or other occupants or tenants of the Building

or shall otherwise create a nuisance shall be permitted to be brought into or stored in said storage room by any Residential Unit Owner.

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

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

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

In order to promote a consistent appearance of the Building from the outside, each Residential Unit Owner will be required to install and maintain window treatments having a neutral-colored backing on windows which face First Street. Such window treatments and backings must conform to specifications, including as to color, established from time to time by the Board of Managers. No window decorations shall be used in or about any Residential Unit, except such as shall have been approved in writing by the Board of Managers or the Managing Agent, which approval shall not be unreasonably withheld or delayed. In no event, however, shall any exterior glass surfaces of any windows at the Property, excluding the glass surfaces of any windows in the Commercial Unit, be colored or painted.

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

compliance with all applicable laws relating to the requirement of installing window guards in the Unit. Notwithstanding anything above to the contrary, a Unit Owner must notify the Board of Managers in writing when a child or children under the age of eleven (11) years lives or resides (even temporarily) in the Unit. In addition, the Residential Unit Owner shall install at the Residential Unit Owner's own expense, the required window guards, as previously approved by the Board of Managers, in all windows of the Unit and shall not remove them until permitted by applicable law and in any event, without the full knowledge of the Board of Managers.

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

No plantings shall be permitted on any exterior surface of the Building adjacent to a Unit without the prior written consent of the Board of Managers.

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

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

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

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

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

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

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

Except as provided in the Declaration and By-Laws of the Condominium, no radio or television aerial shall be attached to or hung from the exterior of the Building without written approval of the Board of Managers. The Board of Managers, upon the request of any Unit Owner,

shall allow the installation of any hook-up necessary to provide cable television service to the Units.

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

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

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

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

No Unit Owner shall interfere in any manner with any portion of the lighting apparatus which is part of the Common Elements and not part of the Unit Owner's Unit, except that the Owner of the Commercial Unit may install and use extra equipment in the risers and conduits servicing the Building so long as such Unit Owner reimburses the Board of Managers for the actual costs attributable to such installation and use.

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

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

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

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

No Unit shall be used or be occupied in such manner as to obstruct or interfere with the enjoyment of occupants or owners of adjoining Units; nor shall any nuisance or immoral or illegal

activity be committed or permitted to occur in or about any Unit or upon any part of the Common Elements.

Certain parts of the Common Elements are intended for use for the purpose of affording pedestrian movement within the Condominium and of providing access to the Units. No part of the Common Elements shall be obstructed as to interfere with its use for the purposes hereinabove recited; nor shall any part of the Common Elements be used for general storage purposes except for the residential storage room, and maintenance storage, unless 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, except if a use of any Commercial Unit shall increase the rate of hazard and liability insurance for such area and improvements situated thereon, the Owner of such Commercial Unit shall pay the increase.

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

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

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

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

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

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

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

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

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

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

The use of the residential storage room at the cellar level of the Building, by any of the Residential Unit Owners shall be subject to any and all restrictions and/or regulations established by the Board of Managers in its sole discretion. Further, the Board of Managers reserves the right, in its sole discretion, to establish usage fees for certain Building amenities, including, but not

limited to, the bicycle storage area (which, with an approximate capacity of fourteen (14) bicycles, is anticipated to be available for use on a first-come-first-served basis); however, such usage fees shall be based upon the cost of maintenance and operation of the applicable areas.

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

Unit Owners will faithfully observe the following procedures with respect to the use of the compactor: (1) wrap dust, floor and powdered waste in compact packages before depositing the same; (b) thoroughly drain and wrap in paper all garbage before depositing the same; (c) refrain from forcing large bundles into the chute; (d) crush into tight bundles all loose papers before placing the same in the hopper door; (e) deposit all bundles of waste into the hopper; and (f) refrain from depositing waste of an explosive nature therein.

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

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

No person may carry or smoke any kind of lighted pipe, cigar, cigarette, tobacco, cannabis or any other lighted smoking apparatus, equipment or product, including but not limited to electronic cigarettes (collectively, "Smoking Apparatus"), in any area of the Building, whether indoor or outdoor, at any time. For clarification of doubt, smoking shall be prohibited in all common areas of the Building as well as in all Units and Limited Common Elements appurtenant thereto, including any private terrace and/or balcony. In addition, no person may smoke or otherwise burn any Smoking Apparatus within twenty-five (25) feet of any outside entrance to the Condominium or within twenty-five (25) feet of any outdoor air intake or operable window opening into the common areas or any of the Units.

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

such consent or approval may, in the discretion of the Condominium Board or the Managing Agent, be conditional in nature.

The Rules and Regulations of the Condominium are set forth in Part II of this Offering Plan as an addendum to the By-Laws. The Rules and Regulations govern the use of the Units and Common Elements and may be amended from time to time by the Board of Managers. However, no amendment of the Rules and Regulations shall be applicable to any Unsold Unit unless agreed to by Sponsor or a Sponsor-designee, as the case may be, or to the Commercial Unit unless agreed to by the Commercial Unit Owner.

Determination of and Liens for Non-Payment of Common Charges

Each Unit Owner shall have an obligation to pay Common Charges, Assessments and Special Assessments or other expenses when due. Common Charges shall include: (i) as to all of the Unit Owners, the Shared Common Expenses; (ii) as to the Commercial Unit Owner or, in the event the Commercial Unit is subdivided into two (2) or more Commercial Units, the Commercial Unit Owners, the Commercial Common Expenses; and (iii) as to the Residential Unit Owners, the Residential Common Expenses. The Common Expenses anticipated for the First Year of Condominium operation are set forth in "Schedule B, Projected Budget For First Year Of Condominium Operation Commencing July 1, 2022" herein and further defined in the footnotes thereto, and for each Unit, shall be determined by multiplying such Unit's Percentage Common Interest or Contributing Share, as may be applicable, by the total annual net expenses incurred or anticipated to be incurred for the items listed in Schedule B herein, as they may be applicable to a particular class of Units, together with the expense of any special repairs, major capital improvements or other expenses deemed by the Board of Managers to be a part of the Common Expenses and to be paid as Common Charges, all in accordance with Article VI, Section 1 of the By-Laws of the Condominium. Common Charges will be established on an annual basis and be paid in equal monthly installments, due and payable on the first day of each month. The Board of Managers may, in accordance with Article VI, Section 1 of the By-Laws, impose Assessments as it deems necessary, to meet unanticipated or extraordinary expenses, including, but not limited to, expenses incurred for major capital improvements. The Assessment to be paid by each Unit Owner shall also be determined in accordance with the Unit Owner's percentage of Common Interest and/or Contributing Share, whichever is applicable. A Special Assessment with respect to repair or reconstruction after a fire or other casualty, as set forth in Article VI, Section 3 of the By-Laws, is also determined in accordance with the Unit Owner's percentage of Common Interest and/or Contributing Share, whichever is applicable. However, notwithstanding anything in the Condominium Declaration or By-Laws to the contrary, the Commercial Unit Owner will not be obligated to contribute towards any reserve fund for the repair, maintenance and/or replacement of the Residential Common Elements or Residential Limited Common Elements.

Under the provisions of Section 339-z of the Real Property Law of the State of New York, the Board of Managers on behalf of the Unit Owners will have a lien on each Unit for unpaid Common Charges assessed by the Board of Managers. Such lien will be subordinate only to liens for real estate taxes on the Unit and to any sums unpaid on a first mortgage of record thereon. Any

lien for unpaid Common Charges against a Unit shall be effective from and after the filing of notice thereof in the Register of the City of New York, County of 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.

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

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

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

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

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

a lien against the Unit Owner's Unit, instituting foreclosure proceedings and filing suit against a Unit Owner.

Repairs

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

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

All maintenance, repairs and replacements to the General Common Elements as defined in the Declaration, and the painting and decorating of the exterior side of Unit entrance doors and Unit windows shall be made by the Board of Managers and be charged to all the Unit Owners as a Shared Common Expense, excepting to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner. Maintenance, repair and replacements in or to the Limited Common Elements as defined in the Declaration will be performed (i) by the Board of Managers as a Residential Common Expense, if such Limited Common Element is a Residential Common Element for the exclusive use of all of the Residential Unit Owners and whether or not it involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, the repair of any leaks, in the roofs of the Building or elsewhere, that are not caused by the acts or omissions of a Unit Owner, having direct and exclusive access thereto), or (ii) in the event the Commercial Unit is subdivided into two (2) or more Commercial Units, by the Board of Managers as a Commercial Common Expense, if such Limited Common Element is a Commercial Common Element for the exclusive use of two (2) or more Commercial Unit Owners and whether or not that it involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, repairs that are not caused by the acts or omissions of a Commercial Unit Owner, having direct and exclusive access thereto), or (iii) by the individual Unit Owner, whether a Residential Unit Owner (involving a Residential Limited Common Element) or the Commercial Unit Owner, having direct and exclusive access thereto at his or their sole cost and expense, if involving nonstructural, ordinary maintenance, repairs or replacements, or (iv) by the Board of Managers at

the sole cost and expense of the individual Unit Owner, whether a Residential Unit Owner (involving a Residential Limited Common Element) or the Commercial Unit Owner, having exclusive use of such Limited Common Element if involving structural or extraordinary maintenance, repairs or replacements, or (v) at the election of the Board of Managers, by the Board of Managers or the individual Unit Owner, but at the sole cost of such Unit Owner or Owners, where such maintenance, repair or replacements result from the Unit Owner's negligence, misuse or neglect. The City of New York has no responsibility to maintain the Common Elements of the Condominium.

The Board of Managers and Managing Agent shall have a right of access to any Unit for the purpose of making any repairs or replacements to any of the Common Elements contained in such Unit or elsewhere in the Building, or to remedy any condition which would result in damage to any other Unit or to the Common Elements, or which would violate the provisions of any mortgage encumbering another Unit, or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not.

Additions, Alterations and Improvements

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

approval shall further provide that the Unit Owner shall reimburse the Board of Managers for any out-of-pocket expenses incurred by the Board of Managers in connection with the granting of such approval and in connection with any services provided to such alteration. Such expenses may include, but shall not be limited to, any fees of an attorney and/or fees of an architect/engineer consulted in connection with the request by a Unit Owner for approval of a structural alteration.

If at the time a Unit Owner seeks to perform alterations to his or her own Unit, a PCO is not issued for the Building, the Unit Owner, prior to commencing any alteration, must obtain the consent of the Sponsor or its designee, which consent shall be at the sole and absolute discretion of Sponsor or its designee. The Sponsor or its designee may refuse to permit a Unit Owner to perform alterations in a Unit until such time as the Building has been completed and a PCO has been obtained therefor. In furtherance thereof, a Unit Owner, who has been granted the consent by the Sponsor or its designee, to perform alterations shall indemnify Sponsor or its designee for any cost, expense, claim or liability incurred or suffered by Sponsor or its designee as a result of any violation of Law or delay in obtaining a TCO or PCO caused by alterations made by such Unit Owner. Nevertheless, the obligation to obtain the PCO remains with Sponsor and its principals. In the event the alterations performed by a Unit Owner do adversely affect the issuance or validity of the certificate of occupancy, then upon the written request of Sponsor or its designee, the Unit Owner shall restore the Unit, at such Unit Owner's sole cost and expense, to its original condition. If such Unit Owner fails to commence diligently and continuously, restoring the Unit within fifteen (15) days of receipt of the written request, then the Sponsor or its designee, as the case may be, requesting such restoration shall be entitled to enter and restore the Unit at the expense of the Unit Owner and to exercise any other remedies provided in the By-Laws.

The Board of Managers and/or the manager or managing agent shall have a right of access to any Unit for the purpose of inspection, making any repairs or replacements to any of the Common Elements contained in such Unit or elsewhere in the Building, remedying any condition which would result in damage to any other Unit or to the Common Elements, or which would violate the provisions of any mortgage encumbering another Unit, or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof, or to cure any defaults by a Unit Owner or for any other purposes permitted by the By-Laws.

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

Insurance

The Board of Managers shall be required to obtain and maintain the following insurance: Fire insurance with extended coverage, insuring the Building, including all of the Units and all fixtures installed therein by the Sponsor and any property customary to the servicing and general occupancy, (but not including furniture, furnishings, equipment or other personal property supplied or installed by Unit Owners), together with all service machinery contained therein and covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as their interest may appear, in an aggregate amount to be determined by the Board of Managers but in no event to be less than the greater of the agreed upon replacement cost of the Building, including the above noted items, but exclusive of footings and foundations and without deduction for depreciation, as approved by a fire insurance company or a qualified insurance broker or the amount of insurance necessary to avoid the effects of co-insurance. All such policies shall provide that adjustment of loss, if over $100,000.00, shall be made by the Board of Managers with approval of the Insurance Trustee, if any. Additionally, the net proceeds of such adjustment, if $100,000.00 or less, shall be payable to the Board of Managers, and if more than $100,000.00 shall be payable to the Insurance Trustee, if any, to be applied for the purpose of repairing, restoring or rebuilding the Building unless otherwise determined by the Unit Owners. At the First Unit Closing, the fire insurance coverage of the Building shall be $8,000,000.00. Said coverage shall be maintained while Sponsor is in control of the Board of Managers.

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

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

All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro-rata liability of the insurer as a result of any insurance carried by Unit Owners or of the invalidity arising from any acts of the insured or any Unit Owners, and shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days prior written notice to all of the insured, including all mortgagees of Units. The standard mortgagee loss payable clause shall be attached to all policies.

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

The Board of Managers shall also obtain and maintain to the extent obtainable: (i) worker's compensation insurance and disability benefits insurance for Condominium employees, if any; (ii)

public liability insurance covering each member of the Board of Managers and each Unit Owner in such limits as the Board of Managers may deem proper, and covering all claims for bodily injury or property damage arising out of any occurrence in the Common Elements or the Units, except that such policy will not cover liability of a Unit Owner arising from occurrences within his own Unit; and (iii) such other insurance coverage, including, but not limited to, boiler and machinery insurance and elevator collision insurance, that the Board of Managers shall deem appropriate for the Condominium. The Board of Managers shall review such limits once each year. The public liability insurance will also cover cross-liability claims of one insured against another. Until the first meeting of the Board of Managers elected by the Unit Owners the public liability insurance will be in a limit of at least $1,000,000.00 per occurrence and $2,000,000.00 in the aggregate covering all claims for bodily injury and property damage with respect to any one occurrence.

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

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

The insurance policy for the Condominium obtained by the Board of Managers should require the insurer to notify in writing the Board of Managers (or insurance trustee) and each first mortgage holder named in the mortgage clause at least ten (10) days before it cancels or substantially changes the Condominium's coverage.

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

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

In the event of a fire or other casualty in which 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.

Notice of Meetings; Reports to Unit Owners

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

Review of Real Estate Tax Assessments

It shall be the responsibility of the individual Unit Owners, at their sole cost and expense, to review the real estate tax assessments of their Units and, if they so desire, to take any steps necessary to review and/or challenge such assessments. Notwithstanding the foregoing, if proceedings are pending for the reduction of real estate taxes on the land and building for the tax year in which the First Unit Closing occurs, the Condominium will continue such proceedings with the attorney previously employed by the Sponsor. Sponsor shall have the sole right to negotiate and settle all claims in connection with said proceedings. The cost of such proceedings, including legal fees, and (in the event taxes are reduced) any refund shall be apportioned between the Sponsor and the respective Unit Owners according to the ownership of the Property during respective portions of the tax year. Any refund attributed to a Unit, and all apportioned expenses incurred in connection with obtaining such refund, shall belong to and be incurred by the Unit Owner receiving said refund. Any refund covering a period prior to the First Unit Closing and all

expenses incurred in connection with the obtaining of such refund, shall belong to and be incurred by the Sponsor alone.

Miscellaneous

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

REAL ESTATE TAXES

Each Unit will be taxed as a separate tax lot for real estate tax purposes. No Unit Owner will be responsible for the payment of, nor will his or her Unit be subjected to, any lien arising from the non-payment of real estate taxes on other Units. The City of New York subdivides tax lots into separately assessed lots as of July 1st of every year. Accordingly, depending upon when the Declaration and By-Laws are recorded, there can be a delay of up to a year and several months until a separate assessment can be obtained.

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

In the event the Units have not been separately assessed as independent tax lots at the First Unit Closing, Sponsor shall place in escrow at such time an amount equal to the unpaid real estate taxes for the unsold Units for the shorter period of (i) six (6) months from the First Unit Closing or (ii) the period from the First Unit Closing until the Units are separately assessed. The amount of such escrow established, if any, shall be disclosed in the post-closing amendment. Sponsor will pay the real estate taxes from this escrow account as they become due and payable. However, at Unit closings individual purchasers shall (i) adjust real estate taxes with the Sponsor from the midnight preceding the date of the Unit closing through the end of the tax period within which the closing date occurs and (ii) place in escrow with Escrow Agent an amount equal to the unpaid real estate taxes for six (6) months from the Closing Date. If no separate Unit apportionment has yet occurred, such adjustment shall be on the basis of the percentage of Common Interest attributable to such Unit. If a subsequent adjustment need be made when the tax lots are apportioned to correct any discrepancy between the adjustment on the basis of actual apportionment, it shall be made at that time. Should tax lots not be apportioned by the end of the tax period in which a Unit closing occurs, Sponsor shall be entitled to reimbursement from the Unit Owner for taxes as they are paid. Such reimbursement shall be per such Unit Owner's percentage of Common Interest. Notwithstanding anything to the contrary herein, Sponsor shall have the sole and absolute discretion to elect, in lieu of establishing at the First Unit Closing the real estate tax escrow described immediately hereinabove, to cause the Board of Managers (for so long as Sponsor controls the same), pursuant to Article VI Section 17 of the By-Laws, to charge each Unit Owner, as a Common Charge, its respective pro rata share (on the basis of the percentage of Common Interest attributable to such Unit) of all real estate taxes with respect to the Property, until the Units have been separately assessed for real estate tax purposes.

After the Condominium is divided into individual tax lots, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will not be responsible for the

payment of, nor will the Unit be subject to, any lien arising from the non-payment of taxes on other Units.

The Sponsor's estimate of the project real estate taxes for the Units to be levied by New York City during the First Year of Condominium operation is based on an estimate provided by The Mazursky Group, Inc., 42 Broadway, Suite 1744, New York, NY 10004 ("The Mazursky Group"), set forth in Part II of the Plan, and information available to the Sponsor at the date of this Plan.

NO REPRESENTATION OR WARRANTY IS MADE AS TO THE AMOUNT OF THE ASSESSED VALUATION OF THE PREMISES OR AN INDIVIDUAL CONDOMINIUM UNIT OR THE TAX RATE THAT WILL BE IN EFFECT AT ANY TIME OR THE AMOUNT OF REAL ESTATE TAXES WHICH WILL BE DUE. There is also no assurance that the New York City property taxing authority will allocate taxes among the Residential Units in direct proportion to each Residential Unit's percentage of Common Interest as it bears to the aggregate percentage of Common Interest of all Residential Units. If they are not so allocated, Unit Owners having the same Common Interests may pay different amounts of real estate taxes.

There are no tax certiorari proceedings affecting the Property pending as of the date of filing of this Offering Plan. A Unit Owner who feels that the assessed valuation for his or her Unit is excessive, shall have the right to apply directly to the appropriate municipal agency or court for review of such assessed valuation. Such proceedings shall be at the sole cost and expense of the Unit Owner electing to undertake the same and the results from such proceedings may or may not affect the assessed valuation of any other Unit which is not the subject of such proceeding.

The Condominium Board, if necessary, will execute any documents and papers required for such proceedings, provided that: (a) the Unit Owner indemnifies the Condominium Board against all claims, cost and expenses (including attorneys' fees and disbursements); (b) the Condominium Board has not already commenced such proceeding on behalf of all Unit Owners; and (c) such Unit Owner is current on all his or her Common Charges and Special Assessments.

The Condominium Board is authorized to act as agent for Unit Owners (who have given appropriate written authorization) to commence, pursue and settle proceedings to reduce real estate tax assessments on behalf of such Unit Owners. Any Unit Owner authorizing the Condominium Board to act on his or her behalf shall indemnify the Condominium Board against all costs, claims and expenses (including attorneys' fees) resulting from such proceedings.

Neither the Sponsor, nor any other party associated with this offering makes any assurance, representation or warranty that such application for review, if undertaken, shall result in a modification of the tax assessment, or if such modification is granted, as to the amount thereof.

The projections of real estate taxes due for each of the Units set forth in Schedule A, located in Part I of the Plan, for the anticipated First Year of Condominium operation and the projected real estate tax assessment upon one hundred percent (100%) completion of the Sponsor's

construction of the Building, are estimates only. These estimates may vary due to future changes in the assessment guidelines and procedures of the Department of Finance of the City of New York and future increases in the tax assessments and rates for the City of New York. In the event such projections for real estate taxes increase due to future changes in the assessment guidelines and procedures of the Department of Finance of the City of New York and future increases in the tax assessments and/or rates for the City of New York, Sponsor shall amend the Plan to set forth the revised estimates. **HOWEVER, SAID AMENDMENT SHALL NOT AFFORD ANY PURCHASER THE RIGHT TO RESCIND HIS OR HER PURCHASE AGREEMENT**.

As stated above, Sponsor's projection of real estate taxes for all of the Units for the First Year of Condominium operation is based, in part, upon a projection by The Mazursky Group, which estimated the actual total assessed valuation of the entire Property as of the First Year of Condominium operation, assuming one hundred percent (100%) completion of renovation and construction prior to the January 5, 2022 taxable status date for the 2022/2023 tax year.

See the "Notes to Schedule A," located in part I of the Plan and the "Estimate of Post-Construction Assessment" set forth in Part II of the Plan for further details in this regard.

Veteran Property Tax Exemption

In accordance with Section 458(a) of the New York State Real Property Tax Law, a Unit Owner who is also a qualified veteran, the spouse of qualified veteran or the unmarried surviving spouse of a qualified veteran may be entitled to an exemption on the general municipal portion of their real estate taxes.

INCOME TAX DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF CONDOMINIUM

A Unit Owner will own his or her Unit and its appurtenant Common Elements in fee simple absolute and each Unit will be a separate tax lot for purposes of New York City real estate taxes and assessments. Since each Unit Owner owns his or her Unit in fee simple absolute, he or she may mortgage his or her Unit and become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness.

As fully set forth in the tax opinion by D'Agostino, Levine, Landesman, Lederman & Rivera, LLP, counsel to the Sponsor ("Sponsor's Counsel"), in Part I of this Plan (the "Tax Opinion"), under present law, a Residential Unit Owner will, for Federal income tax purposes, be entitled to a deduction for mortgage interest and real estate taxes in the year paid under sections 163 and 164.* These deductions are subject, however, to certain exceptions and limitations that are more particularly discussed in the Tax Opinion. These deductions may also affect an individual Residential Unit Owner's liability for the alternative minimum Federal income tax. Each individual Residential Unit Owner will, for New York State and New York City income tax purposes, be entitled to similar deductions for the mortgage interest and real estate taxes paid during the taxable year. It is the opinion of Sponsor's Counsel that a Residential Unit Owner who itemized his deductions and whose Unit is used by him for residential purposes will, for Federal income tax purposes, be entitled to a deduction limited to $10,000.00 ($5,000.00 in the case of a married individual filing a separate return) for real estate taxes incurred with respect to his Unit in the year paid under section 164. The Federal limitation on the deduction for real estate taxes applies in the aggregate to state and local income taxes paid as well. Thus, the maximum amount a Residential Unit Owner may deduct for real estate taxes and state and local income taxes combined is $10,000.00 ($5,000.00 in the case of a married individual filing a separate return). Though the foregoing limitation is in effect as of the date of filing of the Offering Plan, neither Sponsor nor Sponsor's Counsel make any representation as to whether the same will be in effect, or what the Internal Revenue Code or state or local tax code will provide, at any time in the future, as such applicable law is subject to change without notice.

Once the Building is converted to condominium ownership, the affairs of the Condominium will be governed by a Condominium Board. Common Charges will be borne by all Unit Owners and assessed and collected by the Condominium Board. Under present law, the exact tax status of the Condominium Board is uncertain and no opinion has been rendered with respect to it. The Federal income tax consequences to the Condominium Board with respect to the receipt of the Common Charges and of the expenditure of Condominium funds will depend on whether the Condominium Board:

(i) is treated as a conduit,

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*All section references are to the Internal Revenue Code of 1986, as amended, unless otherwise indicated.

(ii) qualifies and elects to be taxed under section 528, or
(iii) is treated as a corporation.

If the Condominium Board is treated as a conduit, it will not be subject to tax. Rather, items of income, expenses, credits and deductions will be attributed to each Unit Owner in proportion to his Common Charges. Thus, for example, interest earned on funds reported by the Condominium Board would be taxed to the Unit Owners. There appear to be no judicial precedents directly supporting such treatment and the position of the Internal Revenue Service (the "Service"), which is described more fully below, appears to be that a condominium management association is an association taxable as a corporation.

If it satisfies the requirements of section 528, the Condominium Board may elect to be exempt from Federal income tax on the Common Charges. Generally, those requirements are:

(i) The condominium management association must be organized and operated solely to provide for the acquisition, construction, management, maintenance, and care of association property;

(ii) Sixty percent (60%) or more of the gross income of the condominium management association for the taxable year must consist of assessments from residential unit owners ("Exempt Function Income");

(iii) Ninety percent (90%) or more of the expenditures of the condominium management association for the taxable year must be for the acquisition, construction, management, maintenance, and care of the condominium management association's property;

(iv) No part of the net earnings can inure to the benefit of private individuals other than by the acquisition, construction, management, or maintenance of the condominium management association's property or by rebates of excess assessments;

(v) The condominium management association must annually elect to be treated as a condominium management association; and

(vi) Substantially all (at least eighty-five percent (85%)) of the square footage of the units must be used for residential purposes.

Under the Treasury regulations issued pursuant to section 528, a condominium management association must qualify annually for the election under section 528, and additionally, it must make a separate election for each taxable year. Accordingly, the ability of the Condominium Board to elect the benefits of section 528 will depend on the particular facts and circumstances prevailing in the taxable year at issue.

A condominium management association meeting the requirements of section 528 and electing to be exempt from Federal income tax on Exempt Function Income would be taxable at a

rate of thirty percent (30%) on the amount by which its other income exceeds the amount of allowable deductions that are directly connected with the production of such income. Such an association, however, would not be allowed certain deductions that are available to corporations that are not taxable under section 528.

If the Condominium Board either cannot qualify (and for the purposes of the Plan, Sponsor has assumed that it will not qualify) or chooses not to elect the benefits of section 528, certain published rulings of the Service implicitly state that a condominium management association will be treated as an association taxable as a corporation. Consequently, unless a valid election pursuant to section 528 has been made, it appears that the Condominium Board would be taxable on that portion of the Common Charges which exceeds the deductible expenses paid or incurred by the Condominium Board for the operation of the Condominium property. The Condominium would also be taxable on income derived from the interim investment of the Common Charges, on income from non-residential leases of Common Elements, and on income from the operation of facilities that are available to outsiders, net of deductible expenses related to the production of such income.

If the Condominium is treated as a corporation for Federal income tax purposes, the Condominium Board might still contend that a portion of the Common Charges that it receives should not be includible in its gross income. For example, published rulings of the Service indicate that assessments collected by a condominium management association and expressly designated for use for specified capital improvements that are owned in common, and which are not commingled with funds collected for operating expenses or as contingency reserves, should not be included in the gross income of a condominium management association. No part of such an assessment may, however, be expended by the condominium management association for the benefit of an individual owner.

In addition, in connection with assessments for ordinary operating expenses, such as the Common Charges, a condominium management association may not have any taxable income if the expenses of the condominium management association with respect to managing, operating, and replacing the Common Elements of the Condominium either equal the assessment or any excess amount is annually returned to unit owners or applied to the next year's assessment. Based on the facts in existence at the present time, it appears that the Condominium Board is unlikely to have a substantial amount of income other than the Common Charges.

If section 528 is not applicable, moreover, the Service has noted that a condominium management association may be eligible for the tax treatment afforded to certain cooperatives under Subchapter T of the Code. However, there is very little guidance with respect to the applicability of these provisions to an association managing residential condominium units since generally only farming cooperatives avail themselves of these provisions.

If the Condominium Board makes additional assessments to cover the amounts of any Federal, New York State, or New York City tax liability incurred, such additional assessments may also be taxable to the Condominium.

The Sponsor's counsel have not opined whether the Condominium will or will not qualify as a "Condominium Management Association" under Section 528 of the Internal Revenue Code of 1986, as amended, and for the purposes of the Plan have assumed that it will not qualify. Therefore, the possible income tax consequences to the Condominium of not qualifying as a "Condominium Management Association" has been set forth as a special risk of the offering of the Units hereunder. An estimate of the possible income tax due from the Condominium is not included as a projected expense in Schedule B of the Plan.

The foregoing summary is for informational purposes only and Sponsor's counsel expresses no opinion with respect to the likelihood of which method of taxation will be applied to the Condominium.

EACH PURCHASER SHOULD CONSULT HIS OR HER OWN TAX COUNSEL AS TO THE TAX CONSEQUENCES OF THE PLAN AND OF RESIDENTIAL UNIT OWNERSHIP.

DLPARTNERS

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COUNSEL'S INCOME TAX OPINION LETTER

February 24, 2022

The Board of Managers of
Acacia 118 Condominium
118 East 1st Street
New York, New York 10009

Re: **Offering Plan for Condominium**
Ownership of Premises
118 East 1st Street
New York, New York 10009

Gentlemen/Mesdames:

You have requested our opinion concerning (i) the availability of certain deductions for Federal, New York State and New York City income tax purposes to persons who purchase Residential Units for private residential use ("Residential Unit Owners") under the Plan and (ii) the proper treatment by the Condominium Board for such income tax purposes of the Common Charges paid or borne by all Unit Owners. Except where otherwise indicated herein, the terms used in this opinion have the same meanings as in the Plan.

The condominium units of Acacia 118 Condominium will be organized under the laws of the State of New York for the purpose of providing for the management, maintenance and care of

the multistory, mixed-used building being rehabilitated, with additional stories being newly constructed, at 118 East 1st Street, New York, New York 10009. The building will contain four (4) Residential Units and one (1) Commercial Unit. The By-Laws of the Condominium provide that in addition to the status conferred upon the Condominium Board pursuant to the provisions of the New York Condominium Act, to the extent permitted by applicable law, the Condominium Board is deemed to constitute an unincorporated association for all purposes under the provisions of the General Association Law of the State of New York.

In this connection, we have reviewed the Plan, relevant sections of the Internal Revenue Code of 1986, as amended ("Code"), the New York State Tax Law, the New York City Administrative Code, the Regulations promulgated thereunder and such other materials as we deemed relevant, and we have assumed that the closing under the Plan will occur in 2022.

I. Deductions for Mortgage Interest and Real Estate Taxes

A Unit Owner will own his Unit and its Appurtenant Interest in the Common Elements in fee simple absolute. Accordingly, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will be individually liable for the payment of such real estate taxes. A Unit Owner, pursuant to the terms of the Offering Plan, may also mortgage such Unit and become individually liable for the payment of any finance charges or interest on such mortgage indebtedness.

In our opinion, a non-corporate Residential Unit Owner who itemizes his deductions will be entitled to a deduction in computing his taxable income for Federal income tax purposes for bona fide mortgage interest incurred with respect to his Unit in the year paid provided that (a) the indebtedness is incurred in acquiring, constructing or improving the Unit, (b) the indebtedness is secured by the Unit, (c) the indebtedness does not exceed $750,000.00, or $375,000.00 in the case of a married individual filing a separate return, and (d) the Unit is a "qualified residence." Interest paid on indebtedness that refinances indebtedness incurred to acquire, construct or improve a Unit is similarly deductible. A Unit will be a "qualified residence" if it is either (i) the Owner's "principal residence" within the meaning of Code Section 121 or (ii) a residence as defined by Code Section 280A(d)(1) that the Owner selects as a qualified residence. Thus, a single taxpayer or a married couple filing a joint return may have two, and only two, qualified residences. In the case of a married couple filing separate returns, each taxpayer may take into account a single "qualified residence", unless by written agreement they consent to one of them taking into account a principal residence and one other residence. Under Section 461(g) of the Code, no deduction will be allowed to a cash basis taxpayer in the year of payment for prepaid interest (other than points paid in certain cases).

In our opinion, a Residential Unit Owner who itemizes his deductions and whose Unit is used by him for residential purposes will, for Federal income tax purposes, be entitled to a deduction limited to $10,000.00 ($5,000.00 in the case of a married individual filing a separate return) for real estate taxes incurred with respect to his Unit in the year paid under Section 164 of the Code. The Federal limitation on the deduction for real estate taxes applies in the aggregate to state and local income taxes paid as well. Thus, the maximum amount a Residential Unit Owner may deduct for real estate taxes and state and local income taxes combined is $10,000.00 ($5,000.00 in the case of a married individual filing a separate return).

It is also our opinion that each Unit Owner whose Unit is used in an active profession and/or trade or business, other than the rental of such Unit, in which the Unit Owner materially participates, will, for Federal income tax purposes, be entitled to a deduction for the full amount of real estate taxes incurred with respect to his Unit in the year paid under Section 164 of the Code.

Other rules are applicable to a Unit Owner if the Unit is to be used in a trade or business or is to be held for rental. In these cases, the Tax Reform Act of 1986 will have broad impact, and no opinion is offered as to the consequences to such a Residential Unit Owner.

It is also our opinion that each Residential Unit Owner will, for New York State and New York City income tax purposes, be entitled to the same deduction which is allowed for Federal income tax purposes for the mortgage interest and real estate taxes paid during the taxable year. Section 615 of the New York State Tax Law; Section 11.1715 of the Administrative Code of the City of New York. However, in the case of a Residential Unit Owner whose New York State or New York City adjusted gross income exceeds $100,000.00, the amount of such deduction may be reduced by up to twenty-five percent (25%) of such deduction.

In addition to the Federal limitations on itemized deductions noted above, the benefit of a Unit Owner's deductions for interest and real estate taxes may be further reduced if the Unit Owner is subject to the Federal alternative minimum tax. Section 55 of the Code. It should also be noted that state and local taxes, including real estate taxes, are not deductible for purposes of calculating an individual's federal alternative minimum taxable income.

It should be noted that our opinion as to the availability of deductions to a Unit Owner with respect to mortgage interest and real estate taxes in connection with his or her Unit used in an active profession and/or trade or business, other than the rental of such unit, is based on the assumption that such owner will have "at risk" within the meaning of Section 465 of

the Code, in such profession, trade or business, an amount equal to, or in excess of his losses in connection with said profession, trade or business, including such deduction.

II. Common Charges

Common Charges will be borne by the Unit Owners and assessed and collected by the Board of Managers ("Condominium Board").

Under Section 528, added to the Code by the Tax Reform Act of 1976, some Condominium Boards may be eligible to be exempt from tax on Common Charges collected from the Unit Owners, provided the requirements of Section 528 are met. However, because of certain tests for qualification, including the composition of the Condominium Board's receipts and expenditures, and because of certain ambiguities in the language of Section 528 which are not clarified by the legislative history, rulings or regulations, it is not presently possible to determine the application of Section 528 to the Condominium. Accordingly, while a Section 528 election may be contemplated, it is not possible at this time to express an opinion as to the Section's applicability and we assume for the first year of operation that the Condominium will not qualify under Section 528.

If the Condominium qualifies as a condominium management association within the meaning of Section 528 of the Code, it may elect not to be subject to Federal income tax on amounts received as membership dues, common charges, fees or assessments from Residential Unit Owners. However, even if the election is made, the Condominium will remain liable for Federal income tax on any taxable income it may have from other sources such as interest earned on any reserve funds (less expenses directly connected with the production of such income).

To qualify as a condominium management association, the Condominium must meet all of the following conditions: (1) it must be organized and operated to provide for the acquisition, construction, management, maintenance and care of association property, (2) at least sixty percent (60%) of its gross income for each taxable year must consist solely of amounts received as membership dues, fees or assessments from Residential Unit Owners, (3) ninety percent (90%) or more of its expenditures for each taxable year must be made for the acquisition, construction, management, maintenance and care of association property, (4) no part of its net earnings can inure to the benefit of any private shareholder or individual (other than by acquiring, constructing, or providing management, maintenance, and care of association property, and other than by rebate of excess membership dues, fees, or assessments), (5) the Condominium must annually elect to be treated as a condominium management association, and (6) at least eighty-five percent (85%) of the total square footage of all Units within the Condominium must be used by

individuals for residential purposes. See Treasury Regulation §1.528-4(b). The qualification of an organization under the provisions of Section 528 is to be determined annually at the close of each taxable year and it is possible, therefore, that if the Condominium does not qualify in one year, it may nevertheless, qualify in one or more future years.

Despite the information contained in Schedule A, the Description of the Property and Specifications, and the Site and Floor Plans set forth in the Offering Plan, we cannot affirmatively opine that the Property will or will not qualify as a condominium management association under Section 528 of the Code. Our inability to affirmatively opine is due to the uncertainty of the current state of the law as to what floor space specifically qualifies as total square footage for residential purposes (i.e., stairwells, lobby; terraces, etc.). Accordingly, we cannot opine as to whether the Condominium will or will not be eligible to elect to be treated as a condominium management association under Section 528 of the Code.

Even if the Condominium Board were eligible to make a Section 528 election, it would still be subject to tax on any income not received as assessments or other such payment from Unit Owners; thus, if the Condominium Board realized interest income from funds on deposit, such interest may be taxable to it.

If an election under Section 528 is not in effect for the taxable year, the tax status of the Condominium Board will be governed by the rules in effect prior to the enactment of Section 528 ("existing law").

Under existing law, the tax status of the Condominium Board is uncertain. The By-Laws provide that the Condominium Board will act as the agent of the Unit Owners. Thus, the Condominium Board may take the position that it is simply a conduit for receipts and payments of the Unit Owners for whom it acts as agent and not a separate entity. In such case, the Unit Owners would themselves be taxable on any interest or similar income which is earned from investments of the amounts which are assessed and collected from the Unit Owners and/or held as reserve funds.

However, the Internal Revenue Service may contend that for purposes of those matters administered through the Condominium Board, such as the assessment and expenditure of Common Charges, the Unit Owners through the Condominium Board, constitute an association taxable as a corporation. In such event, such association may be deemed subject to the Federal corporate income tax (and also to New York State and New York City corporate income taxes) on the portion of the Common Charges which is deemed to constitute gross income of such association, to the extent that such portion (together with

any income earned from other sources, such as interim investments of funds by such association) exceeds the current expenses paid or incurred through the Condominium Board which are deductible for Federal income tax purposes.

In this connection, published rulings indicate that Common Charges which are assessed by the Condominium Board and designated for use solely to make specified capital improvements and which are maintained in a separate bank account should not constitute gross income to such Board, either because it is deemed to receive and hold such Common Charges as agent for the Unit Owners from whom the assessments were collected, Rev. Rul. 75-370, 1975-2 Cum. Bull. 25, or because the assessed Common Charges are deemed to be nontaxable contributions to the capital of the association. Rev. Rul. 75-371, 1975-2 Cum. Bull. 52 Cf. Concord Village, Inc., 65 T.C. 142 (1975). However, if treated as contributions to the capital of the association, it should be noted that when such amounts (together with any other funds accumulated by the association) are expended for capital improvements, the Internal Revenue Service may contend that the capital expenditures benefit the Unit Owners, and that each Unit Owner should therefore be treated as receiving a distribution equal to the fair market value of that benefit; under the usual rules applicable to distributions of associations, a distribution is first treated as taxable ordinary income to the extent of the distributee's proportionate share of the association's earnings and profits, then as a tax-free recovery of basis to the extent thereof, and the balance, if any, as capital gain.

In this connection, it should be noted that if the Condominium Board is determined to be a separate taxable entity for federal income tax purposes, it is possible that the limitations of Section 277 may be found to apply. If this were the case, the Condominium Board's income from sources other than Unit Owners, if any, could not be offset by the Condominium Board's expenses incurred in the provision of services to Unit Owners. It is unclear how interest or other income earned on the investment of a required reserve fund would be treated for this purpose; if such income were treated as not derived from the Unit Owners in consideration of services rendered them by the Condominium Board, then such income may not be reduced by the Condominium Board's operating expenses with respect to the property and may result in a liability for taxes.

In the event that the Condominium Board is required to pay any Federal, New York State or New York City income tax, and the Condominium Board makes an additional assessment in order to meet this tax liability, it should be noted that the additional amount collected through such assessment may itself be subject to tax. See, Old Colony Trust Co. v. Commission, 279 U.S. 716 (1929); Rev. Rul. 74-75. 1974-1 Cum. Bull. 19; Rev. Rul. 86-14 I.R.B. 1986-5, 33.

We express no views as to any Federal, New York State and/or New York City tax consequences or as to any aspects of the Plan other than those consequences and aspects explicitly discussed in this opinion, or as to any tax status of the Plan of a Unit under the laws of any other U.S. or foreign jurisdiction.

Thus, this opinion does not deal with tax consequences which may result from ownership of a Unit in connection with the Unit Owner's trade or business, other than set forth herein, or for purposes of investment or the production of income, or which may result to a foreign Unit Owner by reason of his foreign status. This opinion also does not deal with the tax consequences which may arise if Units or Limited Common Elements are acquired and/or leased by the Condominium Board. It is also to be noted that under certain circumstances an owner of any Residential Unit, by virtue of such ownership, may be deemed to become a resident of New York City and that this opinion does not deal with the circumstances under which this may occur, or with the income, estate or other tax consequences that may arise therefrom. Thus, each person contemplating the purchase of a Unit is strongly advised to consult his own tax advisor as to all such tax matters (as well as with respect to the tax matters discussed in this opinion).

In our opinion, Unit Owners will be entitled to income tax deductions. However, this opinion is not a guarantee; it is based on existing rules of law applied to the facts and documents referred to above. No assurances can be given that the tax laws upon which counsel base this opinion will not change. In no event will the Sponsor, the Sponsor's counsel, the Board of Managers of the Condominium or any other person be liable if there are changes in the facts on which counsel relied in issuing this opinion or if there are changes in the applicable statutes, regulations, decisional law or Internal Revenue Service rulings on which counsel relied which cause Unit Owners not to be entitled to income tax deductions.

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

Very truly yours,

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

RESERVE FUND

No provision has been made for any Reserve Fund for the Condominium other than any reserve fund set forth in Schedule B located in Part I of the Plan. If additional funds are required for capital expenditures such as renewal or replacement of building components or systems or to remedy major building defects, it may be necessary to increase Common Charges or make Assessments on Unit Owners.

For such period as Sponsor retains control of the Board of Managers, the Reserve 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 RESERVE FUND.

WORKING CAPITAL FUND

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

No provision has been made for any Working Capital Fund other than the above. If additional funds are required for capital expenditures such as renewal or replacement of building components or systems or to remedy major building defects, it may be necessary to increase Common Charges or make Assessments on Unit Owners.

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

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

MANAGEMENT AGREEMENT AND OTHER CONTRACTUAL ARRANGEMENTS

Management Agreement

At or prior to the First Unit Closing, the Condominium's Board of Managers (the "Board of Managers") will enter into a management agreement with Rivbo, LLC (the "Managing Agent" or "Agent"), having an office at 57 Prince Street, #5N, New York, NY 10012. Purchasers should note that Rivbo, LLC is an affiliate of Sponsor, and that Warren Freyer is a principal of both entities.

The management agreement (the "Management Agreement") will commence on the date of the First Unit Closing and its initial term shall continue in force for one (1) year thereafter. It shall be subject to the right of the Board of Managers to cancel, with or without cause, upon a sale, lease or demolition of the Building upon at least thirty (30) days' prior written notice. Additionally, the Managing Agent shall have the right to terminate the Management Agreement at any time upon at least sixty (60) days' prior notice in writing to the Board of Managers. After the term of the Management Agreement has expired, it will be automatically renewed from month to month until terminated by either party on at least thirty (30) days' prior written notice. The Management Agreement may be assigned by the Managing Agent to any entity controlled by the principals of the Managing Agent without consent of the Board of Managers. Otherwise, the Management Agreement shall not be assignable by the Managing Agent without the Board's approval.

The Managing Agent will receive a stated annual fee of $7,200.00 for the First Year of Condominium operation, payable in equal monthly installments of $600.00. Such fee will be paid by the Board of Managers and will be charged to all Unit Owners as a Common Expense. Sponsor represents that the cost of management as estimated for the First Year of Condominium operation is within the range of prevailing market rates for such services. If the Managing Agent increases its annual fee after the initial one (1) year term of the Management Agreement, or if the Board of Managers terminates or does not otherwise renew the Management Agreement and instead hires a different managing agent at a higher rate, the annual Common Expenses of the Condominium would increase, and as a result, the individual Common Charges of the Units would increase based upon the percentage Common Interest of each Unit. Though Sponsor makes no representation as to whether such Management Agreement will be renewed, given the affiliation of Sponsor and Rivbo, LLC as explained above, Purchasers may wish to anticipate that at least for so long as Sponsor controls the Board of Managers, Rivbo, LLC will serve as the Managing Agent.

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

(a) Cause to be hired, subject to the prior right of approval by the Board of Managers, paid and supervised, all persons necessary to be contracted for or employed, in order to properly maintain and operate the lands and common elements of the Condominium, who, in each instance, if employees, shall be the Condominium's and not the Managing Agent's employees, and cause to be discharged by either written order of the

Board of Managers or the Managing Agent all persons unnecessary or undesirable, all subject to such contracts, if any, or other agreements concluded on behalf of the Condominium with the approval of the Board of Managers. Notwithstanding anything herein to the contrary, the services of such building services workers will be provided under the Management Agreement on an independent contract basis and as required by law, by the Managing Agent, and the cost of such service shall be included in the annual budget of the Condominium.

(b) Cause the lands and common elements of the Condominium to be maintained in such a condition as may be deemed advisable by the Board of Managers, including interior and exterior cleaning, snow removal, sidewalk maintenance, maintenance of grounds which are not limited common elements; and cause repairs and alterations thereof to be made, including, but not limited to, plumbing, steam fitting, carpentry, paving, plowing, mowing, decorating and such other incidental alterations or changes therein as may be proper, subject only to the limitations contained in the Management Agreement or in any agreement with any unit owner or tenant. Ordinary repairs or alterations involving an expenditure of over $2,500.00 for any one item shall be made only with the prior written approval of the Board of Managers, but emergency repairs, immediately necessary for the preservation or safety of the lands and common elements of the Condominium or for the safety of unit owners, tenants or other persons, or required to avoid the suspension of any necessary service in or to the lands or the Building, may be made by the Managing Agent irrespective of the cost thereof, without the prior approval of the Board of Managers.

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

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

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

(e) Enter into contracts for electricity, gas, steam, telecommunications, window cleaning, ash and rubbish removal, sidewalk maintenance, elevator, air-conditioning and/or heating system maintenance, security agency protection, vermin extermination and other services or such of them as shall be approved by the Board of Managers; purchase all

supplies which shall be necessary to maintain and operate the lands and common elements of the Condominium, make all such contracts and purchases in either the Condominium's or the Managing Agent's name, as the Board of Managers shall elect; credit to the Board of Managers any discounts or commissions obtained for purchases or otherwise, except insurance commissions and commissions payable to the Managing Agent under the terms of the Management Agreement. In no event shall any service contract be for a term longer than one (1) year or require annual payments in excess of $2,500.00 unless authorized by the Board of Managers.

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

(g) Make a careful audit of all bills received for services, work and supplies ordered in connection with maintaining and operating the lands and common elements of the Condominium, pay all such bills and, also pay water charges, sewer rent and assessments assessed with respect to the lands and common elements of the Condominium, if any, as and when the same shall become due and payable.

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

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

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

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

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

(m) Maintain payroll records and cause to be prepared and filed, the necessary forms for unemployment insurance, social security taxes and withholding taxes and all other forms required by any federal, state or municipal authority with appropriate

assistance from a paycheck service at the expense of the Condominium if desired by Managing Agent.

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

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

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

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

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

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

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

The Managing Agent shall be entitled to the following additional fees from Unit Owners other than Sponsor or a Sponsor designee, which are subject to change:

(a) To any residential unit owner who leases his or her unit, other than the Sponsor or a Sponsor designee, Managing Agent's reasonable disbursements for services

and/or materials supplied by Managing Agent with respect to the unit at the request of the applicable unit owner.

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

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

At the request of the Board of Managers, the Managing Agent shall obtain from a surety company or insurance company authorized to do business in New York a fidelity bond or a commercial crime insurance policy in the minimum amount of $100,000.00, for the benefit of the Condominium and against loss incurred by Condominium through any improper acts of the officers and employees of Managing Agent. The cost of such bond or commercial crime insurance policy and all expenses in connection therewith shall be borne by the Condominium and charged to the Unit Owners as a Common Expense.

Other Contractual Agreements

Sponsor has reserved the right, prior to the First Unit Closing, to modify, renew and replace any existing agreements and to enter into new agreements that will be binding on the Condominium Board, provided that there will be no material increase (i.e., 25% or more) in the estimated Common Charges set forth in "Schedule B, Projected Budget for First Year of Condominium Operation Commencing July 1, 2022."

The current service contracts which are anticipated to be effective at the date of the First Unit Closing or service contract projections pertaining to the Building are set forth in the Notes to Schedule B located in Part I of the Plan. The post-closing amendment to the Offering Plan shall disclose any material contracts that are binding on the Condominium for more than five (5) years after the anticipated or actual First Unit Closing date, unless it is customary in the area to enter into a long-term contract for the service rendered.

IDENTITY OF PARTIES

Sponsor

The Sponsor of the Offering Plan is Acacia 118, LLC, a New York Limited Liability Company.

Sponsor's principal with respect to the project is Warren Freyer. ("Principal of Sponsor"). Warren Freyer AIA, LEED AP who established Freyer Collaborative Architects in 1991 is an architect and developer who has been investing in, designing and developing real estate projects has been active in the real estate sector for many years, including a new construction development at 15 Rivington Street Condominium, and continues to be active, in the development and management of real property.

The Sponsor and principal's of Sponsor's office is located at c/o Warren Freyer, 111 John Street, Suite 200, New York, New York 10007.

Prior to this offering, neither Sponsor nor principal of Sponsor have been involved as a sponsor or principal thereof in any other condominium, cooperative, or homeowner association offerings in the State of New York within the past five (5) years except that Mr. Freyer is a principal of sponsor of the offering plan for 15 Rivington Street Condominium, accepted for filing on May 27, 2005, file number CD05-0006. Sponsor and Mr. Freyer, as a principal thereof, of aforementioned project is current on all of their financial obligations with respect to Unsold Shares or Unsold Units as required by the terms of the aforementioned project. Except as set forth above, prior to this offering, neither the Sponsor nor principal of the Sponsor have been a sponsor or principal, nor have they had any prior public offerings in the State of New York, nor do they currently own ten percent (10%) or more of the unsold units in any other condominium, cooperative or homeowners association.

There have been no prior felony convictions of the Sponsor, or principal of Sponsor; and no prior convictions, injunctions and judgments against the Sponsor, or principal of Sponsor, that may be material to the Plan or an offering of securities generally, that occurred within the last fifteen (15) years.

Selling Agent

The Selling Agent for this offering will be the Sponsor, Acacia 118, LLC, with an office at 111 John Street, Suite 200, New York, New York 10038. Sponsor reserves the right to name a Selling Agent in the future.

There have been no prior felony convictions of the Selling Agent, or any principals thereof; and no prior convictions, injunctions and judgments against the Selling Agent or principals thereof that may be material to the Plan or an offering of securities generally, that occurred within the last fifteen (15) years.

Engineer

The Engineer for the project is Barton Designworks, Architecture, P.C. located at 114 Clinton Street, No. 4C, Brooklyn, NY 11201 ("Barton").

Jack Silverstein, RA, a professional engineer in the State of New York and a principal of Barton, prepared the report which Sponsor has adopted as Sponsor's "Description of Property and Building Specifications." Jack Silverstein and Barton have over twenty (20) years of experience designing buildings of all sizes in and around the New York City metropolitan area. Construction projects include new mid-rise mixed-use buildings, newly built and renovations of single-family homes, and conversion/preservation of nineteenth and twentieth century commercial buildings into mixed-use luxury condominium apartments and retail. Barton provides a full service of professional services including design development, construction administration, and structural, mechanical, and system design. Barton has no financial interest in the Property, the Sponsor or the Selling Agent, or any other party interested in this transaction, except for the fees for services rendered in connection with such report and other engineering services.

Counsel to Sponsor

The Sponsor has retained the law firm of D'Agostino, Levine, Landesman, Lederman & Rivera, LLP, 345 Seventh Avenue, 23rd Floor, New York, New York 10001, to represent it in the preparation and Consummation of the Plan. Jose M. Rivera, Esq., a partner of the firm, and Jane S. Jeong, Esq., an associate of the firm, drafted the Declaration, the By-Laws, this Plan, the form of Purchase Agreement, the form of deed and all other documents necessary in connection with the formation of the Condominium, and is advising the Sponsor in connection with all legal matters incidental thereto. No separate counsel has been retained to represent the Condominium. It is suggested and expected that each Purchaser will consult and be represented by his own counsel in connection with this Offering.

D'Agostino, Levine, Landesman, Lederman & Rivera, LLP, and/or the members thereof, have no financial interest in the Property, the Sponsor or the Selling Agent, except that they are to be paid a fee for their services.

Managing Agent

The Managing Agent for the Property for the first year subsequent to the First Unit Closing will be Rivbo, LLC, with an office at 57 Prince Street, #5N, New York, New York 10012 ("Rivbo"). Purchasers should note that Rivbo is an affiliate of Sponsor, and that Warren Freyer is a principal of both entities. Rivbo has several years' experience managing luxury residences in Manhattan. Properties currently managed include 15 Rivington Street Condominium.

There have been no prior felony convictions of the Managing Agent, or any principals thereof; and no prior convictions, injunctions and judgments against the Managing Agent or principals thereof that may be material to the Plan or an offering of securities generally, that occurred within the last fifteen (15) years.

REPORTS TO UNIT OWNERS

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

(a) The financial statement of the Condominium prepared by a certified public accountant or public accountant by March 15th of each calendar year for the prior fiscal year; such statement shall be certified while the Sponsor is in control of the Board of Managers;

(b) A prior notice of the annual Unit Owner's meeting;

(c) A copy of the proposed annual budget, if any, of the Condominium within ten (10) days prior to the date set for adoption thereof by the Board of Managers. While the Sponsor is in control of the Board of Managers, it shall be Sponsor's obligation to deliver to all Unit Owners a proposed annual budget which shall be certified as to its adequacy by an expert experienced in the management of condominium, cooperative and/or rental properties.

DOCUMENTS ON FILE

Copies of this Plan and all exhibits or documents referred to herein shall be available for inspection by prospective purchasers and by any person who shall have purchased a Unit offered under this Plan or shall have participated in the offering of such Unit, at the office of Sponsor during convenient weekday hours and shall remain available for such inspection, without charge, and for copying at a reasonable charge, for a period of six (6) years from the date of the First Unit Closing. The Sponsor shall, at the time of the First Unit Closing, deliver to the Board of Managers a copy of all documents filed with the appropriate recording office.

GENERAL

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

B. As of the date of filing of this Plan, there are no lawsuits or other legal proceedings pending which could materially affect this Offering, the Purchasers of Units, the Property, Sponsor's capacity to perform all its obligations under the Plan, the Condominium, or the operation thereof.

C. To the best of Sponsor's knowledge, the Property was not the subject of a prior public offering.

D. The Declaration and By-Laws of the Condominium located in Part II of this Plan are made part of this Offering Plan.

E. Annexed to the By-Laws are the Rules and Regulations of the Condominium, which shall apply until amended by the Board of Managers.

F. This Plan contains an accurate summary of the pertinent provisions of the various documents referred to herein and copies thereof are on file with the Sponsor for inspection purposes. Any information, data, or representation not referred to in this Plan and not contained in the various documents mentioned herein, must not be relied upon. This Plan does not omit any material fact or contain any untrue statement of a material fact. No person has been authorized by the Sponsor to make any representation which is not expressly contained herein.

G. Sponsor hereby represents that neither it, nor any of its agents, will refuse to sell or offer, or will otherwise discriminate against any person or persons on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by applicable law in the sale, transfer or lease of Units described in this Plan.

H. This Plan may not be changed or modified orally.

I. Sponsor reserves the right to revise, from time to time, the terms and conditions upon which Units are to be sold and to otherwise revise this Plan, including revisions affecting the rights, obligations and liabilities of Sponsor, Purchasers or prospective Purchasers without obtaining the consent of Purchasers or others. However, Sponsor may neither unilaterally cancel an outstanding Purchase Agreement, except as therein provided, such as in the case of an uncured default, nor unilaterally change the purchase price or the payment terms contained in such a Purchase Agreement. All substantive or material revisions will be contained in a duly filed amendment to this Plan. In the case of a material revision adversely affecting the rights, obligations

or liabilities of then existing Purchasers or reducing the undertakings or obligations of Sponsor, such Purchasers will be given, for fifteen (15) days after the presentation of the amendment, a right to rescind their Purchase Agreements by written notice to Sponsor and be refunded, except as provided for in the Plan, all monies paid thereunder, with any interest earned thereon. However, such rescission, as to a Purchaser who first became an occupant of the Building pursuant to a Purchase Agreement, will be conditioned on the cancellation of any interim use and occupancy agreement and surrender of possession of his Residential Unit within thirty (30) days thereafter.

J. Sponsor hereby represents that neither it or any of its agents has entered into a contract or agreement to sell a Unit and no deposits or advances of funds have been received, or will be accepted, as of the date the Offering Plan is accepted for filing by the Department of Law.

K. Sponsor hereby represents that: (i) all of the Units offered under the Offering Plan were vacant, and (ii) Sponsor has not accepted any purchase agreements or taken any deposits or funds for the purchase of Condominium Units at the Premises, upon submission of the Plan to the New York State Department of Law.

RESERVATION OF DEVELOPMENT RIGHTS

As against all other Unit Owners, their successors, assigns and/or legal representatives, the Board of Managers of the Condominium and any mortgagees thereof, the Sponsor, its successors and assigns, shall have the exclusive right to cause any part or all transferable air rights and/or development rights pertaining to the Property, which Sponsor is herein reserving for itself, its successors and assigns, to be conveyed, transferred or otherwise assigned to any other premises, "zoning lot," "development" or "enlargement" as those prior three terms are now defined in the Zoning Resolution of the City of New York, as amended, and Sponsor hereby binds itself, its successors and assigns from conveying, transferring, assigning, or surrendering in whole or part any transferable air rights and/or development rights, if such conveyance, transfer, assignment or surrender shall make illegal the erection, existence or restoration or use of the Building at the time of the recordation of the Condominium Declaration or as will allow any party, including Sponsor or Sponsor's designee, to build on or directly above the Land, except the Board of Managers of the Condominium subsequent to Sponsor relinquishing control of the Board of Managers, and in any event, any construction above the Land, shall be made only in accordance with the Condominium's Declaration and By-Laws, as well as in accordance with the requirements of the LPC and the Landmarks Declaration, as the same is discussed in Article VI of the By-Laws. As used herein, "transferable air rights and/or development rights" shall be defined to include all such rights which exist under the current Zoning Resolution of the City of New York, as amended, and any further rights which result from future amendments to the Zoning Resolution. As stated above, the Sponsor will not build any further on or above the Property. Any and all consideration paid to Sponsor or its designee in connection with a transfer of any transferable air rights and/or development rights shall be the sole and absolute property of the Sponsor or its designee.

Upon renovation and construction of the Building in accordance with the approved Building Plans, there will be no excess development rights, other than a small amount of area that ensures the zoning area is less than the maximum allowable, a *de minimis* amount. Additionally, if the floor area ratio for the zoning district changes in the future, such change may create excess transferable development rights and/or air rights at that time. Until such time that the floor area ratio for the applicable zoning district changes, it is not possible for Sponsor to represent the maximum amount of additional excess development rights and/or air rights that would be generated or how many stories that may be added to the adjoining properties.

The Sponsor, its successors and assigns, herein have the right 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, including, but not limited to (i) deed(s), lease(s), zoning lot agreement(s), declaration(s), lot line window declaration(s) and/or grant(s) of such Unit Owner's and such Board's interests, if any, in the Property with respect only to any transferable air rights and/or development rights, for the purpose of confirming the ownership of Sponsor, Sponsor's designee and/or their successors and assigns therein and/or for the purpose of effectuating the conveyance, transfer, assignment or surrender of such rights by

Sponsor, Sponsor's designee and/or their successors and assigns; and (ii) 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.

Failure of the Unit Owners and Board of Managers to comply with the terms of the Condominium Declaration shall result in liquidated damages payable by the Board of Managers to the Sponsor, and/or its successors and assigns, as the case may be, in an amount equal to the purchase price to be paid to Sponsor, Sponsor's designee and/or their successors and assigns for the conveyance, transfer, assignment or surrender of such transferable air rights and/or development rights.

The floor area of the Building is limited and may not be expanded using the transferable air rights and/or development rights Sponsor has reserved for itself. Additionally, the transfer of existing or future development rights to adjoining premises may allow the owner of an adjoining premises to build a bigger and/or taller structure than permitted as of right under the Zoning Resolution and therefore block views of the Units being offered pursuant to the Offering Plan.

SPONSOR'S STATEMENT OF BUILDING CONDITION

Sponsor represents that the Description of Property and Building Specifications hereinafter set forth in Part II of the Plan, which Sponsor hereby adopts, accurately sets forth the systems, materials, equipment, appliances and fixtures to be contained in the Building on completion of construction. However, Sponsor reserves the right to substitute in place thereof, without prior notice or amendment to the Plan, systems, materials, equipment, appliances and fixtures of Equal or Better Quality. Sponsor further reserves the right to make all decisions relative to construction methods, practices and designs. In addition, Sponsor will, by the First Unit Closing or within a reasonable period thereafter, cure or cause to be cured all violations of record against the Property as set forth in the Plan.

The Description of Property and Building Specifications set forth in Part II of the Plan was prepared by Barton Designworks, Architecture P.C, and is included in this Plan in reliance upon the expertise of such firm.

PART II

THIS DOCUMENT IS A LEGALLY BINDING DOCUMENT AND SHOULD BE READ CAREFULLY BY EACH PROSPECTIVE PURCHASER AND SHOULD BE REVIEWED BY EACH PROSPECTIVE PURCHASER'S ATTORNEY BEFORE EXECUTING IT.

PURCHASE AGREEMENT ("Agreement")
ACACIA 118 CONDOMINIUM ("Condominium")

Purchaser's Name:_____

Social Security No.:_____

Address:_____

Telephone No.:_____

Additional Purchaser's Name:_____

Social Security No.:_____

Address:_____

Telephone No.:_____

Unit Number:_____

Percentage Interest in Common Elements: _____% for the Unit

*Down Payment, including (not including Custom Work Amount**): $_____

Balance Due at Closing $_____

Total Purchase Price $_____

Name(s) and manner in which title will be taken:_____

* If a Purchaser is a foreign government, a resident representative of a foreign government or other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity), such Purchaser will be required to make a Down Payment equal to fifty percent (50%) of the applicable Total Purchase Price.

** Additional Deposit for Custom Work Amount (as defined hereinafter) $_____

Statement of Seller

Acacia 118, LLC, with an address 111 John Street, Suite 200, New York, New York 10038, a New York Limited Liability Company ("Sponsor" or "Seller"), has promulgated a Plan of Condominium Ownership of Acacia 118 Condominium (the "Plan" or "Offering Plan") pursuant to which the land with appurtenances and the Residential Units and Commercial Unit (sometimes collectively referred to as the "Units") being constructed by Seller, located at 118 East 1st Street, New York, New York 10009, will be declared to be a condominium under the provisions of Article 9-B of the Real Property Law of the State of New York on the terms and conditions more particularly set forth in the Plan.

Statement of Purchaser

Purchaser acknowledges as follows:

I have received and read a copy of the Plan and all filed amendments thereto. Said Plan, which includes the Declaration to be made by the Sponsor and to be recorded in the New York County Office of the Register of the City of New York, the Schedules, By-Laws and Rules and Regulations attached thereto, are incorporated herein by reference and made part of this Agreement with the same force and effect as if fully set forth herein.

AFTER DELIVERING AN EXECUTED AGREEMENT, TOGETHER WITH THE REQUIRED DEPOSIT, I WILL BE AFFORDED SEVEN (7) DAYS TO RESCIND THIS PURCHASE AGREEMENT AND HAVE THE FULL DEPOSIT REFUNDED TO ME PROMPTLY, PROVIDED THAT I HAVE NOT HAD AN OPPORTUNITY TO REVIEW THE OFFERING PLAN AND ANY FILED AMENDMENTS FOR AT LEAST THREE (3) BUSINESS DAYS PRIOR TO SUCH DELIVERY. SUCH RESCISSION MUST BE BY WRITTEN NOTICE, ADDRESSED TO SPONSOR, AND BE POSTMARKED OR HAND DELIVERED NO LATER THAN MIDNIGHT OF THE SEVENTH (7TH) DAY SUBSEQUENT TO MY DELIVERING THE EXECUTED PURCHASE AGREEMENT. IF I HAVE HAD AN OPPORTUNITY TO REVIEW THE OFFERING PLAN AND ANY FILED AMENDMENTS FOR NOT LESS THAN THREE (3) BUSINESS DAYS PRIOR TO MY MAKING THE AFORESAID DELIVERY, I SHALL NOT BE PERMITTED THE AFOREMENTIONED SEVEN (7) DAY TIME PERIOD TO RESCIND THIS PURCHASE AGREEMENT.

The seven (7) day rescission period is (delete whichever is incorrect): applicable; not applicable.

Purchaser has been given an opportunity to examine the architectural plans for the above-numbered Unit or Units and for the building in which it is located ("the Building"), prepared by Freyer Collaborative Architects.

Purchaser is desirous of purchasing the above-numbered Unit(s) as designated in the Declaration and on the floor plans filed or to be filed in the aforesaid Register's Office, together with an undivided interest in the Common Elements appurtenant thereto (the above-numbered

Unit(s) and the undivided interest appurtenant thereto being hereinafter collectively called the "Unit");

Agreement Between Sponsor and Purchaser

For good and valuable consideration, receipt of which is hereby acknowledged, Sponsor and Purchaser mutually agree as follows:

1. **Payment for Unit**. Seller hereby agrees to sell and Purchaser hereby agrees to purchase the Unit for the Total Purchase Price stated above. The Down Payment stated above has been made on the signing of this Agreement, receipt of which by check subject to collection is hereby acknowledged by Seller. If the check representing the Down Payment is returned for insufficient funds or for any other reason (i) such return shall be deemed a non-curable default by Purchaser and this Agreement shall automatically be deemed cancelled, and (ii) upon such cancellation Purchaser and Sponsor will be released and discharged of all further liability and obligations hereunder and under the Plan, and the Unit may be sold to another as though this Agreement had never been made and without any obligation to account to Purchaser for any of the proceeds of such sale. Notwithstanding anything herein to the contrary, whether or not the Seller has canceled this Agreement as provided above, if the Seller has not collected the proceeds of any check for any payments due under this Agreement, then the Seller may take such actions at law and in equity as may be required in order to collect such payments and any and all costs of collection, including, without limitation, all attorneys' fees and expenses incurred by the Seller in connection therewith. The Balance Due at Closing shall be payable at the closing of title, as hereinafter provided in Paragraph 2, by unendorsed certified or cashier's check of Purchaser drawn on a bank or trust company which is a member of the New York Clearing House Association to the order of Seller or as otherwise directed by Seller.

2. **Closing of Title**. The closing of title shall take place on no less than thirty (30) days' prior written notice to Purchaser at such place as Sponsor may designate, at an hour and on a date (hereinafter called the "Closing Date") to be specified by Sponsor. Such date shall be no earlier than thirty (30) days after the date on which written notice is given to Purchaser that the Plan has been declared effective (unless Purchaser and Sponsor shall agree on an earlier Closing Date). Sponsor shall have the right, from time to time, to adjourn the Closing Date on written notice to Purchaser. If adjourned, Sponsor shall fix a new date and time for the closing of title to the Unit and shall give Purchaser not less than five (5) days written notice of the newly scheduled Closing Date. Purchaser shall be entitled to one (1) reasonable adjournment of up to fifteen (15) days, on five (5) days written notice by Purchaser to Sponsor (hereinafter the "Adjourned Closing Date"), provided that Purchaser may not seek an adjournment of any kind based upon any provision set forth in Paragraph number 18(i) herein. If, through no fault of Sponsor, Purchaser fails for any reason to close title to his Unit on the originally scheduled Closing Date or the Adjourned Closing Date, and Sponsor does not have the right to, or elects not to, cancel this Agreement as a result of the same, (a) the adjustments for real estate taxes and Common Charges, will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the closing of title occurs, and (b) Purchaser will be required to pay Sponsor, as a

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

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

Simultaneously with the delivery of the deed, Purchaser (i) shall cause the proceeds of any mortgage loan to be transferred to the Sponsor on account of the Total Purchase Price, (ii) if applicable, shall execute and deliver to the mortgagee the note and mortgage, and any other documents required by the mortgagee, as well as any documents required by Sponsor, and (iii) shall deliver the Balance Due at Closing.

Title to the Unit will close only after or concurrently with the occurrence of the events set forth in the Section of the Plan entitled "Closing of Title to Units".

3. **Power of Attorney to Board of Managers and Sponsor**. 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 Sponsor in the form contained in Part II of the Plan. Purchaser agrees to deliver such power of attorney to Sponsor at the closing of title for recording and to pay the recording fee.

4. **Binding Effect of Declaration, By-Laws, Plan, Rules and Regulations**. Purchaser hereby agrees to be bound by the Declaration, the By-Laws, the Rules and Regulations and the Plan, as same may be amended from time to time.

5. **Condition of Title**. Sponsor agrees to convey to Purchaser title in fee simple to the Unit free and clear of all liens and encumbrances other than those set forth in the Plan, specifically in Part I thereof in the section titled "Terms of Sale," and Exhibits submitted in connection therewith (as well as other mortgages, if any, obtained by Purchaser).

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 Sponsor may pay and discharge any liens and encumbrances upon the property, not provided for in the Plan or this Agreement, out of the monies to be paid by the Purchaser at the time of closing title.

6. **Expenses of Closing and Closing Adjustments**. Purchaser will pay the closing costs and expenses referred to in the Section of the Plan (as same may be amended to date) entitled

"Unit Closing Costs and Adjustments," including, but not limited to, the amount of any credit for mortgage recording tax or mortgage recording tax reimbursement as set forth in such Section, payment for title insurance, if Purchaser elects or is required by a lender to obtain same, recording fees for recording the Deed, Power of Attorney and any Partial Release and/or UCC-3 Termination Statement for the Unit related to Sponsor's financing encumbering the Building, real estate taxes, New York City Real Property Transfer Tax, New York State Real Estate Transfer Tax, the fees of Sponsor's Attorneys for closing the Unit, and costs associated with obtaining a mortgage loan. The legal fees of Sponsor's Attorneys in the amount of $3,500.00 will be payable by Purchaser to D'Agostino, Levine, Landesman, Lederman & Rivera, LLP, if rendered by such firm, provided that an additional fee of $1,000.00 per closing shall be due and payable for any Unit closing which occurs outside the office of Sponsor's Attorneys. A further fee of $1,000.00 shall be payable by Purchaser to Sponsor's Attorneys for the work involved for each assignment of a purchase agreement or contract. Assignments are permitted only with prior written consent of Sponsor. A legal fee of $1,000.00 shall be payable for the work involved as a result of any adjournment by a Purchaser beyond that permitted under any right of adjournment set forth in this Purchase Agreement, should Sponsor and Purchaser agree to the same. Finally, a legal fee in the amount of $1,000.00 shall be paid by Purchaser to Sponsor's Attorneys for each cancellation and/or release if prepared by such firm. Purchaser will also pay to the Board of Managers the sum equal to two (2) months of Common Charges for the Unit being purchased as Purchaser's contribution to the Working Capital Fund of the Condominium. Except as otherwise provided in this agreement, real estate taxes and Common Charges and expenses shall be adjusted between Sponsor and Purchaser as of midnight preceding the Closing Date in accordance with the provisions of the Plan. Any such expenses or adjustments payable to Sponsor in excess of $500.00 will be paid by certified check or bank check drawn on a bank or trust company which is a member of the New York Clearing House Association or any successor organization. The obligation of the Purchaser to pay the transfer taxes as stated above shall survive the Closing.

Notwithstanding anything herein to the contrary, one of Purchaser's costs of closing title to his or her Unit shall be the payment of the cost of fee title insurance, if Purchaser elects to obtain title insurance. Purchaser may order such insurance from any reputable title insurance company and/or abstract company authorized to do business in the State of New York, including Stewart Title Insurance Company, having an office at 60 East 42nd Street, Suite 1260, New York, New York 10165, Attn: Holly Hasbrouck, telephone number 800-433-4698.

7. **Agreement Subject to Mortgages**. Purchaser agrees that all terms and provisions of this Agreement are and shall be subject and subordinate to the lien of any building loan mortgage or development loan mortgage heretofore or hereafter made and any advances heretofore or hereafter made thereon and any payments or expenses already made or incurred or which may hereafter be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent thereof without the execution of any further legal documents by Purchaser. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the building loan schedule of payments or accelerated thereunder by virtue of lender's right to make advances before they become due in accordance with the schedule of payments. Notwithstanding anything to the contrary contained in this Paragraph 7,

however, on the Closing Date the only mortgage to which the Unit will be subject will be the mortgage(s) obtained by Purchaser, if any.

8. **Mortgage Financing Contingency**. THE PURCHASE OF THE UNIT WILL NOT BE CONDITIONED ON FINANCING AND THIS PARAGRAPH HAS BEEN INTENTIONALLY DELETED.

9. **Default by Purchaser**. If Purchaser shall fail to pay any portion of the balance of the Total Purchase Price, when due, fail to close title on the date, hour and place specified by Sponsor pursuant to Paragraph 2 hereof or on the Adjourned Closing Date or fail to perform any of Purchaser's other obligations hereunder, such failure shall constitute a default by Purchaser. Sponsor shall notify Purchaser in writing of such default and advise Purchaser that he has thirty (30) days from the mailing date or thirty (30) days after personal delivery of such notice within which to cure such default. TIME IS OF THE ESSENCE FOR PURCHASER TO CURE ANY DEFAULT UNDER THIS AGREEMENT WITHIN SUCH THIRTY (30) DAY PERIOD. If such default is not cured within thirty (30) days from the mailing date or thirty (30) days after personal delivery of such written notice, Sponsor has no obligation to extend the time to cure and may (but shall not be obligated to) elect to cancel the Purchase Agreement. If Sponsor elects to cancel the Purchase Agreement, Sponsor shall notify Purchaser in writing of said cancellation and the Down Payment, and any other amounts paid by Purchaser for any special or Custom Work (as defined hereinafter) shall be paid over to Sponsor as and for liquidated damages and thereafter the Purchase Agreement shall become null and void. In the event that Sponsor shall elect so to cancel this Agreement, Sponsor shall certify to its attorneys, D'Agostino, Levine, Landesman, Lederman & Rivera, LLP, that title has not closed because of Purchaser's default, that a notice to cure was delivered to Purchaser and Purchaser has failed to cure the default within thirty (30) days from the mailing date or within thirty (30) days from personal delivery of such notice and that Sponsor has elected to cancel this Agreement by reason thereof, and D'Agostino, Levine, Landesman, Lederman & Rivera, LLP, shall thereupon pursuant to Paragraph 16 hereunder, cause to have paid over to Sponsor as liquidated damages the Down Payment, including the actual cost incurred by Sponsor for any Custom Work in the Unit ordered by Purchaser, if applicable, and any interest earned thereon, and upon such payment being made each of the parties hereto shall be relieved of any further liabilities or obligations hereunder. If Sponsor instructs the Escrow Agent 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 either (a) upon closing of title to the Unit, to Sponsor, pursuant to the terms and conditions set forth in this Purchase Agreement; (b) a subsequent writing signed by both Sponsor and Purchaser; or (c) a final, non-appealable order or judgment of a court. Notwithstanding the foregoing, the Escrow Agent shall have the right at any time to deposit the Deposit contained in the Escrow Account with the clerk of the county where the Condominium is located and shall give written notice to both parties of

such deposit. Sponsor shall reimburse D'Agostino, Levine, Landesman, Lederman & Rivera, LLP insofar as it is acting in its capacity as Escrow Agent for its reasonable cost and expenses, including attorney's fees and the fair value of legal services rendered by the Escrow Agent to itself incurred as a result of any dispute or litigation concerning the right to the Down Payment. Sponsor shall not seek the remedy of specific performance in connection with Purchase Agreements as to which there has been a default by Purchaser. If this Agreement shall be canceled by Sponsor pursuant to the provisions of this Paragraph 9, Sponsor may sell the Unit to any third party and shall be under no obligation to account to Purchaser for any part of the proceeds of such sale. D'Agostino, Levine, Landesman, Lederman & Rivera, LLP may rely upon the truth and accuracy of the facts contained in Sponsor's certification and the authority of the person or persons executing the same and shall have no liability as a result of such reliance.

10. **Agreement May Not be Assigned; Restriction on Resale**. Purchaser shall have no right to assign this Agreement without the prior consent in writing of Sponsor and any purported assignment of this Agreement in violation hereof shall be voidable at the option of Sponsor. In the event Sponsor consents to the assignment of this Agreement, Purchaser shall pay D'Agostino, Levine, Landesman, Lederman & Rivera, LLP the legal fee of Sponsor's attorneys for reviewing the assignment agreement. Such fee shall be approximately $1,000.00, plus disbursements. Prior to and for eighteen (18) months subsequent to, the First Unit Closing, Purchaser shall not advertise or otherwise offer, promote or publicize the availability of his or her respective Residential Unit, as may be applicable, or resell such Unit ("Restriction on Resale"). This provision is to survive closing of title to the Unit, and is not applicable to the Commercial Unit. However, such Restriction on Resale shall expire, and shall no longer be applicable to any Residential Unit once Sponsor has sold all of its Unsold Residential Units. Any purported sale or lease of a Unit in violation of this provision shall be voidable at the election of the Sponsor or its designee, as the case may be.

11. **Notices**. Any notice to be given hereunder shall be in writing and sent by registered or certified mail or personal delivery to Purchaser at the address given above and to Sponsor at 111 John Street, Suite 200, New York, New York 10038 (with copy to D'Agostino, Levine, Landesman, Lederman & Rivera, LLP, 345 Seventh Avenue, 23rd Floor, New York, New York 10001) or at such other address as either party may hereafter designate to the other in writing. All such notices and communications shall be deemed to have been received on the date of personal delivery or on the fifth day after mailing.

12. **No Representation**. Except as herein or in the Plan specifically set forth, Purchaser acknowledges that he has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties or statements of any nature, whether made by Sponsor, Sponsor's Attorneys or Selling Agent or otherwise, including, but not limited to, any relating to the description or physical condition of the Building or the Unit, the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the building services or amenities, the estimated Common Charges and expenses allocable to the Unit or the right to any income tax deduction on account of any real estate taxes and/or mortgage interest paid by Purchaser. Purchaser agrees that Sponsor shall have no liability or responsibility to Purchaser if the layout or dimensions of the Unit or any part thereof or of the Common Elements as shown

on the floor plans or on the architectural plans and specifications for the Building are not accurate or correct, provided such layout or dimensions conform substantially to the floor plans and the architectural plans and specifications for the Building and the site as modified or supplemented in accordance with the Plan and that Purchaser will not be relieved from his obligations hereunder by reason of any minor inaccuracy or error. This provision shall survive the closing of title to the Unit.

13. **Recording of Deed and Power of Attorney**. At the closing of title, Purchaser will deliver the executed deed received from Sponsor and executed and acknowledged power of attorney to the representative of the title company, if any, or to Sponsor for recording in the New York County Office of the Register of the City of New York. Such deed and power of attorney will be in the form set forth in the Plan.

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

15. **Agreement Subject to Plan Becoming Effective; Sponsor's Right to Cancel**. This Purchase Agreement is contingent upon the Plan being declared effective. The Plan may be abandoned by Sponsor at any time prior to its being declared effective and before eighty percent (80%) of the Units have been purchased. Sponsor also reserves the right to abandon the Plan after it has been declared effective pursuant to other provisions of the Offering Plan as set forth in the section titled "Effective Date of Plan". Additionally, the Plan shall be abandoned and deemed abandoned if it has not been declared effective within the time prescribed by the Plan. If the Plan is abandoned or does not become effective this Purchase Agreement shall be deemed cancelled, and the Plan terminated and Purchaser is to receive back, not later than five (5) days thereafter, in full, all monies paid by him hereunder (including, if applicable, all additional escrowed funds for Custom Work paid to Sponsor by Purchaser, notwithstanding whether any such funds have been expended or allocated to costs incurred by Sponsor), and upon such repayment no party shall have any claim against any other party, person or entity, and all parties shall be released from all obligations hereunder and under the Plan. If, after the Plan is declared effective, title to the Unit shall not close within the time set forth in Paragraph 2 hereof or in the Plan, for any reason other than Purchaser's default, then, at Purchaser's option, upon prior written notice sent by Purchaser to Sponsor within fifteen (15) days subsequent to the end of the scheduled closing date, after permitted adjournments, this Purchase Agreement shall be deemed cancelled. If this Purchase Agreement is cancelled pursuant to the provisions of this paragraph, then not later than five (5) days thereafter, Purchaser shall receive a refund in full, of all monies paid by Purchaser hereunder (including, if applicable, all additional escrowed funds for Custom Work paid to Sponsor by Purchaser, notwithstanding whether any such funds have been expended or allocated to costs incurred by Sponsor, in the event of abandonment of the Plan; and with the exception of all additional escrowed funds for Custom Work paid to Sponsor by Purchaser to the extent such funds have already been expended or will be expended on costs Sponsor has accrued and is obligated to pay with respect to the same, in the event the Purchase Agreement is cancelled for any other reason,

such as Purchaser's election to exercise a right of rescission, if applicable), with the interest earned thereon, if any. Upon such repayment, neither party shall have any claim against the other and both shall be released from all obligations.

Sponsor may cancel this Purchase Agreement by forwarding its check in the full amount paid by the Purchaser, together with a notice in writing, addressed to the Purchaser at his address hereinabove set forth in the event of the occurrence of any of the following: (a) that any governmental bureau, department or subdivision thereto shall impose restrictions on the manufacture, sale, distribution and/or use of materials necessary in the construction of residential housing and such restrictions shall prevent the Sponsor from obtaining such materials from its regular suppliers or from using same in the construction and/or completion of the dwellings; or (b) that the Sponsor is unable to obtain materials from its usual sources due to strikes, lockouts, war, military operations and requirements, national emergencies, acts of God or if the installation of public utilities is restricted or curtailed.

16. **Down Payment Deposit; Escrow Account and Escrow Agent; Payment of Purchase Price; Notice of Closing.**

The required aggregate Down Payment pursuant to this Agreement will be either ten percent (10%) or, if applicable, fifty percent (50%), of the Total Purchase Price for the Unit, set forth in the Plan, as amended, which Down Payment shall be increased by the Custom Work Amount, if applicable.

In accordance with section 71-a(3) of the Lien Law, Sponsor has appointed the law firm of D'Agostino, Levine, Landesman, Lederman & Rivera, LLP, with an address at 345 Seventh Avenue, 23rd Floor, New York, NY 10001, telephone number 212-564-9800, to serve as escrow agent (the "Escrow Agent") for Sponsor and Purchaser to hold all Deposits, other than the deposit for a copy of the Offering Plan, received by it from Purchasers, either directly or through its agents or employees in trust. The Escrow Agent has established the escrow account at Sterling National Bank, located at 489 Fifth Avenue, 5th Floor, New York, New York 10017 (the "Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled "D'Agostino, Levine, Landesman, Lederman & Rivera, LLP Escrow Account for Acacia 118 Condominium" or a similar name (the "Escrow Account"). Purchasers are further advised that a Purchaser's funds are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000.00 in the aggregate per account type per insured bank. If a Purchaser makes a Down Payment in excess of $250,000.00 for the purchase of a Unit, such Down Payment will not be federally insured in excess of $250,000.00. Additionally, if Purchaser has an additional account at the Bank, the aggregate of Purchaser's funds at the Bank, including funds in the additional account and the Down Payment, may not be insured in excess of $250,000.00. Therefore, if a Purchaser has an additional account at the Bank, that a Purchaser's Down Payment, including a Down Payment that is less than $250,000.00, may not be insured in part or in its entirety. Furthermore, while the Down Payment is in the non-interest bearing check portion of the Master Escrow Account, the Down Payment may not be fully federally insured, even if the Down Payment does not exceed $250,000.00. Purchaser should consult with the FDIC website and with their attorneys to determine which part,

if any, of their funds are insured by the FDIC. Sponsor and Escrow Agent make no guarantee of the solvency of the Bank. If the limits of federal bank deposit insurance change in any manner in the future, Escrow Agent will have no obligation to make any changes to the Escrow Account.

The Escrow Agent has designated the following partners to serve as signatories: Wayne R. Landesman, Esq., Bruce H. Lederman, Esq., Jose M. Rivera, Esq., Bettina Miraglia, Esq., Jonharold A. Cicero, Esq., Christopher M. Tarnok, Esq. and Eric Garcia, Esq. All designated signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatories on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

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

All Deposits remitted to Escrow Agent shall be in the form certified or official checks, personal checks subject to collection, or wire transfers upon prior consent by Sponsor and Escrow Agent, and shall be made payable to, or endorsed by the Purchaser, to the order of D'Agostino, Levine, Landesman, Lederman & Rivera, LLP, as Escrow Agent.

The interest rate for all Deposits made into the Escrow Account shall be the prevailing rate for such accounts. Interest shall begin to accrue as of the business day following the date the deposit of the Down Payment clears and is posted by the Bank to the Escrow Account. Absent Purchaser's default, all interest earned thereon shall be paid to or credited to the Purchaser at closing. Prior to the release of the Deposits, no fees of any kind from the principal or any interest earned thereon may be deducted from the Escrow Account, and the Sponsor shall bear all administrative costs associated with the maintenance of the Escrow Account.

Within five (5) business days after the Purchase Agreement has been executed by all necessary parties and 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 after placing the Deposit in the Escrow Account, Escrow Agent shall provide written notice to Purchaser and Sponsor, confirming the Deposit. The notice shall provide the account number and the initial interest rate to be earned on the Deposit. Any Deposits made for Custom Work shall be initially deposited into the Escrow Account, and released in accordance with the terms of the Purchase Agreement between Purchaser and Sponsor.

The Escrow Agent is obligated to send notice to the Purchaser once the Deposit is placed in the Escrow Account. If the Purchaser does not receive notice of such deposit within fifteen (15) business days after the Purchase Agreement has been executed by all necessary parties and tendered, along with the Deposit, to Escrow Agent (the "Date of Tender"), he or she may cancel the Purchase Agreement within ninety (90) days after the Date of Tender. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 28 Liberty Street, 21st Floor, New York, NY 10005. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted

establishing that the Deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning Deposits and requisite notice was timely mailed to the Purchaser.

All Deposits, except for advances made for Custom Work received in connection with the Purchase Agreement to the extent such payments have already been disbursed or are required to pay for such Custom Work, are and shall continue to be the Purchaser's money, and may not be comingled with any other money or pledged or hypothecated by Sponsor, as per GBL §352-h. Such funds shall not be a part of the estate of the Sponsor or the Escrow Agent upon any bankruptcy, incapacity, or death.

Except as to any payments received by Escrow Agent for Custom Work which may be released in accordance with the terms of the Purchase Agreement between Purchaser and Sponsor, under no circumstances shall Sponsor seek or accept release of the Deposit of a defaulting Purchaser until after Consummation of the Plan, as evidenced by the acceptance of a post-closing amendment by the New York State Department of Law. Consummation of the Plan does not relieve the Sponsor of its obligations pursuant to GBL §§352-3(2-b) and 352-h.

The Escrow Agent shall release the Deposit if so directed:

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

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

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

If the Escrow Agent is not directed to release the Deposit pursuant to paragraphs (a), (b), or (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 Condominium 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 Offering Plan or an amendment thereto; or

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

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

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

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

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

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

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

Sponsor shall obtain, or cause the selling agent under the Offering Plan to obtain, a completed and signed W-9 (Request for Taxpayer Identification Number and Certification) or Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding), whichever may be applicable, from Purchaser and deliver such form to Escrow Agent together with the Deposit and this Purchase Agreement. Notwithstanding anything contained herein to the contrary, unless and until Purchaser has delivered to the Escrow Agent a completed and originally-executed Form W-9 or Form W-8BEN, whichever may be applicable, along with any other items reasonably required by the Bank to open the account, the Down Payment will be deposited in a non-interest-bearing escrow account at the Bank.

Prior to release of the Deposit, Escrow Agent's fees and disbursements shall neither be paid by Sponsor from the Deposit nor deducted from the Deposit by any financial institution under any circumstance.

Sponsor agrees to defend, indemnify and hold Escrow Agent harmless from and against all costs, claims, expenses and damages incurred in connection with or arising out of Escrow Agent's

responsibilities arising in connection with this Purchase Agreement or the performance or non-performance of Escrow Agent's duties under this Purchase Agreement, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith or in willful disregard of the obligations set forth in this Purchase Agreement or involving gross negligence of Escrow Agent. This indemnity includes, without limitation, disbursements and attorneys' fees either paid to retain attorneys or representing the hourly billing rates with respect to legal services rendered by Escrow Agent to itself. As an alternative to depositing Down Payments in escrow as set forth above, Sponsor may post a bond or indemnity contract with a licensed surety company ensuring return of such monies, which bond or contract is to be delivered to Purchaser.

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

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

In the event of an uncured default by Purchaser in his obligations under the Purchase Agreement, no more than ten percent (10%), or, if applicable, fifty percent (50%), of the Purchase Price, plus any interest earned thereon, may be retained as liquidated damages. Notwithstanding the above, the actual cost incurred by Sponsor for any Custom Work in the Unit ordered by Purchaser may also be retained as liquidated damages. Sponsor agrees not to seek the remedy of specific performance in connection with Purchase Agreements as to which there has been a default by Purchaser. Except as to any payments received by Escrow Agent for Custom Work which may be released in accordance with the terms of the Purchase Agreement between Purchaser and Sponsor, no Down Payment or other monies shall be released pursuant to an uncured default by Purchaser prior to the Consummation of the Plan.

The balance of the Total Purchase Price will not be payable until closing of title to the Unit.

Following the declaration of effectiveness of the Plan, Purchaser will be given at least thirty (30) days prior written notice of the closing date for his Unit, which notice will also remind him of his obligation to pay the balance of the purchase price at that time and will state when Common Charges will be due and payable.

17. **Equipment and Furnishings**. Sponsor will provide Purchaser only with the fixtures, equipment, hardware, appliances and furnishings referred to in the Plan, which are included in the purchase price of the Unit. Furnishings, equipment, appliances and decorations in any model unit or sales office not referred to in the Plan are excluded from this sale unless specifically included by a rider to this Purchase Agreement. The cost of any such items will be added to the purchase price of the Unit.

18. **Acceptance of Condition of Unit; Risk of Loss**.

(i) Purchaser shall accept title (without abatement in or credit against the purchase price or provision for escrow) notwithstanding that construction of (a) minor details of the Unit, including Custom Work, or the Building or (b) other Units or (c) any recreation facilities or amenities or (d) the landscaped areas or (e) other portions of the Common Elements have not been completed. Minor details referred to in (a) above shall include but not be limited to any items which Sponsor and Purchaser agree to and set forth on the Punchlist Inspection Statement, appearing in Part II of the Plan. The Punchlist Inspection Statement shall survive the closing of title.

(ii) Prior to the closing of title to a Unit, no Purchaser shall be permitted to enter the Unit without the prior consent of Sponsor or the Selling Agent. Purchaser shall have the right to enter and inspect such Unit prior to the closing of title, but shall be obligated to make an inspection appointment with Sponsor or the Selling Agent. Under no circumstances shall Purchaser perform or cause to be performed any work in such Unit prior to the closing of title thereto.

(iii) Purchaser represents to Sponsor that he has examined the Unit and agrees that his execution of this Purchase Agreement shall constitute acceptance of the Unit and the Building and all fixtures, machinery, equipment, furnishings, appliances, installations and other personal property contained therein, in their present condition on the date of this Purchase Agreement, subject to reasonable use, wear, tear and natural deterioration between the date of this Purchase Agreement and the Closing Date and subject to any other obligations of Sponsor under the terms of the Plan.

(iv) The risk of loss from fire or other casualty with respect to the Unit shall remain with Sponsor until the closing of title for the Unit. Sponsor at its sole discretion, reserves the right to either repair or restore such Unit (which election shall be made within one hundred twenty (120) days of loss or casualty), whereupon Purchaser shall be obligated to close without an abatement in the purchase price, or not repair or restore and grant Purchaser the right to rescind the Purchase Agreement. Notwithstanding the above, in the event that Purchaser, or one claiming by or through Purchaser, enters into possession of the Unit prior to the closing of title, then Purchaser shall bear the risk of loss or other casualty not otherwise covered by either the Condominium's insurance or Sponsor's insurance, with respect to the Unit. Additionally, in the event that Purchaser, or one claiming by or through Purchaser enters into possession of the Unit prior to the closing of title, Purchaser shall be solely responsible for any damage to, or loss or other condition in, the Unit and Sponsor shall not be obligated to repair any damages to the Unit or its appliances, fixtures and equipment. Accordingly, Purchaser, or one claiming by or through Purchaser, who takes possession of the Unit prior to the closing of title should obtain insurance coverage for the Unit prior to taking possession, since, despite any loss, Purchaser will remain obligated to purchase the Unit under the terms of this Purchase Agreement, without any abatement in the purchase price. PURCHASER SHOULD CONSULT WITH AN ATTORNEY AND/OR INSURANCE AGENT AS TO HIS OR HER INSURANCE NEEDS.

19. **Possession of Unit Prior to Closing**. It is expressly understood and agreed that the Purchaser shall in no event take possession of the Unit prior to the time of the delivery of the deed and full compliance by the Purchaser with the terms of this Purchase Agreement, and should the Purchaser violate this provision, the Purchaser consents that the Sponsor 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 Sponsor, and if the Sponsor so elects, the Sponsor may cancel this Agreement and the amount deposited hereunder shall belong to the Sponsor as liquidated damages deemed earned hereunder. It is further understood and agreed that the Sponsor will not be responsible for damage or loss to any property belonging to Purchaser whether same is delivered to the property before, on or after the closing of title herein. The provisions of this Paragraph 19 shall survive the closing of title.

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

(b) The Sponsor and/or Purchaser shall be excused from timely performing any obligation or undertaking provided for in this Purchase Agreement and/or under the Offering Plan, as amended, for so long as such performance is prevented, delayed or hindered by the following occurrences or similar or dissimilar occurrences which are not within the control of Sponsor: an act of God, weather, fire, flood, explosion, war, riot, sabotage, outbreaks, epidemics, pandemics, order(s) of public authority having jurisdiction implementing shelter-in-place rules, requirements and/or quarantine measures, acts of terrorism, freight embargos, inability to procure or general shortage of energy, labor, equipment, facilities, materials or supplies in the open market, failure of transportation, government prohibitions, governmental restrictions, governmental orders, governmental preemptions or governmental approvals, strike, lockout, action of labor unions or any other cause. Purchaser's and Sponsor's time to perform such delayed obligations or undertakings shall be tolled for the length of time during which such performance and/or obligation was excused in accordance with this sub-paragraph or as otherwise determined in a final decision or order issued by a court of competent jurisdiction or any governmental or quasi-governmental Department or agency or by an executive order.

21. **Definitions**. The term "Purchaser" shall be read as "Purchasers" if more than one (1) person are purchasers, in which case their obligations shall be deemed joint and several. The terms used herein shall have the same meanings as ascribed thereto in the Plan.

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

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

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

25. **Brokerage**. Purchaser represents and warrants to Sponsor that Acacia 118, LLC and _____, as co-broker, is/are the only broker(s) or sales agents with whom Purchaser has dealt in connection with this transaction, hereinafter the "Broker". Sponsor agrees to pay the commission earned by the Broker pursuant to a separate agreement between the Sponsor and Broker. Purchaser agrees that should any claim be made against Sponsor or Broker, for commissions by any other broker or co-broker, other than the aforementioned Broker, on account of any acts of Purchaser or Purchaser's representatives, Purchaser will indemnify and hold Sponsor and Broker free and harmless from and against any and all liabilities and expenses in connection therewith, including reasonable legal fees. The provisions of this Paragraph 25 shall survive the closing of title.

26. **Governing Law**. This Purchase Agreement shall be governed by and construed in accordance with the law of the State of New York, notwithstanding the principals of Conflict of Laws.

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

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

29. **Acceptance by Sponsor**. Within twenty (20) days after delivery to Sponsor or its Agent by Purchaser of this Purchase Agreement, executed by Purchaser, together with the required Down Payment, Sponsor 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 Sponsor takes no action within said twenty (20) day period this Purchase Agreement shall be deemed null and void and Sponsor will return Purchaser's Down Payment within twenty (20) days.

Upon such refund being made, neither party shall have any further rights, obligations or liabilities hereunder with respect to the other. Prior to Sponsor's countersigning and returning this Purchase Agreement to Purchaser, and at any time thereafter, Purchaser agrees upon request to provide Sponsor with written information about Purchaser's employment, financial and rental/ownership history. Such information obtained prior to countersignature may be used to determine Purchaser's qualification to purchase and own the Unit, but does not constitute a reservation or binding obligation on either the applicant or Sponsor. Sponsor has the right, without incurring any liability, to reject this Agreement without cause or explanation to Purchaser. This Agreement may not be rejected due to Purchaser's sex, race, creed, color, national origin, ancestry, disability, marital status, or other ground proscribed by law.

30. **Transfer Tax Returns**. At closing, Purchaser will duly complete and sign before a Notary Public the transfer tax return required to be filed with the City of New York and the appropriate New York State form (TP-584 or its successor) required to be filed with the New York County Register's office. This transfer tax return and TP-584 form shall be delivered at closing to the representative of Purchaser's title insurance company (or, if none, to Sponsor's attorney) for filing with the proper governmental officer.

31. **Foreign Investment in Real Property Tax Act**. Pursuant to the Foreign Investment in Real Property Tax Act (FIRPTA), upon disposition of a United States real property interest by a foreign person on or after February 17, 2016, the Purchaser of such real property interest must deduct and withhold a tax equal to fifteen percent (15%) of the purchase price unless the Sponsor furnishes a certificate that it is not a foreign entity or individual. Sponsor, a New York limited liability company, will furnish to Purchaser a non-foreign certification at closing, thereby complying with FIRPTA and relieving Purchaser from any withholding obligations.

32. **Custom Work.** In the event that Sponsor, in its sole and absolute discretion, agrees to perform special custom work or install any upgrades or extras at the request of Purchaser ("Custom Work"), such agreement shall be memorialized, and such Custom Work shall be itemized, in this Purchase Agreement or a rider thereto. Purchaser acknowledges and agrees that all such Custom Work is to be performed by Sponsor's contractors. The total Custom Work amount agreed upon between Purchaser and Sponsor and memorialized in this Agreement (the "Custom Work Amount") will be in addition to the total purchase price for the Unit and will be at the sole cost and expense of Purchaser. The Down Payment for the purchase of the Unit will be increased by the Custom Work Amount. Although initially deposited in escrow, upon the rescission of a Purchase Agreement by Purchaser, the funds deposited for the Custom Work will not be refunded to the Purchaser to the extent such funds have already been expended or will be expended on costs Sponsor has accrued and is obligated to pay with respect to Custom Work. Notwithstanding anything to the contrary herein, in the event Sponsor abandons the Offering Plan, Sponsor shall

refund all additional escrowed funds for Custom Work to the Purchaser, notwithstanding whether any such funds have been expended or allocated to costs incurred by Sponsor.

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

34. **Confidentiality**. Sponsor and Purchaser hereby acknowledge and agree to keep all of the terms and conditions of this Agreement confidential. Sponsor and Purchaser agree that any information which is required to be disclosed to the parties' respective lawyers, architects/engineers, accountants, individuals who "need to know" or governmental agencies shall not be deemed to be a breach by Sponsor or Purchaser of the parties undertaking the confidentiality contained in this Agreement. Any failure by Purchaser to keep the terms and conditions of this Agreement confidential shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in this Agreement.

35. **Damage to Public Improvements, Amenities and Common Elements.** Purchaser shall repair and/or restore to their original condition and standards any public improvement, amenity or Common Element on the Property damaged by Purchaser or Purchaser's agents, employees, contractors or licensees. Upon failure of Purchaser to complete such repair and/or restoration work within thirty (30) days after written notice from Sponsor, then and in that event, Sponsor may complete same at the expense of Purchaser who shall reimburse Sponsor for the cost thereof immediately upon demand. This Paragraph 36 shall survive delivery of the deed at Closing.

36. **Purchaser's Representations Regarding OFAC and the PATRIOT Act.** Purchaser represents that Purchaser has full right and authority to execute this Agreement and perform Purchaser's obligations hereunder. If Purchaser is not a natural person, Purchaser agrees to deliver at Closing such documents evidencing Purchaser's authority as may be required by Purchaser's title company. Purchaser further represents that the Down Payment represents Purchaser's own funds and that no other party (other than Purchaser or Sponsor, as provided herein) has any right or claim to all or any portion of the Down Payment.

Purchaser is not now, nor shall it be at any time prior to or at the Closing, an individual, corporation, partnership, joint venture, trust trustee, limited liability company, unincorporated organization, real estate investment trust or any other form of entity (collectively, a "Person") with whom a United States citizen, entity organized under the laws of the United States or its territories (collectively, a "U.S. Person"), is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by the Office of Foreign Assets Control, Department of the Treasury ("OFAC") (including those executive orders and lists published by OFAC with respect to Persons

that have been designated by executive order or by the sanction regulations of OFAC as Persons with whom U.S. Persons may not transact business or must limit their interactions to types approved by OFAC or otherwise. Neither Purchaser nor any person who owns an interest in Purchaser is now nor shall be at any time prior to or at the Closing a Person with whom a U.S. Person, including a "financial institution" as defined in 31 U.S.C. 5312(a)(z), as periodically amended, is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by the OFAC or otherwise.

Purchaser has taken, and shall continue to take until the Closing, such measures as are required by applicable law to assure that the funds used to pay to Sponsor the Purchase Price are derived: (i) from transactions that do not violate United States law nor, to the extent such funds originate outside the United States, do not violate the laws of the jurisdiction in which they originated; and (ii) from permissible sources under United States law and to the extent such funds originate outside the United States, under the laws of the jurisdiction in which they originated. Purchaser is, and will at Closing be, in compliance with any and all applicable provisions of the USA PATRIOT Act of 2001, Pub. L. No. 107-56, the Bank Secrecy Act of 1970, as amended, 31 U.S.C. Section 5311 et. seq., the Trading with the Enemy Act, 50 U.S.C. App. Section 1 et. seq., the International Emergency Economic Powers Act, 50 U.S.C. App. Section 1701 et. seq., and the sanction regulations promulgated pursuant thereto by the OFAC, as well as laws relating to prevention and detection of money laundering in 18 U.S.C. Sections 1956 and 1957.

The provisions of this Paragraph 36 shall survive the Closing of title to the Unit or termination of this Agreement.

37. **Smoking Policy**. Purchaser hereby acknowledges and agrees to the Condominium's smoking policy, which is disclosed in the Offering Plan as follows: "No person may carry or smoke any kind of lighted pipe, cigar, cigarette, tobacco, cannabis, or any other lighted smoking apparatus, equipment or product, including but not limited to electronic cigarettes (collectively, "Smoking Apparatus"), in any area of the Building, whether indoor or outdoor, at any time. For clarification of doubt, smoking shall be prohibited in all common areas of the Building as well as in all Units and Limited Common Elements appurtenant thereto, including any private terrace and/or balcony. In addition, no person may smoke or otherwise burn any Smoking Apparatus within twenty-five (25) feet of any outside entrance to the Condominium or within twenty-five (25) feet of any outdoor air intake or operable window opening into the common areas or any of the Units."

38. **Lead-Based Paint Warning**. Regulations governing disclosure of information regarding Lead Based Paint (the "Regulations") issued by the US Environmental Protection Agency ("EPA") and the US Department of Housing and Urban Development ("HUD") became effective on September 6, 1996. Such Regulations apply to the sale of Residential Condominium Units, except for studio apartments and open lofts which do not have a child less than six years old in residence. The Sponsor does not have any actual knowledge of any lead-based paint or lead-based paint hazards in the Residential Units or in the Property. However, the prior existing building

at the Property was constructed prior to 1978 and therefore either the Property or the Unit may contain lead-based paint and lead-based paint hazards. The Sponsor has not undertaken any separate investigation or risk assessment as to the presence of lead-based paint and/or lead-based paint hazards in the Property and/or the Unit. The Sponsor also does not have any actual knowledge that anyone else has undertaken any such investigation or risk assessment. The Purchaser hereby acknowledges that the Sponsor indicated it did not have any reports or records pertaining to lead-based paint or lead-based paint hazards as to the Unit or the Property. The Regulations require the Sponsor to disclose to the Purchaser that the exposure to lead from lead-based paint may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The Purchaser further recognizes and agrees that the Sponsor does not guaranty the accuracy of Sponsor's disclosure as to lead-based paint or lead-based hazards set forth herein as to the existence (including the magnitude thereof) or nonexistence of lead-based paint hazards in the Unit or the Property. The Purchaser hereby assumes all risks, if any, as to lead-based paint hazards in the Unit or the Property. The Purchaser may undertake his or her own risk assessment or inspection for possible lead-based paint hazards. It is hereby agreed that if Purchaser wishes to complete such inspection or risk assessment, it shall be undertaken by Purchaser prior to the execution of this Agreement. In connection therewith and pursuant to a "Pre-Contract Lead Paint Inspection Agreement," attached hereto as **Exhibit "B"** which shall be simultaneously executed by the Purchaser with this Agreement, the Purchaser has either undertaken his or her own inspection or risk assessment or waived his or her rights to undertake same. The Purchaser also hereby acknowledges receipt of the lead-based paint hazard information brochure entitled "Protect Your Family From Lead in Your Home" prepared by the EPA, HUD and the Consumer Product Safety Commission.

39. **Survival**. The closing of title to the Unit and the delivery of the deed thereto shall be deemed full compliance by Sponsor with each and every term of this Purchase Agreement, except as to any item specifically listed and excepted therefrom. All representations under the Offering Plan, all obligations pursuant to the GBL, and such additional obligations under the Offering Plan which are to be performed subsequent to the closing date will survive delivery of the deed.

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

41. **Counterparts.** This Purchase Agreement and any Rider(s) attached thereto may be signed by facsimile and/or PDF signature and/or in any number of counterparts and each of such facsimile and /or PDF signature and/or counterpart shall for all purposes be deemed to be an original; and all such facsimile and/or PDF signatures and/or counterparts shall together constitute but one and the same Purchase Agreement.

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

Dated: _____

_____, New York

_____L.S.

_____Purchaser

_____L.S.

_____Purchaser

ACCEPTED BY SPONSOR:

Acacia 118, LLC

By:_____
Warren Freyer, Member

ESCROW AGENT:

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

By:_____
_____, Partner

Dated:_____, 2021

EXHIBIT A
TO PURCHASE AGREEMENT

WAIVER OF DIPLOMATIC OR SOVEREIGN IMMUNITY
AND CONSENT TO JURISDICTION

In consideration of Sponsor conveying title to Unit _____ of Acacia 118 Condominium located at 118 East 1st Street, New York, New York 10009 and for other good and valuable consideration to Sponsor, the receipt and sufficiency of which is hereby acknowledged by Sponsor, Purchaser hereby agrees to the following:

1. Capitalized terms used and not otherwise defined in this Waiver shall have the respective meanings ascribed thereto in the Offering Plan, as amended from time to time.

2. Purchaser represents and warrants that the Purchase Agreement for Unit _____ and the sales transaction contemplated thereunder is a commercial rather than a public or governmental act, and that Purchaser is not entitled to claim immunity from legal proceedings with respect to Purchaser or any property of Purchaser on the grounds of sovereignty or otherwise under any law or in any jurisdiction where any action may be brought for enforcement of Purchaser's obligations thereunder.

3. To the extent that Purchaser has now or may hereafter acquire such, Purchaser hereby irrevocably waives, in respect of Purchaser's obligations under the Purchase Agreement and the Condominium Declaration and By-Laws, (i) immunity from the jurisdiction of any court (including but not limited to the courts of the United States or any State thereof) and (ii) immunity of Purchaser's revenues, assets or properties (whether commercial or non-commercial) (A) from execution upon, attachment in aid of execution upon, and attachment prior to a judgment of any such court, (B) from setoff, and (C) from any other legal action or proceeding taken to enforce any obligation or liability of Purchaser arising, directly or indirectly, out of or relating to the Purchase Agreement and/or the Condominium Declaration and By-Laws. In addition to the extent not prohibited by the laws of the United States or international law, Purchaser hereby irrevocably waives, in respect of Purchaser's obligations under the Purchase Agreement and/or the Condominium Declaration and By-Laws, "mission inviolability" as same has been interpreted under the Vienna Convention on Diplomatic Relations, 23 U.S.T. 3227.

4. Purchaser, Sponsor and the Board of Managers of the Condominium acknowledge and agree that all disputes arising, directly or indirectly, out of or relating to the Purchase Agreement and/or the Condominium Declaration and By-Laws and all actions to enforce the Purchase Agreement and/or the Condominium Declaration and By-Laws may be dealt with and adjudicated in the courts of the United States of America or the State of New York, as Sponsor and/or the Board of Managers of the Condominium elect, and, by

execution of the Purchase Agreement, Purchaser hereby expressly and irrevocably accepts for itself and, to the extent permitted by law, in respect of Purchaser's property, generally and unconditionally, the non-exclusive jurisdiction of the aforesaid courts in any suit, action or proceeding arising, directly or indirectly, out of or relating to the Purchase Agreement and/or the Condominium Declaration and By-Laws or in any action to enforce the Purchase Agreement and/or the Condominium Declaration and By-Laws. So far as is permitted under applicable law, this consent to personal jurisdiction by Purchaser shall be self-operative and no further instrument or action, other than service of process in one of the manners specified in this Waiver, or as otherwise permitted by law, shall be necessary in order to confer jurisdiction upon the person of Purchaser in any such court.

5. Provided that service of process is effected upon Purchaser in one of the manners specified in this Waiver or as otherwise permitted by applicable law, Purchaser hereby irrevocably waives, to the fullest extent permitted by law, and agrees not to assert, by way of motion, as a defense or otherwise, (i) any objection which Purchaser may now or hereafter have to the laying of venue or any suit, action or proceeding relating, directly or indirectly, to the Purchase Agreement and/or the Condominium Declaration and By-Laws in the State of New York, (ii) any claim that the State of New York is not a convenient forum for any such suit, action or proceeding, and (iii) any claim that Purchaser is not personally subject to the jurisdiction of the above named courts. Provided that service of process is effected upon Purchaser in one of the manners specified in this Waiver or as otherwise permitted by law, Purchaser agrees that final judgment from which Purchaser has not or may not appeal or further appeal in any such suit, action or proceeding brought in such a court of competent jurisdiction shall be conclusive and binding upon Purchaser and may, to the fullest extent permitted by applicable law, be enforced in the courts of any state or any federal court and in any other courts to the jurisdiction of which Purchaser is subject by a suit upon such judgment and that Purchaser will not assert any defense, counterclaim, or set off in any such suit upon such judgment.

6. In the case of the courts of the United States of America and the State of New York, Purchaser hereby designates, appoints and empowers the party described below ("Purchaser's Agent"):

_____

_____

_____

as its authorized agent to accept and acknowledge for and on Purchaser's behalf service of process in any legal action or proceeding of the nature referred to in the Purchase Agreement and/or the Condominium Declaration and By-Laws, but for no other purpose. Purchaser acknowledges that the provisions of this Section 6, and the provisions of Section 8, below constitute a "special arrangement for service" within the meaning of 28 USC §1608.

7. Purchaser shall have Purchaser's Agent execute all documents and affidavits reasonably necessary to insure that (i) the designation and appointment of Purchaser's Agent as such shall be irrevocable until one year after the date of the closing of title to the Unit, and (ii) Purchaser's Agent shall not cease to act as the agent for service unless and until, in either case, another agent for such purpose reasonably satisfactory to Sponsor and/or the Board of Managers of the Condominium shall have been irrevocably designated and appointed and Purchaser shall have delivered to Sponsor and/or the Board of Managers of the Condominium or any of its successors or assigns, evidence in writing of such other agent's acceptance of such appointment. Any attempt by Purchaser's Agent to cease to so act shall be ineffective and without force or effect unless the foregoing provisions of this Section 7 shall be complied with.

8. Purchaser hereby consents to process being served in any suit, action or proceeding of the nature referred to in the Purchase Agreement and/or the Condominium Declaration and By-Laws either by the mailing of a copy thereof by registered or certified mail, postage prepaid, return receipt requested to (i) Purchaser at the address set forth in the Purchase Agreement, if mailed prior to the closing of title to the Unit, and thereafter at the Unit conveyed, and (ii) to Purchaser's Agent at the address set forth in Section 6 of this Waiver. Service shall be deemed completed ten (10) days after delivery thereof to such party served. Purchaser irrevocably waives, to the fullest extent permitted by law, all claim of error by reason of any such service and agrees that such service (i) shall be deemed in every respect effective service of process upon Purchaser in any such suit, action or proceeding, and (ii) shall to the fullest extent permitted by law, be taken and held to be valid personal service upon and personal, delivery to Purchaser. Copies of any process or other papers served on Purchaser's Agent shall be forwarded promptly to Purchaser but failure to do so shall have no effect on the effectiveness of such service on Purchaser's Agent. Purchaser undertakes to enter an unconditional appearance within thirty (30) days after the completion of such service.

9. Purchaser agrees to execute, deliver and file all such further instruments as may be necessary under the laws of the State of New York in order to make effective (a) the appointment of Purchaser's Agent, (b) the consent of Purchaser to jurisdiction of the state courts of New York and the federal courts sitting in New York, and (c) any other provisions of this Waiver.

10. Nothing in this Waiver shall affect the right of Sponsor and/or the Board of Managers of the Condominium to serve process in any other manner permitted by law or limit the right of Sponsor and/or the Board of Managers of the Condominium or any of its successors or assigns, to bring proceedings against Purchaser in the courts of any jurisdiction or jurisdictions.

11. The provisions of this Waiver shall survive the closing of title to the Unit to Purchaser for the purpose of any suits, action or proceeding arising, directly or indirectly, out of or relating to the Purchase Agreement and/or the Condominium Declaration and By-Laws or

any action to enforce the Purchase Agreement and/or Condominium Declaration and By-Laws.

Dated _____, 20__

_____

Purchaser:

_____

Purchaser:

EXHIBIT B
TO PURCHASE AGREEMENT

PRE-CONTRACT LEAD PAINT INSPECTION AGREEMENT

_____ ("Prospective Purchaser") is contracting to purchase Unit _____ (the "Unit") at Acacia 118 Condominium, located at 118 East 1st Street, New York, New York 10009 (the "Premises") from Acacia 118, LLC, a New York limited liability company duly authorized to transact business in the State of New York ("Prospective Seller").

The parties acknowledge that applicable Federal regulations, specifically 24 CFR Part 35 and 40 CFR Part 645, require (among other things) with respect to the Unit ". . . that the Purchaser has received a 10-day opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based hazards (unless the parties have mutually agreed to a different period of time) before becoming obligated under the contract to purchase the Unit." Alternatively, a Purchaser who chooses to waive the risk assessment or inspection opportunity must so indicate in writing.

In accordance with the foregoing requirement (cross out and initial (a), (b) or (c) below, whichever does not apply):

1. The Prospective Purchaser hereby chooses to waive any risk assessment or inspection opportunity for lead paint with respect to the Unit or Premises; or

2. The parties hereto hereby agree to reduce the 10-day opportunity to inspect to a period not to exceed 5 business days;

3. The parties have agreed that Prospective Purchaser shall have the opportunity to inspect the Unit and Premises during the period beginning _____, 20__, through and including _____, 20__. If Prospective Purchaser elects to make an inspection, he or she shall comply with the following requirements:

   (i) Prospective Purchaser hereby indemnifies and holds harmless Prospective Seller from any and all claims, liabilities, causes of action, losses, damages, costs and expenses (including reasonable attorneys' fees) resulting from the inspection;

   (ii) Initially, Prospective Purchaser shall use only such inspection methods as do not require any removal of any wallpaper, paint or any item permanently affixed to the Unit or Premises. If Prospective Purchaser deems it necessary to remove paint or wallpaper or any other item permanently affixed to the Unit or Premises, no removal may occur until the specific location of the work is identified to Prospective Seller, Prospective Purchaser agrees to repair and restore the Unit and Premises to the same condition that currently exists immediately following the inspection, and Prospective Purchaser

delivers into escrow to be held by Prospective Seller's attorneys an amount agreed between the parties to be sufficient to complete such repair and restorations, which amount shall be held and applied as invoices are presented.

Prior to undertaking any such inspection, the Prospective Seller may require the contractor performing such inspection to add the Prospective Seller as an additional insured party on such contractor's comprehensive general liability insurance policy and to provide evidence of such coverage.

Prospective Purchaser hereby acknowledges that he or she has not been pressured or coerced by Prospective Seller or any other person to waiver or limit the 10-day opportunity to inspect.

The parties agree that this document does not constitute a contract for the sale of the Unit, and does not bind either of the parties or in any way except as it relates to the right and manner of conducting an inspection for lead paint in the Unit. Whether or not the Prospective Purchaser desires to undertake a lead-based paint inspection, the Prospective Seller reserves the right to continue to market the Unit to other Prospective Purchasers and to enter into a Purchase Agreement with another Prospective Purchaser during or after pendency of the inspection period.

Dated: _____, 20__

_____
PROSPECTIVE PURCHASER

PROSPECTIVE SELLER:
Acacia 118, LLC

_____
PROSPECTIVE PURCHASER

By:_____
Warren Freyer, Member

_____
BROKER

The broker signing above is a real estate broker duly licensed in the State of New York who provided this form to the parties and who has received a fully executed copy of the Pre-Contract Agreement on the _____ day of _____, 20__. Broker acknowledges that he or she is not entitled to a commission solely based upon the execution and delivery of this Pre-Contract Lead Paint Inspection Agreement.







Protect Your Family From Lead in Your Home

United States Environmental Protection Agency

United States Consumer Product Safety Commission

United States Department of Housing and Urban Development

June 2017

Are You Planning to Buy or Rent a Home Built Before 1978?

Did you know that many homes built before 1978 have **lead-based paint**? Lead from paint, chips, and dust can pose serious health hazards.

Read this entire brochure to learn:

- How lead gets into the body
- How lead affects health
- What you can do to protect your family
- Where to go for more information

Before renting or buying a pre-1978 home or apartment, federal law requires:

- Sellers must disclose known information on lead-based paint or lead-based paint hazards before selling a house.
- Real estate sales contracts must include a specific warning statement about lead-based paint. Buyers have up to 10 days to check for lead.
- Landlords must disclose known information on lead-based paint and lead-based paint hazards before leases take effect. Leases must include a specific warning statement about lead-based paint.

If undertaking renovations, repairs, or painting (RRP) projects in your pre-1978 home or apartment:

- Read EPA's pamphlet, *The Lead-Safe Certified Guide to Renovate Right,* to learn about the lead-safe work practices that contractors are required to follow when working in your home (see page 12).



Simple Steps to Protect Your Family from Lead Hazards

If you think your home has lead-based paint:

- Don't try to remove lead-based paint yourself.
- Always keep painted surfaces in good condition to minimize deterioration.
- Get your home checked for lead hazards. Find a certified inspector or risk assessor at epa.gov/lead.
- Talk to your landlord about fixing surfaces with peeling or chipping paint.
- Regularly clean floors, window sills, and other surfaces.
- Take precautions to avoid exposure to lead dust when remodeling.
- When renovating, repairing, or painting, hire only EPA- or state-approved Lead-Safe certified renovation firms.
- Before buying, renting, or renovating your home, have it checked for lead-based paint.
- Consult your health care provider about testing your children for lead. Your pediatrician can check for lead with a simple blood test.
- Wash children's hands, bottles, pacifiers, and toys often.
- Make sure children eat healthy, low-fat foods high in iron, calcium, and vitamin C.
- Remove shoes or wipe soil off shoes before entering your house.

Lead Gets into the Body in Many Ways

Adults and children can get lead into their bodies if they:

- Breathe in lead dust (especially during activities such as renovations, repairs, or painting that disturb painted surfaces).
- Swallow lead dust that has settled on food, food preparation surfaces, and other places.
- Eat paint chips or soil that contains lead.

Lead is especially dangerous to children under the age of 6.

- At this age, children's brains and nervous systems are more sensitive to the damaging effects of lead.
- Children's growing bodies absorb more lead.
- Babies and young children often put their hands and other objects in their mouths. These objects can have lead dust on them.



Women of childbearing age should know that lead is dangerous to a developing fetus.

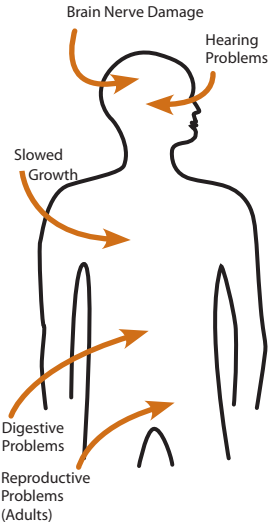
- Women with a high lead level in their system before or during pregnancy risk exposing the fetus to lead through the placenta during fetal development.

Health Effects of Lead

Lead affects the body in many ways. It is important to know that even exposure to low levels of lead can severely harm children.

In children, exposure to lead can cause:

- Nervous system and kidney damage
- Learning disabilities, attention-deficit disorder, and decreased intelligence
- Speech, language, and behavior problems
- Poor muscle coordination
- Decreased muscle and bone growth
- Hearing damage



While low-lead exposure is most common, exposure to high amounts of lead can have devastating effects on children, including seizures, unconsciousness, and in some cases, death.

Although children are especially susceptible to lead exposure, lead can be dangerous for adults, too.

In adults, exposure to lead can cause:

- Harm to a developing fetus
- Increased chance of high blood pressure during pregnancy
- Fertility problems (in men and women)
- High blood pressure
- Digestive problems
- Nerve disorders
- Memory and concentration problems
- Muscle and joint pain

Check Your Family for Lead

Get your children and home tested if you think your home has lead.

Children's blood lead levels tend to increase rapidly from 6 to 12 months of age, and tend to peak at 18 to 24 months of age.

Consult your doctor for advice on testing your children. A simple blood test can detect lead. Blood lead tests are usually recommended for:

- Children at ages 1 and 2
- Children or other family members who have been exposed to high levels of lead
- Children who should be tested under your state or local health screening plan

Your doctor can explain what the test results mean and if more testing will be needed.

Where Lead-Based Paint Is Found

In general, the older your home or childcare facility, the more likely it has lead-based paint.[1]

Many homes, including private, federally-assisted, federally-owned housing, and childcare facilities built before 1978 have lead-based paint. In 1978, the federal government banned consumer uses of lead-containing paint.[2]

Learn how to determine if paint is lead-based paint on page 7.

Lead can be found:

- In homes and childcare facilities in the city, country, or suburbs,
- In private and public single-family homes and apartments,
- On surfaces inside and outside of the house, and
- In soil around a home. (Soil can pick up lead from exterior paint or other sources, such as past use of leaded gas in cars.)

Learn more about where lead is found at epa.gov/lead.

[1] "Lead-based paint" is currently defined by the federal government as paint with lead levels greater than or equal to 1.0 milligram per square centimeter (mg/cm), or more than 0.5% by weight.

[2] "Lead-containing paint" is currently defined by the federal government as lead in new dried paint in excess of 90 parts per million (ppm) by weight.

Identifying Lead-Based Paint and Lead-Based Paint Hazards

Deteriorating lead-based paint (peeling, chipping, chalking, cracking, or damaged paint) is a hazard and needs immediate attention. **Lead-based paint** may also be a hazard when found on surfaces that children can chew or that get a lot of wear and tear, such as:

- On windows and window sills
- Doors and door frames
- Stairs, railings, banisters, and porches

Lead-based paint is usually not a hazard if it is in good condition and if it is not on an impact or friction surface like a window.

Lead dust can form when lead-based paint is scraped, sanded, or heated. Lead dust also forms when painted surfaces containing lead bump or rub together. Lead paint chips and dust can get on surfaces and objects that people touch. Settled lead dust can reenter the air when the home is vacuumed or swept, or when people walk through it. EPA currently defines the following levels of lead in dust as hazardous:

- 40 micrograms per square foot ($\mu g/ft^2$) and higher for floors, including carpeted floors
- 250 $\mu g/ft^2$ and higher for interior window sills

Lead in soil can be a hazard when children play in bare soil or when people bring soil into the house on their shoes. EPA currently defines the following levels of lead in soil as hazardous:

- 400 parts per million (ppm) and higher in play areas of bare soil
- 1,200 ppm (average) and higher in bare soil in the remainder of the yard

Remember, lead from paint chips—which you can see—and lead dust—which you may not be able to see—both can be hazards.

The only way to find out if paint, dust, or soil lead hazards exist is to test for them. The next page describes how to do this.

Checking Your Home for Lead

You can get your home tested for lead in several different ways:

- A lead-based paint **inspection** tells you if your home has lead-based paint and where it is located. It won't tell you whether your home currently has lead hazards. A trained and certified testing professional, called a lead-based paint inspector, will conduct a paint inspection using methods, such as:
  - Portable x-ray fluorescence (XRF) machine
  - Lab tests of paint samples



- A **risk assessment** tells you if your home currently has any lead hazards from lead in paint, dust, or soil. It also tells you what actions to take to address any hazards. A trained and certified testing professional, called a risk assessor, will:
  - Sample paint that is deteriorated on doors, windows, floors, stairs, and walls
  - Sample dust near painted surfaces and sample bare soil in the yard
  - Get lab tests of paint, dust, and soil samples
- A combination inspection and risk assessment tells you if your home has any lead-based paint and if your home has any lead hazards, and where both are located.

Be sure to read the report provided to you after your inspection or risk assessment is completed, and ask questions about anything you do not understand.

Checking Your Home for Lead, continued

In preparing for renovation, repair, or painting work in a pre-1978 home, Lead-Safe Certified renovators (see page 12) may:

- Take paint chip samples to determine if lead-based paint is present in the area planned for renovation and send them to an EPA-recognized lead lab for analysis. In housing receiving federal assistance, the person collecting these samples must be a certified lead-based paint inspector or risk assessor
- Use EPA-recognized tests kits to determine if lead-based paint is absent (but not in housing receiving federal assistance)
- Presume that lead-based paint is present and use lead-safe work practices

There are state and federal programs in place to ensure that testing is done safely, reliably, and effectively. Contact your state or local agency for more information, visit epa.gov/lead, or call **1-800-424-LEAD (5323)** for a list of contacts in your area.[3]

[3] Hearing- or speech-challenged individuals may access this number through TTY by calling the Federal Relay Service at 1-800-877-8339.

What You Can Do Now to Protect Your Family

If you suspect that your house has lead-based paint hazards, you can take some immediate steps to reduce your family's risk:

- If you rent, notify your landlord of peeling or chipping paint.
- Keep painted surfaces clean and free of dust. Clean floors, window frames, window sills, and other surfaces weekly. Use a mop or sponge with warm water and a general all-purpose cleaner. (Remember: never mix ammonia and bleach products together because they can form a dangerous gas.)
- Carefully clean up paint chips immediately without creating dust.
- Thoroughly rinse sponges and mop heads often during cleaning of dirty or dusty areas, and again afterward.
- Wash your hands and your children's hands often, especially before they eat and before nap time and bed time.
- Keep play areas clean. Wash bottles, pacifiers, toys, and stuffed animals regularly.
- Keep children from chewing window sills or other painted surfaces, or eating soil.
- When renovating, repairing, or painting, hire only EPA- or state-approved Lead-Safe Certified renovation firms (see page 12).
- Clean or remove shoes before entering your home to avoid tracking in lead from soil.
- Make sure children eat nutritious, low-fat meals high in iron, and calcium, such as spinach and dairy products. Children with good diets absorb less lead.

Reducing Lead Hazards

Disturbing lead-based paint or removing lead improperly can increase the hazard to your family by spreading even more lead dust around the house.



- In addition to day-to-day cleaning and good nutrition, you can **temporarily** reduce lead-based paint hazards by taking actions, such as repairing damaged painted surfaces and planting grass to cover lead-contaminated soil. These actions are not permanent solutions and will need ongoing attention.
- You can minimize exposure to lead when renovating, repairing, or painting by hiring an EPA- or state-certified renovator who is trained in the use of lead-safe work practices. If you are a do-it-yourselfer, learn how to use lead–safe work practices in your home.
- To remove lead hazards permanently, you should hire a certified lead abatement contractor. Abatement (or permanent hazard elimination) methods include removing, sealing, or enclosing lead-based paint with special materials. Just painting over the hazard with regular paint is not permanent control.

Always use a certified contractor who is trained to address lead hazards safely.

- Hire a Lead-Safe Certified firm (see page 12) to perform renovation, repair, or painting (RRP) projects that disturb painted surfaces.
- To correct lead hazards permanently, hire a certified lead abatement professional. This will ensure your contractor knows how to work safely and has the proper equipment to clean up thoroughly.

Certified contractors will employ qualified workers and follow strict safety rules as set by their state or by the federal government.

Reducing Lead Hazards, continued

If your home has had lead abatement work done or if the housing is receiving federal assistance, once the work is completed, dust cleanup activities must be conducted until clearance testing indicates that lead dust levels are below the following levels:

- 40 micrograms per square foot (µg/ft^2) for floors, including carpeted floors
- 250 µg/ft^2 for interior windows sills
- 400 µg/ft^2 for window troughs

For help in locating certified lead abatement professionals in your area, call your state or local agency (see pages 14 and 15), or visit epa.gov/lead, or call 1-800-424-LEAD.

Renovating, Repairing or Painting a Home with Lead-Based Paint

If you hire a contractor to conduct renovation, repair, or painting (RRP) projects in your pre-1978 home or childcare facility (such as pre-school and kindergarten), your contractor must:



- Be a Lead-Safe Certified firm approved by EPA or an EPA-authorized state program
- Use qualified trained individuals (Lead-Safe Certified renovators) who follow specific lead-safe work practices to prevent lead contamination
- Provide a copy of EPA's lead hazard information document, *The Lead-Safe Certified Guide to Renovate Right*

RRP contractors working in pre-1978 homes and childcare facilities must follow lead-safe work practices that:

- **Contain the work area.** The area must be contained so that dust and debris do not escape from the work area. Warning signs must be put up, and plastic or other impermeable material and tape must be used.
- **Avoid renovation methods that generate large amounts of lead-contaminated dust.** Some methods generate so much lead-contaminated dust that their use is prohibited. They are:
  - Open-flame burning or torching
  - Sanding, grinding, planing, needle gunning, or blasting with power tools and equipment not equipped with a shroud and HEPA vacuum attachment
  - Using a heat gun at temperatures greater than 1100°F
- **Clean up thoroughly.** The work area should be cleaned up daily. When all the work is done, the area must be cleaned up using special cleaning methods.
- **Dispose of waste properly.** Collect and seal waste in a heavy duty bag or sheeting. When transported, ensure that waste is contained to prevent release of dust and debris.

To learn more about EPA's requirements for RRP projects, visit epa.gov/getleadsafe, or read *The Lead-Safe Certified Guide to Renovate Right*.

Other Sources of Lead

Lead in Drinking Water

The most common sources of lead in drinking water are lead pipes, faucets, and fixtures.

Lead pipes are more likely to be found in older cities and homes built before 1986.

You can't smell or taste lead in drinking water.

To find out for certain if you have lead in drinking water, have your water tested.

Remember older homes with a private well can also have plumbing materials that contain lead.

Important Steps You Can Take to Reduce Lead in Drinking Water

- Use only cold water for drinking, cooking and making baby formula. Remember, boiling water does not remove lead from water.
- Before drinking, flush your home's pipes by running the tap, taking a shower, doing laundry, or doing a load of dishes.
- Regularly clean your faucet's screen (also known as an aerator).
- If you use a filter certified to remove lead, don't forget to read the directions to learn when to change the cartridge. Using a filter after it has expired can make it less effective at removing lead.

Contact your water company to determine if the pipe that connects your home to the water main (called a service line) is made from lead. Your area's water company can also provide information about the lead levels in your system's drinking water.

For more information about lead in drinking water, please contact EPA's Safe Drinking Water Hotline at 1-800-426-4791. If you have other questions about lead poisoning prevention, call 1-800 424-LEAD.*

Call your local health department or water company to find out about testing your water, or visit epa.gov/safewater for EPA's lead in drinking water information. Some states or utilities offer programs to pay for water testing for residents. Contact your state or local water company to learn more.

* Hearing- or speech-challenged individuals may access this number through TTY by calling the Federal Relay Service at 1-800-877-8339.

Other Sources of Lead, continued

- **Lead smelters** or other industries that release lead into the air.
- **Your job.** If you work with lead, you could bring it home on your body or clothes. Shower and change clothes before coming home. Launder your work clothes separately from the rest of your family's clothes.
- **Hobbies** that use lead, such as making pottery or stained glass, or refinishing furniture. Call your local health department for information about hobbies that may use lead.
- Old **toys** and **furniture** may have been painted with lead-containing paint. Older toys and other children's products may have parts that contain lead.[4]
- Food and liquids cooked or stored in **lead crystal** or **lead-glazed pottery or porcelain** may contain lead.
- Folk remedies, such as **"greta"** and **"azarcon,"** used to treat an upset stomach.

[4] In 1978, the federal government banned toys, other children's products, and furniture with lead-containing paint. In 2008, the federal government banned lead in most children's products. The federal government currently bans lead in excess of 100 ppm by weight in most children's products.

For More Information

The National Lead Information Center
Learn how to protect children from lead poisoning and get other information about lead hazards on the Web at epa.gov/lead and hud.gov/lead, or call **1-800-424-LEAD (5323).**

EPA's Safe Drinking Water Hotline
For information about lead in drinking water, call **1-800-426-4791**, or visit epa.gov/safewater for information about lead in drinking water.

Consumer Product Safety Commission (CPSC) Hotline
For information on lead in toys and other consumer products, or to report an unsafe consumer product or a product-related injury, call **1-800-638-2772,** or visit CPSC's website at cpsc.gov or saferproducts.gov.

State and Local Health and Environmental Agencies
Some states, tribes, and cities have their own rules related to lead-based paint. Check with your local agency to see which laws apply to you. Most agencies can also provide information on finding a lead abatement firm in your area, and on possible sources of financial aid for reducing lead hazards. Receive up-to-date address and phone information for your state or local contacts on the Web at epa.gov/lead, or contact the National Lead Information Center at **1-800-424-LEAD.**

Hearing- or speech-challenged individuals may access any of the phone numbers in this brochure through TTY by calling the toll-free Federal Relay Service at **1-800-877-8339**.

U. S. Environmental Protection Agency (EPA) Regional Offices

The mission of EPA is to protect human health and the environment. Your Regional EPA Office can provide further information regarding regulations and lead protection programs.

Region 1 (Connecticut, Massachusetts, Maine, New Hampshire, Rhode Island, Vermont)

Regional Lead Contact
U.S. EPA Region 1
5 Post Office Square, Suite 100, OES 05-4
Boston, MA 02109-3912
(888) 372-7341

Region 2 (New Jersey, New York, Puerto Rico, Virgin Islands)

Regional Lead Contact
U.S. EPA Region 2
2890 Woodbridge Avenue
Building 205, Mail Stop 225
Edison, NJ 08837-3679
(732) 321-6671

Region 3 (Delaware, Maryland, Pennsylvania, Virginia, DC, West Virginia)

Regional Lead Contact
U.S. EPA Region 3
1650 Arch Street
Philadelphia, PA 19103
(215) 814-2088

Region 4 (Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee)

Regional Lead Contact
U.S. EPA Region 4
AFC Tower, 12th Floor, Air, Pesticides & Toxics
61 Forsyth Street, SW
Atlanta, GA 30303
(404) 562-8998

Region 5 (Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin)

Regional Lead Contact
U.S. EPA Region 5 (DT-8J)
77 West Jackson Boulevard
Chicago, IL 60604-3666
(312) 886-7836

Region 6 (Arkansas, Louisiana, New Mexico, Oklahoma, Texas, and 66 Tribes)

Regional Lead Contact
U.S. EPA Region 6
1445 Ross Avenue, 12th Floor
Dallas, TX 75202-2733
(214) 665-2704

Region 7 (Iowa, Kansas, Missouri, Nebraska)

Regional Lead Contact
U.S. EPA Region 7
11201 Renner Blvd.
WWPD/TOPE
Lenexa, KS 66219
(800) 223-0425

Region 8 (Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming)

Regional Lead Contact
U.S. EPA Region 8
1595 Wynkoop St.
Denver, CO 80202
(303) 312-6966

Region 9 (Arizona, California, Hawaii, Nevada)

Regional Lead Contact
U.S. EPA Region 9 (CMD-4-2)
75 Hawthorne Street
San Francisco, CA 94105
(415) 947-4280

Region 10 (Alaska, Idaho, Oregon, Washington)

Regional Lead Contact
U.S. EPA Region 10
Solid Waste & Toxics Unit (WCM-128)
1200 Sixth Avenue, Suite 900
Seattle, WA 98101
(206) 553-1200

Consumer Product Safety Commission (CPSC)

The CPSC protects the public against unreasonable risk of injury from consumer products through education, safety standards activities, and enforcement. Contact CPSC for further information regarding consumer product safety and regulations.

CPSC
4330 East West Highway
Bethesda, MD 20814-4421
1-800-638-2772
cpsc.gov or saferproducts.gov

U. S. Department of Housing and Urban Development (HUD)

HUD's mission is to create strong, sustainable, inclusive communities and quality affordable homes for all. Contact HUD's Office of Healthy Homes and Lead Hazard Control for further information regarding the Lead Safe Housing Rule, which protects families in pre-1978 assisted housing, and for the lead hazard control and research grant programs.

HUD
451 Seventh Street, SW, Room 8236
Washington, DC 20410-3000
(202) 402-7698
hud.gov/offices/lead/

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U. S. EPA Washington DC 20460
U. S. CPSC Bethesda MD 20814
U. S. HUD Washington DC 20410

EPA-747-K-12-001
June 2017

IMPORTANT!

Lead From Paint, Dust, and Soil in and Around Your Home Can Be Dangerous if Not Managed Properly

- Children under 6 years old are most at risk for lead poisoning in your home.
- Lead exposure can harm young children and babies even before they are born.
- Homes, schools, and child care facilities built before 1978 are likely to contain lead-based paint.
- Even children who seem healthy may have dangerous levels of lead in their bodies.
- Disturbing surfaces with lead-based paint or removing lead-based paint improperly can increase the danger to your family.
- People can get lead into their bodies by breathing or swallowing lead dust, or by eating soil or paint chips containing lead.
- People have many options for reducing lead hazards. Generally, lead-based paint that is in good condition is not a hazard (see page 10).

FORM OF INTERIM USE AND OCCUPANCY AGREEMENT

The Sponsor and Purchaser/Occupant agree as of _____ that Purchaser/Occupant shall use and occupy the Apartment (Apartment shall mean "Unit" where applicable herein) as follows:

SPONSOR/OWNER: **Acacia 118, LLC** **111 John Street, Suite 200** **New York, New York 10038**	**PURCHASER/OCCUPANT:** [TBD]
Address for Notices:	Same as Above

Apartment #___ at **Acacia 118 Condominium**
118 East 1st Street
New York, New York 10009

Term: see Paragraph 33
Security: $TBD; **Rent:** $TBD

Bank: Not Applicable

Use and Occupancy Fee is $TBD per month for each of the maximum of Twelve (12) months. At the closing of title to the Unit Purchaser/Occupant and Sponsor shall adjust the use and occupancy fee on a pro rata basis for the month in which the closing occurs.

1. **Use.** The Apartment must be used only for residential use as a private Apartment for living and for no other reason. Only a party signing this Interim Use and Occupancy Agreement and/or the spouse and children of that party may use the Apartment. All references to "Purchaser/ Occupant" shall be read to mean "Purchaser and/or Occupant."

2. **Failure to Give Possession.** Sponsor and Owner, hereinafter collectively referred to as Sponsor, shall not be liable for failure to give Purchaser/Occupant possession of the Apartment on the beginning date of the Term. The Use and Occupancy Fee shall be payable as of the beginning of the Term unless Sponsor is unable to give possession. The Use and Occupancy Fee shall then be payable as of the date possession is available. Sponsor must give possession within a reasonable time, if not, Purchaser/Occupant may cancel and obtain a refund of the money deposited for the Use and Occupancy Fee. Sponsor will notify Purchaser/Occupant as to the date possession is available. The ending date of the Term will not change.

3. **Use and Occupancy Fee, Added Use and Occupancy Fee.** The Use and Occupancy Fee payment for each month must be paid on the first day of that month at Sponsor's address. Sponsor need not give notice to pay the Use and Occupancy Fee for such fee to be due. The Use and Occupancy Fee must be paid in full. The first month's Use and Occupancy Fee and security is to be paid when Purchaser/Occupant signs this Interim Use and Occupancy Agreement.

Purchaser/Occupant may be required to pay other charges to Sponsor under the terms of this Interim Use and Occupancy Agreement. They are to be called an "Added Use and Occupancy Fee." This Added Use and Occupancy Fee is payable in the same manner as the Use and Occupancy Fee, together with the next monthly Use and Occupancy Fee due. If Purchaser/Occupant fails to pay the Added Use and Occupancy Fee on time, Sponsor shall have the same rights against Purchaser/Occupant as if Purchaser/Occupant failed to pay the Use and Occupancy Fee.

4. **Notices.** Any bill, statement or notice must be in writing. If to Purchaser/Occupant, it must be delivered or mailed to the Purchaser/Occupant at the Apartment. If to Sponsor it must be mailed to Sponsor's address. It will be considered delivered on the day mailed or if not mailed, when left at the proper address. A notice must be sent by certified mail. Sponsor must notify Purchaser/Occupant if Sponsor's address is changed.

5. **Security.** Purchaser/Occupant has given security to Sponsor in the amount stated above. The security has been deposited in the Bank named above and delivery of this Interim Use and Occupancy Agreement is notice of the deposit. If the Bank is not named, Sponsor will notify Purchaser/Occupant of the Bank's name and address in which the security is deposited.

If Purchaser/Occupant does not pay the Use and Occupancy Fee on time, Sponsor may use the security to pay for the Use and Occupancy Fee past due. If Purchaser/Occupant fails to perform any other term in this Interim Use and Occupancy Agreement, Sponsor may use the security for payment of money Sponsor may spend, or damages Sponsor suffers because of Purchaser/Occupant's failure. If the Sponsor uses the security, Purchaser/Occupant shall, upon notice from Sponsor, send an amount equal to the sum used by Sponsor. At all times Sponsor is to have the amount of security stated above.

If Purchaser/Occupant fully performs all terms of this Interim Use and Occupancy Agreement, pays the Use and Occupancy Fee on time and leaves the Apartment in good condition upon vacating the Apartment or closes title pursuant to the Purchase Agreement, as amended, then Sponsor will return the security being held.

If Sponsor sells or leases the Building, Sponsor may give the security to the buyer or lessee. Sponsor will notify Purchaser/Occupant by certified mail of the name and address of the new buyer or lessee of the building to whom the deposit has been transferred. In that event Purchaser/Occupant will look only to the buyer or lessee for the return of the security. The security is in a trust fund for Purchaser/Occupant. The Sponsor may use the security as stated in this Section. Sponsor may put the security in any place permitted by law. If the law states the security must bear interest, unless the security is used by Sponsor as stated Sponsor will give Purchaser/Occupant the interest less the sum Sponsor is allowed to keep for expenses. If the law does not require security to bear interest, Purchaser/Occupant will not be entitled to it.

6. **Services.** Sponsor will supply: (a) heat as required by law, (b) hot and cold water to the bathroom and kitchen, (c) use of the building's common elevator, if any, and (d) cooling if central air conditioning is installed. Stopping or reducing of service(s) will not be reason for Purchaser/Occupant to stop paying Use and Occupancy Fee, to make a money claim or to claim

eviction. Purchaser/Occupant may enforce its rights under the warranty of habitability. Damage to the equipment or appliances supplied by Sponsor, caused by Purchaser/Occupant's acts or neglect, may be repaired by Sponsor at Purchaser/Occupant's expense. The repair cost will be an Added Use and Occupant Fee.

Purchaser/Occupant must pay for all electric, gas, telephone and other utility services used in the Apartment and arrange for them with the public utility company. Purchaser/Occupant must not use a dishwasher, washing machine, dryer, freezer, heater, ventilator, air cooling equipment or other appliance unless installed by Sponsor or with Sponsor's written consent. Purchaser/Occupant must not use more electric than the wiring or feeders to the Building can safely carry.

Sponsor may stop service of the plumbing, heating, elevator, air cooling or electrical systems, because of accident, emergency, repairs, or changes until the work is complete.

7. **Alterations.** Purchaser/Occupant must obtain Sponsor's prior written consent to install any paneling, flooring, "built in" decoration, partitions, railings or make alterations or to paint or wallpaper the Apartment. Purchaser/Occupant must not change the plumbing, ventilating, air conditioning, electric or heating systems. If consent is given, the alterations and installations shall become the property of Sponsor when completed and paid for. They shall remain with and as part of the Apartment at the end of the Term. Sponsor has the right to demand that Purchaser/Occupant remove the alterations and installations before the end of the Term. The demand shall be by notice, given at least fifteen (15) days before the end of the Term. Purchaser/Occupant shall comply with the demand at Purchaser/Occupant's own cost. Sponsor is not required to do or pay for any work unless stated in this Interim Use and Occupancy Agreement.

If a Mechanic's Lien is filed on the Apartment or Building for Purchaser/Occupant's failure to pay for alterations or installations in the Apartment, Purchaser/Occupant must immediately pay or bond the amount stated in the Lien. Sponsor may pay or bond the Lien if Purchaser/Occupant fails to do so within twenty (20) days after Purchaser/Occupant is given notice of the Lien. Sponsor's reasonable costs shall be an Added Use and Occupancy Fee.

8. **Repairs.** Purchaser/Occupant must take good care of the Apartment and all equipment and fixtures in it. Sponsor will repair the plumbing, heating and electrical systems. Purchaser/ Occupant must, at Purchaser/Occupant's cost, make all repairs and replacements whenever the need results from Purchaser/Occupant's act or neglect. If Purchaser/Occupant fails to make a needed repair or replacement, Sponsor may do it. Sponsor's reasonable expense will be an Added Use and Occupancy Fee.

9. **Fire, Accident, Defects, Damage.** Purchaser/Occupant must give Sponsor prompt notice of fire, accident, damage or dangerous or defective condition. If the Apartment cannot be used because of fire or other casualty, Purchaser/Occupant is not required to pay the Use and Occupancy Fee for the time the Apartment is unusable. If part of the Apartment cannot be used, Purchaser/Occupant must pay a reasonable proportion of the Use and Occupancy Fee for the usable part. Sponsor shall have the right to decide which part of the Apartment is usable. Sponsor need only repair the damaged part of the Apartment. Sponsor is not required to repair or replace any equipment, fixtures, furnishings or decorations unless originally installed by Sponsor. Sponsor is

not responsible for delays due to settling insurance claims, obtaining estimates, labor and supply problems or any other cause not fully under Sponsor's control.

If the Apartment cannot be used, Sponsor has thirty (30) days to decide whether to repair it. Sponsor's decision to repair must be given to Purchaser/Occupant within thirty (30) days of the fire or casualty. Sponsor shall have a reasonable time to repair. In determining what is a reasonable time, consideration shall be given to any delays in receipt of insurance settlements, labor trouble and causes not within Sponsor's control. If Sponsor fails to give Purchaser/Occupant notice of its decision within thirty (30) days, Purchaser/Occupant may cancel this Interim Use and Occupancy Agreement as of the date of the fire or casualty. The cancellation shall be effective only if it is given before Sponsor begins to repair or before Sponsor notifies Purchaser/Occupant of its decision to repair. If the fire or other casualty is caused by an act or neglect of Purchaser/Occupant or guest of Purchaser/Occupant all repairs will be made at Purchaser/Occupant's expense and Purchaser/ Occupant must pay the full Use and Occupancy Fee with no abatement or adjustment. The cost of the repairs will be an Added Use and Occupancy Fee.

Sponsor has the right to demolish or rebuild the Building if there is substantial damage, by fire or other casualty. Even if the Apartment is not damaged, Sponsor may cancel this Use and Occupancy Agreement within thirty (30) days after the substantial fire or casualty by giving Purchaser/Occupant notice of Sponsor's intention to demolish or rebuild. This Interim Use and Occupancy Agreement will end thirty (30) days after Sponsor's cancellation notice to Purchaser/Occupant. Purchaser/Occupant must deliver the Apartment to Sponsor on or before the cancellation date in the notice and pay all of the Use and Occupancy Fee due to the date of the fire or casualty. If this Interim Use and Occupancy Agreement is cancelled Sponsor is not required to repair the Apartment or Building. The cancellation does not release Purchaser/Occupant of liability in connection with the fire or casualty. This Section is intended to replace the terms of New York Real Property Law Section 227.

In the event of damage or destruction to any Residential Unit by fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, if Sponsor within a one hundred twenty (120) day period notifies Purchaser that it does not elect (which election shall be in its sole discretion) to repair or restore the Residential Unit, the Purchase Agreement shall be deemed cancelled and of no further force or effect and Sponsor shall return the Deposit, together with any interest earned thereon, to Purchaser, whereupon Sponsor and Purchaser shall be released and discharged from all obligations and liability under the Purchase Agreement and the Plan; provided, however, if Purchaser is then in default under the Purchase Agreement (beyond any applicable grace period), Sponsor shall retain all such sums as and for liquidated damages.

10. **Liability.** Sponsor is not liable for loss, expense, or damage to any person or property, unless due to Sponsor's negligence. Sponsor is not liable to Purchaser/Occupant for permitting or refusing entry of anyone into the Building.

Purchaser/Occupant must pay for damages suffered and reasonable expenses of Sponsor relating to any claim arising from any act or neglect of Purchaser/Occupant. If an action is brought against Sponsor arising from Purchaser/Occupant's act or neglect Purchaser/Occupant shall defend Sponsor at Purchaser/Occupant's expense with an attorney of Sponsor's choice.

Purchaser/Occupant is responsible for all acts of Purchaser/Occupant's family, employees, guests or invitees.

11. **Entry by Sponsor.** Sponsor may enter the Apartment at reasonable hours to: repair, inspect, exterminate, install or work on master antennas or other systems and perform other work that Sponsor decides is necessary. At reasonable hours Sponsor may show the Apartment to possible buyers, lenders, or lessee of the entire Building or land. At reasonable hours Sponsor may show the Apartment to possible or new purchaser/occupants during the last four (4) months of the Term, if applicable. Entry by Sponsor must be on reasonable notice except in emergency.

12. **Assignment and Sublease.** Purchaser/Occupant may not assign this Interim Use and Occupancy Agreement or sublet all or part of the Apartment or permit any other person to use the Apartment, unless consented to in writing by Sponsor.

13. **Subordination.** This Interim Use and Occupancy Agreement and Purchaser/Occupant's rights, are subject and subordinate to all present and future (a) leases for the Building or the land on which it stands, (b) mortgages on the leases or the Building or land, (c) agreements securing money paid or to be paid by a lender, and (d) terms, conditions, renewals, changes of any kind and extensions of the mortgages, leases or lender agreements. Purchaser/Occupant must promptly execute any certificate(s) that Sponsor requests to show that this Interim Use and Occupancy Agreement is so subject and subordinate. Purchaser/Occupant authorizes Sponsor to sign these certificate(s) for Purchaser/Occupant. This Interim Use and Occupancy Agreement and Purchaser/Occupant's rights are also subject and subordinate to the Condominium Offering Plan and the Condominium Declaration for **Acacia 118 Condominium**, as amended.

14. **Condemnation.** If all of the Apartment or Building is taken or condemned by a legal authority, the Term, and Purchaser/Occupant's rights shall end as of the date the authority takes title to the Apartment or Building. If any part of the Apartment or Building is taken, Sponsor may cancel this Interim Use and Occupancy Agreement on notice to Purchaser/Occupant. The notice shall set a cancellation date not less than thirty (30) days from the date of the notice. If this Interim Use and Occupancy Agreement is cancelled, Purchaser/Occupant must deliver the Apartment to Sponsor on the cancellation date together with the total Use and Occupancy Fee due to that date. The entire award for any taking belongs to Sponsor. Purchaser/Occupant gives Sponsor any interest Purchaser/Occupant may have to any part of the award. Purchaser/Occupant shall make no claim for the value of the remaining part of the Term.

15. **Purchaser/Occupant Duty to Obey Laws and Regulations.** Purchaser/Occupant must, at Purchaser/Occupant's expense, promptly comply with all laws, orders, rules, requests and directions, of all governmental authorities, Sponsor's insurers, Board of Fire Underwriters, or similar groups. Notices received by Purchaser/Occupant from any authority or group must be promptly delivered to Sponsor. Purchaser/Occupant may not do anything which may increase Sponsor's insurance premiums. If Purchaser/Occupant does, Purchaser/Occupant must pay the increase in premium as an added use and occupancy fee.

16. **Purchaser/Occupant's Default.** A. Sponsor must give Purchaser/ Occupant written notice of default stating the type of default. The following are defaults and must be cured by Purchaser/Occupant within the time stated:

(1) Failure to pay the Use and Occupancy Fee or an Added Use and Occupancy Fee on time. Three (3) days in which to cure.

(2) Failure to move into the Apartment within fifteen (15) days after the beginning date of the Term. Ten (10) days in which to cure.

(3) Issuance of a court order under which the Apartment may be taken by another party. Ten (10) days in which to cure.

(4) Improper conduct by Purchaser/Occupant annoying other purchasers/occupants. Ten (10) days in which to cure.

(5) Failure to comply with any other term or Rule in this Interim Use and Occupancy Agreement. Ten (10) days in which to cure.

A. If Purchaser/Occupant fails to cure the default in the time stated, Sponsor may cancel this Interim Use and Occupancy Agreement by giving Purchaser/Occupant a cancellation notice. The cancellation notice will state the date the Term will end which may be no less than ten (10) days after the date of the notice. On the cancellation date in the notice the Term of this Interim Use and Occupancy Agreement shall end. Purchaser/Occupant must leave the Apartment and give Sponsor the keys on or before the cancellation date. Purchaser/Occupant continues to be responsible as stated in this Interim Use and Occupancy Agreement. If the default cannot be cured in the time stated, Purchaser/Occupant must begin to cure within that time and continue diligently until cured.

B. If Purchaser/Occupant's application for the Apartment contains any material misstatement of fact, Sponsor may cancel this Interim Use and Occupancy Agreement. Cancellation shall be by cancellation notice as stated in Paragraph 16A.

C. If (1) this Interim Use and Occupancy Agreement is cancelled; or (2) the Use and Occupancy Fee or an Added Use and Occupancy Fee is not paid on time; or (3) Purchaser/Occupant vacates the Apartment, Sponsor may, in addition to other remedies, take any of the following steps: (a) peacefully enter the Apartment and remove Purchaser/Occupant and any person or property, and (b) use eviction or other lawsuit method to take back the Apartment.

D. If this Interim Use and Occupancy Agreement is cancelled, or Sponsor takes back the Apartment, the following shall occur:

(1) The Use and Occupancy Fee and an Added Use and Occupancy Fee for the unexpired Term become immediately due and payable.

(2) Sponsor may relet the Apartment and anything in it. The reletting may be for any Term. Sponsor may charge any rent or no rent and give allowances to the new tenant. Sponsor may, at Purchaser/Occupant's expense, do any work Sponsor reasonably feels needed to put the Apartment in good repair and prepare it for renting. Purchaser/Occupant shall be liable for any cost and expense of Sponsor for any necessary repair.

(3) Any Use and Occupancy Fee received by Sponsor for the re-renting shall be used first to pay Sponsor's expenses and second to pay any amounts Purchaser/Occupant owes under this Interim Use and Occupancy Agreement. Sponsor's expenses include the costs of obtaining possession and re-renting the Apartment, including, but not only reasonable legal fees, brokers' fees, cleaning and repairing costs, decorating costs and advertising costs.

(4) From time to time Sponsor may bring actions for damages. Delay or failure to bring an action shall not be a waiver of Sponsor's rights. Purchaser/Occupant is not entitled to any excess of the Use and Occupancy Fees collected over the Use and Occupancy Fee paid by Purchaser/Occupant to Sponsor under this Interim Use and Occupancy Agreement.

(5) If Sponsor relets the Apartment combined with other space an adjustment will be made based on square footage. Money received by Sponsor from the next purchaser/occupant other than the monthly Use and Occupancy Fee, shall not be considered as part of the Use and Occupancy Fee paid to Sponsor. Sponsor shall be entitled to all of the Use and Occupancy Fee.

If Sponsor relets the Apartment the fact that all or part of the next purchaser/occupant's Use and Occupancy Fee is not collected does not affect Purchaser/Occupant's liability. Sponsor has no duty to collect the next purchaser/occupant's Use and Occupancy Fee. Purchaser/Occupant must continue to pay the Use and Occupancy Fee, damages, losses and expenses without offset.

E. If Sponsor takes possession of the Apartment by Court order, or under this Interim Use and Occupancy Agreement, Purchaser/Occupant has no right to return to the Apartment.

17. **Jury Trial and Counterclaims.** Sponsor and Purchaser/Occupant agree not to use their right to a Trial by Jury in any action or proceeding brought by either against the other, for any matter concerning this Interim Use and Occupancy Agreement or the Apartment. This does not include actions for personal injury or property damage and warranty of habitability actions. Purchaser/Occupant gives up any right to bring a counterclaim or set-off in any action by Sponsor against Purchaser/Occupant on any matter directly or indirectly related to this Interim Use and Occupancy Agreement.

18. **No Waiver, Illegality.** Sponsor's acceptance of the Use and Occupancy Fee or failure to enforce any term in this Interim Use and Occupancy Agreement is not a waiver of any of Sponsor's rights. If a term in this Interim Use and Occupancy Agreement is illegal, the rest of this Use and Occupancy Agreement remains in full force.

19. **Insolvency.** If (1) Purchaser/Occupant assigns property for the benefit of creditors, or (2) a non-bankruptcy trustee or receiver of Purchaser/Occupant or Purchaser/Occupant's property is appointed, Sponsor may give Purchaser/Occupant thirty (30) days' notice of cancellation of the Term of this Interim Use and Occupancy Agreement. If any of the above is not fully dismissed within the thirty (30) days, the Term shall end as of the date stated in the notice. Purchaser/Occupant must continue to pay the Use and Occupancy Fee, damages, losses and expenses without offset. If Purchaser/Occupant files a voluntary petition in bankruptcy or an involuntary petition in bankruptcy is filed against Purchaser/Occupant, Sponsor may not terminate this Interim Use and Occupancy Agreement.

20. **Rules.** Purchaser/Occupant must comply with the Rules and Regulations set forth as an addendum to the By-Laws in the Condominium Offering Plan for **Acacia 118 Condominium**, as may be amended from time to time. Notices of any new Rules and Regulations will be given to Purchaser/Occupant. Sponsor need not enforce the Rules and Regulations against other purchasers/occupants. Sponsor is not liable to Purchaser/Occupant if another purchaser/occupant violates the Rules and Regulations. Purchaser/Occupant receives no rights under the Rules and Regulations.

Purchaser/Occupant acknowledges and agrees to the Condominium's smoking policy, as follows: "No person may carry or smoke any kind of lighted pipe, cigar, cigarette, tobacco, cannabis, or any other lighted smoking apparatus, equipment or product, including but not limited to electronic cigarettes (collectively, "Smoking Apparatus"), in any area of the Building, whether indoor or outdoor, at any time. For clarification of doubt, smoking shall be prohibited in all common areas of the Building as well as in all Units and Limited Common Elements appurtenant thereto, including any private terrace and/or balcony. In addition, no person may smoke or otherwise burn any Smoking Apparatus within twenty-five (25) feet of any outside entrance to the Condominium or within twenty-five (25) feet of any outdoor air intake or operable window opening into the common areas or any of the Units."

21. **Representations, Changes in This Interim Use and Occupancy Agreement.** Purchaser/Occupant has read this Interim Use and Occupancy Agreement. All promises made by the Sponsor are in this Interim Use and Occupancy Agreement. There are no other Sponsor representations. This Interim Use and Occupancy Agreement may be changed only by an agreement in writing signed by and delivered to each party.

22. **Sponsor Unable to Perform.** If due to labor trouble, government order, lack of supply, Purchaser/Occupant's act or neglect, or any other cause not fully within Sponsor's reasonable control, Sponsor is delayed or unable to (a) carry out any of Sponsor's promises or agreement, (b) supply any service to be supplied, (c) make any required repair or change in the Apartment or Building, or (d) supply any equipment or appliances, this Interim Use and Occupancy Agreement shall not be ended or Purchaser/Occupant's obligations affected. Purchaser/Occupant may enforce its rights under the warranty of habitability.

23. **End of Term.** At the end of the Term, Purchaser/Occupant must: leave the Apartment clean and in good condition, subject to ordinary wear and tear; remove all of Purchaser/Occupant's property and all Purchaser/Occupant's installations and decorations; repair all damages to the

Apartment and Building caused by moving; and restore the Apartment to its condition at the beginning of the Term. If the last day of the Term is on a Saturday, Sunday or Federal holiday the Term shall end on the prior business day.

24. **Punchlist.** Purchaser/Occupant has inspected the Apartment and Building and submitted a Punchlist Inspection Statement to Sponsor, a copy of which is attached hereto. Purchaser/Occupant states that the Apartment is in good order and repair and takes the Apartment as is except for items listed on the Punchlist Inspection Statement attached hereto which are Sponsor's obligation to cure pursuant to the terms of the Offering Plan. Since Purchaser/Occupant will be occupying the subject condominium apartment prior to the closing under his Purchase Agreement, as amended, Purchaser/Occupant agrees to assume all risk and responsibility for the condition of the Apartment from and after the date hereon, and agrees to accept the Apartment at closing under the Purchase Agreement, as amended, in its then existing condition, without any obligation of the Sponsor to make any repairs, improvements or alterations except as may be required above.

25. **Sponsor's Warranty of Habitability.** Sponsor states that the Apartment is fit for human living and there is no condition dangerous to health, life or safety. This warranty applies to all sections of this Interim Use and Occupancy Agreement. Purchaser/Occupancy may not waive any of Purchaser/Occupant's rights under this warranty.

26. **Sponsor's Consent.** If Purchaser/Occupant requires Sponsor's consent to any act and such consent is not given, Purchaser/Occupant's only right is to ask the Court to force Sponsor to give consent. Purchaser/Occupant agrees not to make any claim against Sponsor for money or subtract any sum from the use and occupancy fee because such consent was not given.

27. **Use and Occupancy Agreement Binding On.** This Interim Use and Occupancy Agreement is binding on Sponsor and Purchaser/Occupant and their heirs, distributees, executors, administrators, successors and lawful assign.

28. **Sponsor.** Sponsor means the owner, or the lessee of the Building, or the holder of unsold Units or shares, or a lender in possession. Sponsor's obligations end when Sponsor's interest in the Unit or Building, as the case may be, is transferred. Any acts Sponsor may do may be performed by Sponsor's agents or employees.

29. **Paragraph Headings.** The paragraph headings are for convenience only.

30. **Cross-Default**. Notwithstanding anything above to the contrary, it is hereby acknowledged and agreed that simultaneously with the execution of this Interim Use and Occupancy Agreement, the Purchaser/Occupant shall execute a Rider to the Purchase Agreement, as amended amending the Purchase Agreement, as amended (collectively the "Purchase Agreement, as amended,"), with the Sponsor for the purchase of Unit ___ at **Acacia 118 Condominium, located at 118 East 1st Street, New York, New York 10009** to reflect the terms of this Interim Use and Occupancy Agreement. It is herewith agreed that in the event Purchaser/Occupant shall default in the payment or performance of any of Purchaser/Occupant's obligations under said Purchase Agreement, as amended, which default shall not be cured by the default cure period set forth in the Purchase Agreement, as amended, then Sponsor (at Sponsor's sole option) shall have the right to cancel this

Interim Use and Occupancy Agreement so long as such default shall be continuing, it being intended that a default under the Purchase Agreement, as amended, shall constitute a default under this Interim Use and Occupancy Agreement. In the event Sponsor exercises its right of cancellation, then this Interim Use and Occupancy Agreement shall cease and come to an end upon Sponsor's sending Purchaser/Occupant five (5) days prior written notice of its intention to cancel this Interim Use and Occupancy Agreement, except Purchaser/Occupant shall remain liable for any amounts unpaid up to the date such cancellation becomes effective (it being intended that the provisions of this sentence shall survive such cancellation). It is also herewith agreed that in the event Purchaser/Occupant shall default in the payment or performance of any of Purchaser/Occupant's obligations under this Interim Use and Occupancy Agreement, then the Sponsor, shall have the right to cancel such Purchase Agreement, as amended, it being a default under the Purchase Agreement, as amended (the provision of this sentence shall be deemed to supplement said Purchase Agreement, as amended, and shall inure to the benefit of said Sponsor). If Sponsor elects to cancel, Purchaser/Occupant shall have five (5) days after the sending of the cancellation notice to Purchaser within which to cure the specified default. Time is of the essence to cure such default within said five (5) day period. If such default is not so cured the Purchase Agreement, as amended, shall be deemed terminated and Sponsor shall have the right to retain, as and for liquidated damages all Down Payments previously made by Purchaser/Occupant (Purchaser) and released to Sponsor under said Purchase Agreement, as amended. Before the Sponsor may utilize the default under the Interim Use and Occupancy Agreement to declare a default under the Purchase Agreement, the Sponsor must either obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the lessee unless the lessee has vacated the Unit.

31. **Default under Purchase Agreement**. Notwithstanding anything above to the contrary, Purchaser/Occupant hereunder agrees and understand if Purchaser/Occupant fails to pay the balance of the purchase price for Unit ___ pursuant to the Purchase Agreement, as amended, or fails to close title to Unit ___ pursuant to such Purchase Agreement, as amended, the Purchase Agreement, as amended, shall be deemed null and void and of no further force and effect and the Sponsor/Owner and Purchaser/Occupant shall have no further obligations to each other, except that Purchaser/Occupant shall remain liable for any amounts unpaid up to the date such cancellation becomes effective.

32. **Assumption of Risk**. Notwithstanding anything above to the contrary, Purchaser/Occupant shall be the purchaser of the Apartment pursuant to the Purchase Agreement, as amended, and hereby assumes the risk of loss to Apartment not covered by Sponsor's or Condominium's Insurance Policies resulting from fire or other casualty unless the cause of such loss originated outside the Apartment and did not result from the acts of Purchaser/Occupant or other occupants of the Apartment or Purchaser/Occupants' guests, invitees or workmen.

33. **Term**. Notwithstanding anything above to the contrary, this Interim Use and Occupancy Agreement shall commence on _____, 20__ (the "Commencement Date") and terminate on the earlier of (i) twelve (12) months from the date of commencement (_____, 20__); or (ii) on the date of and immediately prior to the closing of title to Unit ___ at **Acacia 118 Condominium, located at 118 East 1st Street, New York, New York 10009**; or, (iii) at the

option of Sponsor, upon a default pursuant to this Interim Use and Occupancy Agreement or the Purchase Agreement, as amended.

34. **Insurance**. Purchaser/Occupant understands that once in possession of the Apartment, they have assumed the risk of loss not covered by insurance, and therefore covenants and agrees to provide on or before the Commencement Date and to keep in force during the term hereof the following insurance coverage which coverage shall be effective on the Commencement Date:

(a) A comprehensive policy of liability insurance naming Sponsor as an additional insured protecting Sponsor and Purchaser/Occupant against any liability whatsoever occasioned by accident in or about the Apartment or any appurtenances thereto. Such policy shall have limits of liability of not less than One Million Dollars ($1,000,000.00) combined single limit coverage on a per occurrence basis, including property damage;

(b) Fire and Extended coverage in an amount adequate to cover the cost of replacement of all personal property, fixtures, furnishings and equipment located in the Apartment.

All such policies shall be issued by companies of recognized responsibility licensed to do business in New York State and rated by Best's Insurance Reports or any successor publication of comparable standing and carrying a rating of A+ VIII or better or the then equivalent of such rating, and all such policies shall contain a provision whereby the same cannot be canceled or modified unless Purchaser and any additional insured are given at least thirty (30) days prior written notice of such cancellation or modification.

Prior to the time such insurance is first required to be carried by Purchaser/Occupant and thereafter, at least fifteen (15) days prior to the expiration of any such policies, Purchaser/Occupant shall deliver to Sponsor either duplicate originals of the aforesaid policies or certificates evidencing such insurance, together with evidence of payment for the policy. Purchaser/Occupant's failure to provide and keep in force the aforementioned insurance shall be regarded as a material default hereunder, entitling Sponsor to exercise any or all of the remedies as provided in this Interim Use and Occupancy Agreement in the event of Purchaser/Occupant's default. In addition, in the event Purchaser/Occupant fails to provide and keep in force the insurance required by this Interim Use and Occupancy Agreement, at the times and for the durations specified in this lease, Sponsor shall have the right, but not the obligation, at any time and from time to time, and without notice, to procure such insurance and/or pay the premiums for such insurance in which event Purchaser/Occupant shall repay Sponsor within five (5) days after demand by Sponsor, as an Additional Use and Occupancy Fee, all sums so paid by Sponsor and any costs or expenses incurred by Sponsor in connection therewith without prejudice to any other rights and remedies of Sponsor under this Interim Use and Occupancy Agreement.

C. If, by reason of a failure of Purchaser/Occupant to comply with the provisions of this Paragraph 34, the rate of fire insurance with extended coverage on the building or equipment or other property of Sponsor shall be higher than it otherwise would be, Purchaser/Occupant shall reimburse Sponsor, on demand, for that part of the premiums for fire insurance and extended coverage paid by Sponsor because of such failure on the part of Purchaser/Occupant.

D. Each policy evidencing the insurance to be carried by Purchaser/Occupant under this Interim Use and Occupancy Agreement shall contain a clause that such policy and the coverage evidenced thereby shall be primary with respect to any policies carried by Sponsor, and that any coverage carried by Owner shall be excess insurance.

35. **Surrender of Apartment**. Notwithstanding anything above to the contrary, Purchaser/Occupant agrees that TIME IS OF THE ESSENCE as to Purchaser/Occupant concerning its surrender to landlord of the Apartment upon the expiration or other termination of the term of this Interim Use and Occupancy Agreement. If Purchaser/Occupant fails to grant and surrender to Sponsor said Apartment, broom clean, in good order and condition, ordinary wear excepted upon the expiration or other termination of this Interim Use and Occupancy Agreement, Purchaser/Occupant shall pay to Sponsor additional rent of $1,500.00 per day until it so surrenders the Apartment. Further, pursuant to the terms of the Offering Plan, in the event a Purchaser/Occupant is offered the right to rescind his or her Purchase Agreement while in occupancy of the respective Unit pursuant to this Interim Use and Occupancy Agreement, such rescission will be conditioned on the cancellation of this Interim Use and Occupancy Agreement and surrender of possession the respective Unit within thirty (30) days thereafter.

36. **Conflict**. In the event of any conflict between the terms of this Interim Use and Occupancy Agreement and the terms of the Offering Plan, as amended, the terms of the Offering Plan, as amended, shall govern. Further, if any provision of Paragraphs 30 – 37 hereof conflict or are otherwise inconsistent with any other provision of this Interim Use and Occupancy Agreement, the provisions of Paragraphs 30 – 37 shall prevail.

37. **Apartment Not Subject to Rent Control Laws**. IT HAS BEEN FULLY AND CLEARLY EXPLAINED TO PURCHASER/ OCCUPANT AND PURCHASER/OCCUPANT AGREES AND ACKNOWLEDGES, THAT THE APARTMENT IS NOT SUBJECT TO THE EMERGENCY TENANTS PROTECTION ACT, THE RENT CONTROL LAWS OF THE STATE OF NEW YORK, OR ANY OTHER RENT LAWS AND REGULATIONS.

38. **Signature, Effective Date, Counterparts.** Sponsor and Purchaser/Occupant have signed this Interim Use and Occupancy Agreement as of the above date.

This Interim Use and Occupancy Agreement may be executed by electronic, PDF, or facsimile signature and/or in any number of counterparts and each of such electronic, PDF, or facsimile signature and/or counterpart shall for all purposes be deemed to be an original; and all such electronic, PDF, or facsimile signatures and/or counterparts shall together constitute but one and the same Interim Use and Occupancy Agreement.

OWNER/SPONSOR:

Acacia 118, LLC

By:_____
Warren Freyer, Manager

PURCHASER/OCCUPANT:

_____
[TBD]

_____
[TBD]

UNIT OWNER'S POWER OF ATTORNEY

Terms used in this Unit Owner's Power of Attorney which are used (a) in the declaration (the "Declaration") establishing a plan for condominium ownership of the premises known as Acacia 118 Condominium ("Condominium") and by the street number, 118 East 1st Street, New York, New York 10009 under Article 9-B of the Real Property Law of the State of New York, dated _____, 201_, and recorded in the New York County Office of the Register of The City of New York, under CRFN _____, or (b) in the By-Laws of the Condominium (the "By-Laws") attached to, and recorded together with, the Declaration, shall have the same meanings in this Power of Attorney as in the Declaration or the By-Laws.

The undersigned, _____, having an address at _____, the Owner of Unit No. _____ and also designated as Tax Lot No. _____ in Block 429, Section _____ of the Borough of Manhattan on the Tax Map of the Tax Map Unit of the City of New York and on the Floor Plans, do(es) hereby nominate, constitute and appoint the persons who may from time to time constitute the Board of Managers of Acacia 118 Condominium jointly, true and lawful Agent and Attorneys-In-Fact for the undersigned, coupled with an interest, with power of substitution, to acquire in their own name, as members of the Board of Managers, or in the name of their designee, corporate or otherwise, on behalf of all Owners of Units in said Property, in accordance with their common interests, subject to the provisions of the By-Laws then in effect, (1) (a) to acquire or lease any Unit, together with its appurtenant interests, from any Unit Owner desiring to sell, convey, transfer, assign, surrender or lease the same, (b) to acquire any Unit, together with its Appurtenant Interests, from any Unit Owner who elects to surrender the same pursuant to the By-Laws, and (c) to acquire any Unit, together with its Appurtenant Interests, which becomes the subject of a foreclosure or other similar sale, all on such terms and at such price or rental, as the case may be, as the Agent and Attorney-In-Fact shall deem proper, in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, and, after any such acquisition or leasing, to convey, sell, lease, sublease, mortgage or otherwise deal with (but not vote the interest appurtenant thereto) any such Unit so acquired by them, or to sublease any Unit so leased by them without the necessity of further authorization by the Unit Owners, on such terms as the Agent and Attorney-In-Fact may determine, granting to the Agent and Attorney-In-Fact the power to do all things in the same premises which the undersigned could do if the undersigned were personally present, (2) to commence, pursue, appeal, settle and/or terminate administrative and certiorari proceedings to obtain reduced real estate tax assessments with respect to Units, including retaining counsel and taking any other actions which the Condominium Board deems necessary or appropriate, and (3) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Property which 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 Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Property or (b) any consent, covenant,

restriction, easement or declaration, or any amendment thereto, affecting the Property or the Common Elements which the Condominium Board deems necessary or appropriate.

The acts of majority of such persons shall constitute the acts of said Attorneys-In-Fact.

The undersigned do(es) hereby nominate, constitute and appoint Acacia 118, LLC ("Sponsor"), Sponsor's designee and/or the Commercial Unit Owner, as Attorneys-In-Fact for the undersigned, their successors, assigns and/or heirs, coupled with an interest, with power of substitution, to severally amend from time to time the Declaration, the By-Laws and the Rules and Regulations of the Condominium, or any of said documents, when such amendment (1) shall be required to effectuate the provisions of Articles 8, 16 and 17 of the Declaration and any other provision thereof or set forth in the Condominium's By-Laws and/or Rules and Regulations, or to reflect any change in Unsold Units, the Commercial Unit and/or the reapportionment of the Common Interests of the affected Unsold Units or the Commercial Unit resulting therefrom made by Sponsor or its designee or the Commercial Unit Owner in accordance with Articles 8 and 17 of the Declaration or any other provision thereof or set forth in the Condominium's By-Laws and/or Rules and Regulations, or (2) shall be required by (a) an institutional lender procured by Sponsor, its designee or the Commercial Unit Owner, to make a mortgage loan secured by a mortgage on any Unit, (b) any governmental agency having regulatory jurisdiction over the Condominium, or (c) any title insurance company selected by Sponsor, its designee or the Commercial Unit Owner, to insure title to any Unit, provided, however, that any amendment made pursuant to the terms of this paragraph shall not (i) change the Common Interest of the undersigned's Unit, (ii) require a material, physical modification to the undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an institutional lender covering the undersigned's Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) and the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment. With regard to Sponsor's Unsold Units, the terms, covenants and conditions contained in, and the powers granted pursuant to this paragraph shall remain in full force and effect until such time as the Sponsor or Sponsor-designee(s) shall cease to own any Units in the Condominium.

The undersigned do(es) further nominate, constitute and appoint Acacia 118, LLC or its designee as Attorney-In-Fact for the undersigned, their successors, assigns and/or heirs, coupled with an interest, with power of substitution, to execute any document on behalf of the undersigned and the Board of Managers, if same is necessary, to effectuate the transfer, assignment or conveyance by Sponsor, in whole or in part, of the transferable air rights and/or development rights which Sponsor has retained for itself, its successors and assigns in accordance with Paragraph numbered 20 of the Declaration. This power of attorney shall in no way be construed to grant any interest in such transferable air rights and/or development rights to the undersigned.

This power of attorney shall be irrevocable and shall expire by its terms upon sale or conveyance of the Unit.

IN WITNESS WHEREOF, the undersigned, has executed this Power of Attorney this _____ day of _____, 20__.

Principal – Unit Owner

_____

_____

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

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

_____
Notary Public

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

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

_____
Notary Public

FORM OF UNIT DEED

THIS INDENTURE made the _____ day of _____, 20__, between Acacia 118, LLC, having an office at 111 John Street, Suite 200, New York, New York 10038, "Grantor", and _____ _____, "Grantee", residing at _____ _____.

WITNESSETH:

That the Grantor, in consideration of Ten ($10.00) Dollars and other valuable consideration paid by the Grantee, does hereby grant and release unto the Grantee, and the heirs or successors and assigns of the Grantee, forever:

The Unit(s) known as Unit No. ____ in the Building known as Acacia 118 Condominium, located at 118 East 1st Street, in the Borough of the Manhattan, in the City, County, and State of New York and also designated and described as Unit No. _____ in the Declaration establishing Acacia 118 Condominium (hereinafter called the "Property") made by the Grantor under the Condominium Act of the State of New York, as amended (Article 9-B of the Real Property Law of the State of New York), dated _____, 20__, and recorded in the New York County Office of the Register of the City of New York, on the _____ day of _____, 20__, as CRFN _____ (hereinafter called the "Declaration"), which Unit is also designated as Block No. 429, Tax Lot No. _____ on the Floor Plans and Site Plan (the "Floor Plans") of the Building, certified by the Freyer Collaborative Architects. The Floor Plans are filed in the Real Property Assessment Department of the City of New York on the ____ day of _____, 20__, as Condominium Plan No. ___ and filed simultaneously with said Declaration in the said Office of the Register of the City of New York, New York County, as Condominium Plan No. ____, Map No. ____ (hereinafter called the "Unit"). The land area of the Property is described as follows:

ALL THAT CERTAIN plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Borough of Manhattan, City, County, and State of New York, more particularly bounded and described as follows:

BEGINNING at a point on the northerly side of East 1st Street distant 80 feet westerly from the northwesterly corner of East 1st Street and Avenue 'A';

THENCE northerly, parallel with Avenue 'A', 105 feet 11-1/2 inches to the center line of the block:

THENCE westerly along the center line of the block, 20 feet 0 inches to a point;

THENCE southerly and parallel with Avenue 'A', 105 feet 11-1/2 inches to the northerly side of East 1st Street;

THENCE easterly along the northerly side of East 1st Street, 20 feet 0 inches to the point or place of BEGINNING.

TOGETHER WITH all rights, benefits and easements provided for in that certain Zoning Lot Development Agreement dated as of 9/28/2017 made by and between Rental Apartments, LLC and ACACIA 118 LLC and recorded 10/10/2017 in CRFN 2017000373446.

SAID PREMISES being known as and by the street number 118 East 1st Street, New York, New York 10009.

TOGETHER with all right, title and interest, if any, to any interior strips or gores adjoining the above described premises on any sides thereof.

TOGETHER with the following undivided percent interest in the common elements of the Property described in said Declaration (hereinafter called the "Common Elements"):

Residential Unit:	_____%
Commercial Unit:	_____%

TOGETHER with an easement for the continuance of all encroachments by the Unit on any adjoining Units or Common Elements now existing as a result of the construction or rehabilitation of the Building, or which may come into existence hereafter as a result of settling of the Building, or as a result of repair or restoration of the Building, or the Unit, after damage by fire or other casualty, or after taking in condemnation or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements made by or with the consent of the Board of Managers, so that any such encroachments may remain so long as the Building shall stand;

TOGETHER with an easement in common with the Unit Owners of other Units to use any pipes, wires, ducts, cables, conduits, public utility lines, and other Common Elements located in any of the other Units or elsewhere on the Property, and serving the Unit;

TOGETHER with the appurtenances and all the estate and rights of the Grantor in and to the Unit;

TOGETHER with and SUBJECT to all easements of necessity in favor of the Unit or in favor of other Units or the Common Elements;

SUBJECT to easements in favor of adjoining Units and in favor of the Common Elements for the continuance of all encroachments of such adjoining Units or Common Elements on the Unit, now existing as a result of the construction or rehabilitation of the Building, or which may come into existence hereafter as a result of settling of the Building, or as a result of repair or restoration of the Building or any adjoining Unit or of the Common Elements, after damage, condemnation or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements made by or with the consent of the Board of Managers, so that any such encroachments may remain so long as the Building shall stand. Each Unit shall be subject to the

aforesaid easements in favor of all other Units. In addition, each Unit shall have, and shall be subject to, easements of subjacent support and necessity in favor of such Unit or in favor of other Units and the Common Elements;

SUBJECT also to an easement in favor of the other Units to use the pipes, wires, ducts, conduits, cables, public utility lines and other Common Elements located in the Unit or elsewhere on the Property and serving such other Units;

TOGETHER with and SUBJECT TO EASEMENTS, rights of way, restrictions and encumbrances created by the Declaration for Acacia 118 Condominium recorded in the New York County Office of the Register of the City of New York on the _____ day of _____, 20__ as CRFN _____.

SUBJECT to the provisions of the Declaration, By-Laws, and Floor Plans of the Condominium recorded simultaneously with and as part of the Declaration, as the same may be amended from time to time by instruments recorded in the New York County Office of the Register of the City of New York, which provisions, together with any amendments thereto, shall constitute covenants running with the land and shall bind any person having at any time any interest or estate in the Unit, as though such provisions were recited and stipulated at length herein;

AND the Grantor covenants that the Grantor has not done or suffered anything whereby the said premises have been encumbered in any way whatsoever, except as aforesaid; this deed was authorized at a duly called meeting of the members of Grantor;

TO HAVE AND TO HOLD the same unto the Grantee, and the heirs or successors and assigns of the Grantee, forever.

The Unit is intended to, and, subject to and by the terms of the Declaration, is to be used as, a (*Residential) (*Commercial) Unit.

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, or if any provision that is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of clause 18 of the Declaration shall control.

The Grantor, in compliance with Section 13 of the Lien Law, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the improvement and will apply

*delete to the extent inapplicable.

the same first to the payment of the cost of the improvements before using any part of the same for any other purpose.

The Grantee accepts and ratified the provisions of the Declaration and the By-Laws and the Rules and Regulations of the Condominium recorded simultaneously with and as part of the Declaration and agrees to comply with all the terms and provisions thereof, as the same may be amended from time to time by instruments recorded in the office of the New York City Register, New York County.

This conveyance has been made with the consent of all the members of the party of the first part entitled to vote thereon at a meeting duly called.

IN WITNESS WHEREOF, the Grantor has duly executed this deed the day and year first above written.

Grantor:

Acacia 118, LLC

By:_____
Warren Freyer, Member

_____
Grantee:

_____
Grantee:

STATE OF NEW YORK)

) ss.:
COUNTY OF NEW YORK)

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

_____
Notary Public

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

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

_____
Notary Public

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

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

_____
Notary Public

DESCRIPTION OF PROPERTY AND BUILDING SPECIFICATIONS

DESCRIPTION OF PROPERTY AND SPECIFICATIONS OR BUILDING CONDITION

Architect's Report
118 East 1st Street, New York, NY 10009

(a) LOCATION AND USE OF THE PROPERTY: The property and proposed use will comply with all local zoning and use requirements at closing.

(1) Address: 118 East 1st Street, New York, NY 10009
(2) Block and Lot Number: Block 429, Lot 43
(3) Zoning: R8A
(4) Permissible Use: C2-5 and Residential

(b) STATUS OF CONSTRUCTION: This is a new 9 stories residential building with a commercial use on the first floor and cellar.

(1) Year Built: 2021 Anticipated completion is February 2022. This appears to be accurate.
(2) Class of Construction:

I-B: 2 HOUR FIRE RATING PROTECTED - NON-COMBUSTIBLE (2014/2008 code)

- Bearing Walls (Interior or exterior): 2 HR
- Structural Frame (inc. columns, girders, etc.): 2 HR
- Floor Construction: 2 HR
- Roof: 1 Hour

(3) Certificate of Occupancy, type, and number: CO #_____ pending

- R-2 - RESIDENTIAL: APARTMENT HOUSES (2014/2008 code)
- Temporary Certificate of Occupancy (TCO) will be obtained prior to closing of any residential units.

(4) Building Permit Numbers and Description of Work Done: Only open applications are listed below, and all will be closed upon completion of this project. See section (u) permits and certificates.

# 122180914-01-NB	New Building Application
# 122180914-01-FO	New Building - Foundation/Earthwork
# 122180914-01-FO-EA	New Building - Earth Work
# 122180914-01-EQ-FN	New Building - Construction Equipment – Fence
# 122180914-02-NB	New Building - Add Mechanical and Plumbing
# 122180914-03-NB	New Building - Add Excavation, Foundation, Support of Excavation
# 122180914-04-NB	New Building – Add Excavation, Foundation, Support of Excavation
# 122180914-05-NB	New Building – Add Excavation, Foundation, Support of Excavation
# 122180914-06-NB	New Building – New 9 Story and Cellar Multiple Dwelling
# 122180914-07-NB	New Building – Add Mechanical and Plumbing
# 122180914-08-NB	New Building – Post Approval Amendment for 01
# 122239238-01-A2	New Sprinkler System
# 122239247-01 A2	Fire Alarm (WITHDRAWN)
# 122350393-01-A3	Builders Pavement Plan

# 140966015-01-A3	Roof Protection for Adjacent Property During Construction
# 140966685-01-A3	Installation of Single Personal/Material Hoist for Workers Access
# 140966159-01-A3	Installation of Horizontal Netting During Construction

(c) THE SITE:

(1) Size: The lot size is approximately 2119.2 square feet, consisting of 20.00' on East 1st Street, 105.96' along the East side, 20.00' on the rear and 105.96' along the West side. The building is approximately as follows:

Cellar	19'-8" x 100'-9 1/2"
1st	19'-8" x 100'-9 1/2"
2nd	19'-8" x 73'-8"
3rd	19'-8" x 73'-8"
4th	19'-8" x 73'-8"
5th	19'-8" x 73'-8"
6th	19'-8" x 73'-8"
7th	19'-8" x 73'-8"
8th	19'-8" x 73'-8"
9th	19'-8" x 63'-8"
Mezz	11'-1" x 27'-11"
Roof	19'-8" x 63'-8"

(2) Number of buildings and Use: There is one building being built for residential and commercial mixed use.

(3) Streets owned or maintained by the project: The site is on the North side of East 1st Street, Manhattan, NY, which is maintained by the City of New York.

(i) Paving (East 1st Street): The Street is paved with asphalt in good condition.

(ii) Curbing (East 1st Street): The curbing in front of the building is stone and in good condition.

(iii) Catch Basins, drainage: Storm drainage of the street is provided by way of surface gutters along the curbsides pitched down toward a catch basin covered by a cast-iron grating at the corner. The catch basin leads to the city sewers, a "combined" system for both storm and sanitary drainage. The system is owned and maintained by the City of New York. None exist on sidewalk frontage of this building.

(iv) Street Lighting: Street lighting is by way of sodium-vapor fixtures on metal poles approximately 18'-0" in height. The lights are owned and maintained by the City of New York. None exist on sidewalk frontage of this building.

(v) The above items, paving, curbing, drainage, and lighting are in conformity with local fire district and municipal codes.

(4) Drives, Sidewalks, steps, and Ramps: There is one sidewalk, which is approximately 36'-10" to 39'-5" wide and runs the entire frontage of the building on East 1st Street, owned by the City of New York, maintained by the condominium. The condominium is responsible for maintaining the sidewalk in accordance with the requirements of the authority having jurisdiction, including NYC DOT and DOB. There are no ramps, no steps, and no drives on the property.

(i) Paving (East 1st Street): The sidewalk is concrete slabs & stone pavers mixed which are located on the curb side. The paving is in good condition.
(ii) Curbing (East 1st Street): See Streets.
(iii) Catch Basins, Drainage: There are no catch basins in the sidewalk in front of this building. The sidewalk slopes to and drains which are in the street.
(iv) Lighting: The sidewalk is lit by the streetlamps. Additional lighting is provided at the residential entrance to the building as required by the New York State Multiple Dwelling Law (MDL). Light from the lobby will illuminate the entrance exterior through a minimum of five (5) square feet of glass in the door. This gives the equivalent light of a one hundred (100) watt incandescent light fixture.
(v) The above items, paving, curbing, drainage, and lighting, are in conformity with local fire district and municipal codes.

(d) UTILITIES:

(1) Domestic Water is provided by the City of New York from mains under the street. Water is supplied to the building through one combined copper, six-inch service pipe with one-and-a-half-inch cold water domestic main. The condominium is responsible for the maintenance, repair and replacement of water meters and service pipes to the building. See section (j) (1) Water Supply. Shut off valves are located in the cellar at the street entrance. A double check valve backflow preventer is provided in accordance with the New York City Plumbing Code. Water for entire building will be on one meter and the associated costs thereof shall be a common expense borne by all Unit Owners on a pro rata basis allocated pursuant to each Unit Owners common interest percentage.

(2) Sprinkler water service is provided by the City of New York from mains under the street. There is only one water meter for the building. Water is supplied to the building through one cast iron, four-inch service pipe. The condominium is responsible for the maintenance, repair and replacement of water meters and service pipes to the building. See section (j) (1) Water Supply. Shut off valves are located in the cellar at the street entrance.

(3) Sewer service is provided and maintained by the City of New York. Sewer service charges are based on the amount of water used, six-inch service pipe. The sewer is not metered, and the sewer fees are charged collectively to the condominium as a common charge. The condominium is responsible for maintenance, repair, and replacement of the sewer line from the main to the building. The house sewer connection and pipe are new. There is no sewer meter.

(4) No gas service is provided in the building.

(5) Electricity is provided and maintained by Consolidated Edison, a regulated public utility. Electric service for the front entry, public stairs, halls, and other common areas are a shared common expense of all unit owners. Electricity used within each unit shall be separately metered and billed to the respective individual unit owner. The condominium is responsible for all electrical equipment and wiring from the meters to the individual units within the building. The meters and electrical service to the building are the responsibility of the utility company.

(6) Telephone lines are provided and maintained by both Verizon and Spectrum, a regulated public utility to the building. Services to and usage by each individual unit owner are separately monitored and billed directly to the unit owner. The telephone wiring and equipment within each unit shall be the responsibility of each individual unit owner or user. Maintenance and installation of the wiring and equipment from the service connection to the individual unit and within the individual unit may be contracted by the individual unit owner to a variety of vendors. Other equipment and wiring may be installed at the expense of individual user.

(7) Cable/Internet Services: Building will have Verizon (Fios) or Spectrum for telephone, internet, and cable service.

(e) SUB-SOIL CONDITIONS: The sub-soil was reviewed by Geotechnical Engineer Bilow Engineering, LLC. Report Geotechnical Engineering Study (Proposed 9 1/2-Story Structure) was issued on September 21, 2017.

(1) There is no apparent evidence than any uneven foundation movement or settling has occurred. The building is new.

(2) There was no apparent evidence of surface water seepage into the building at the time of the inspection. The building is new.

(3) The building is outside of FEMA flood zones. There appears to be no evidence or danger of flooding in this building.

(4) The soil does not need to be tested for the "E" designation by NYC office of remediation (our "E" designation concerns noise and is covered under the exterior section of this report). The "E" designation does not pertain to soil in this case.

(f) LANDSCAPING AND ENCLOSURES:

(1) Grass cover: N/A

(2) Plantings: Balcony planters from 2nd through Roof on the street façade side. Planters are fiberglass.

(3) Trees: N/A

(4) Fencing: At the rear yard is to be metal.

(5) Gates: N/A

(6) Garden Walls: None

(7) Retaining Walls: At rear yard are poured in place concrete and are all in new condition.

(8) Display Pools and Foundations: N/A

(g) BUILDING SIZE:

(1) Total height: The building is approximately 100'-0" from the curb to the top of structural roof, and 104'-9" from the curb to the top of the parapet. The stair bulkhead is above that.

(2) Crawl Spaces: None

(3) Number of sub-cellars and cellars: One Cellar

(4) Number of floors: Nine + Mezzanine

(5) Equipment rooms: Utility rooms are in the cellar and on the roof.

(6) Parapet (height above the roof): All parapets are approximately 44" high, above finished deck or roof, whichever is higher. This is in compliance with NYC Building Code requirements.

(h) STRUCTURAL SYSTEM: General: The building is a new structure with concrete foundations, concrete columns, concrete beams, concrete slabs, and masonry walls.

(1) Exterior of Buildings:

(i) Walls: Local Law 11 is not yet applicable to this building.
The South exterior wall (street façade) of the building is a façade with stone.
The East and West exterior walls are concrete and steel stud in fill walls with a stucco finish and 1-hour fire rating.
The North exterior wall is a concrete and steel stud in fill wall with a stucco finish.
The foundation walls are poured in place concrete and are constructed with proper damp proofing. All of which are new condition. All exterior walls have minimum R21 insulation, with 4" mineral wool insulation and 4" (2" at concrete) GPS exterior insulation with interior drainage to exterior weep holes.
There is no sub-grade drainage system other than a grade bed for the foundation slab.
The floors are cast concrete with a sound insulating mat below the wood floor that has an IIC rating of 68.
Underpinning: There is underpinning of the neighboring foundation on the West side of the building for 114 East 1st Street and on the East side of the building for 5, 9, 11 and 13 Avenue A.

Amendments to the high-rise facade safety statute (formerly known as Local Law 10 of 1980, later known as Local Law 11 of 1998, and now known as the Façade Inspection Safety Program, or "FISP") passed by the City Council and signed by the Mayor of New York City require professional engineers or registered architects to advise the Buildings Department of the City of New York and the owner of a property of any unsafe condition in a building's exterior walls revealed during a FISP inspection. The amendments also subject all exterior walls to be inspected; previously, only walls fronting on a street were affected by the law. The revised law also calls for a certification by the registered professional that a wall is either safe or unsafe; the latter declaration by the professional means that an immediately hazardous condition exists and must be corrected within thirty (30) days with the option of a ninety (90) day extension upon application to the Buildings Department. A building is considered either safe with no further action necessary, or fit, but in a condition that warrants a repair and/or maintenance program. In the latter case, the condition must be corrected during the five (5) year period between mandatory inspections. As a result of the new construction of the Building, the completed Building will require regular five (5) year inspections in accordance with FISP. The first inspection will be required five (5) years after the issuance of the first temporary certificate of occupancy for the

Building. Based upon a projected July 1, 2022 date for the issuance of the first temporary certificate of occupancy for the Building, the first FISP inspection is anticipated to be required on or about July 1, 2026. Thereafter, the Building must be inspected in accordance with FISP's five (5) year cycle.

Concerning the "E" designation on the zoning zone, the building is in the zoning district for noise remediation requirements for the window/wall system. The Remedial Action Plan for the window/wall system has been approved by the NYC Office of Environmental Remediation. Once the windows are fully installed, the windows must pass a 24 hour noise monitoring test according to the OER protocol before the Certificate of Occupancy will be issued.

(ii) Windows: All windows are new aluminum picture and casement from Schüco windows.
Insulated dual Low-E glass with argon gas filled, and with a thermal break. All windows have a ten-year warranty by the manufacturer. Lintels are new. Window guards and grilles are not provided. No storm windows or screens to be provided. Windows have an OITC 37 which exceeds the standard noise rating and satisfying the "E" designation by the zoning law.

(iii) There are (57) lot line windows in the building. (2) on the 2nd FL; (4) on the 3rd FL; (4) on the 4th FL; (4) on the 5th FL; (7) on the 6th FL; (7) on the 7th FL; (11) on the 8th FL; (10) on the 9th FL; and (8) on the Mezz level.
Lot line windows cannot be used as satisfying legal light and air requirements of habitable rooms without special permission from NYC Department of buildings. Otherwise, the lot line windows are considered supplementary windows. If a lot line window is the only type of window in a room, that room is considered uninhabitable and can only be used as storage, bathroom, or mechanical space, etc. Lot line windows have the inherent potential of being rendered unusable if the adjacent property owners build on their lot line. If that should happen, it is the unit owner's responsibility to fill in the window opening with a minimum 1 hour rated wall.

(iv) Landmark Status: The property is NOT in a landmarked district.

(2) Parapets and Copings: The parapets are made of poured concrete; Stucco applied on Denseglass with metal coping on top. They are new and comply with local codes and laws.

(3) Chimneys and Caps: (1) trash chute cap. There are no chimneys in the building.

(4) Balconies and Terraces: There are concrete deck balconies at the front façade and rear facade of the 3rd, 4th, 5th, 6th, 7th, and 8th. One rear yard terrace on the 2nd floor. One terrace at the front façade and a balcony at the rear façade of the 9th floor. The roof is a private apace of the PH unit. 9th floor terrace and the roof have concrete pavers.

(i) Deck finish: Roof terrace to have 14-5/8" X 29-5/8" concrete pavers. Balconies to have concrete deck finish.

(ii) Balustrade: Painted steel primed with corrosive resistant paint and two protective finish coats.

(iii) Railings: Painted steel primed with corrosive resistant paint and two

protective finish coats or stainless steel unpainted. Horizontal railings to be provided with vertical slats to prevent children from climbing.

(iv) Copings: Metal copings on the roof parapets.

(v) Soffits: None

(vi) Doors to terrace: Schüco metal with glass door to private bulkheads, which are not fire rated since they are at exterior.

(5) Exterior Entrances:

The lighting at the entranceway will be adequate at the entrance, as per code requirements. Illumination from the interior lobby through the glass door will be adequate for the intercom and entranceway. The roof terrace will have a minimum of one light fixture at the exterior side of the doorway from the stair to the roof. This will be adequate for lighting the egress stair entrance. The ground floor entrance will have a maximum of a ½" high threshold. This will be ADA compliant. The roof terrace will have a standard step up at the doorway from the egress stair and no tripping hazards on the deck.

(i) Exterior Doors and Frames: In apartments the doors and frames are aluminum by Schüco, double glazed glass, thermal break, with lever handles and lock.

(ii) Vestibule Door and Frames: Standard steel fire rated doors and frames with lever handle and lock.

(iii) Exterior Stairs: None

(iv) Railing: Painted steel primed with corrosive resistant paint and two protective finish Coats or stainless steel unpainted.

(v) Mailboxes: New USPS approved mailboxes in lobby recessed in wall By Salsbury Sales.

(vi) Lighting in Lobby: LED fixtures

(6) Service Entrances: Cellar entry accessed from front/sidewalk.

(i) Doors and frames: Aluminum by Schüco, double glazed glass, thermal break, with pull and lock.

(ii) Gates: None

(iii) Exterior stairs: None

(iv) Railings: None

(7) Roof and Roof Structures:

The roof is accessible through one main building stairway.

The roof is new. There is roofing material on the buildings main roof as well as on the roof of the bulkheads. The construction of the roof is a poured concrete slab with rigid pitched insulation above it, coverboard above that, then roofing membrane, and continuous insulation above waterproof membrane. Concrete pavers raised on pedestals to allow for proper drainage and for a level installation are installed on top of the roofing construction in certain areas as described below. The roof has a 20-year warranty for materials which starts at completion of installation (scheduled for December 2021).

(i) Type of Roofs for All Areas:

(a) Material: The roof is a Ply of Soprema brand roofing heat welded to the deck and primed. All exterior metals, including fasteners, to be corrosion resistant or protected with a rust preventing primer, such as PMMA Rustoleum and two coats of exterior finish paint.

(b) Insulation: Roof: Pitched rigid insulation + 6" continuous insulation above slab.
9th Floor Terrace: 2" continuous insulation above slab and 6" make-up insulation at underside of slab.
Interior insulation at rear only will be batt mineral wool. This will provide adequate ceiling / roof assemblage with an R value of minimum 38.

(c) Surface Finish: Standard grey / black finish, smooth.

(d) Bond or Guarantee/Warranty: Soprema - Upon satisfactory project completion, the proposed roofing system qualifies for the SOPREMA 20-year Platinum NDL Roof Warranty Form 101.

(e) Flashing Materials Including Counter flashing: Standard "tar" flashing, compatible with bitumen, copper and/or stainless steel.

(f) Pavers: There will be concrete pavers (14-5/8" x 29-5/8" x 2" thick) manufactured by Sunny Brooks (Berland), on the private areas of the roof that are Limited Common Elements spaces. Pavers are appropriate for daily foot traffic. The roof pavers are to be mounted on pedestals which are supported on the roof insulation above the roofing membrane. This is acceptable by the roofing manufacturer to retain the roof warranty. Pavers are designed to meet wind uplift standards.

(ii) Drains:

(a) Location, Material and Type: There are two roof drains and one drain on the 9th floor terrace. All drains are connected to cast iron pipes that connect to the house trap in the cellar and are then connected to the sewer in the street. Two secondary drains on roof and one secondary drain on the 9th floor terrace. There is also a scupper on the roof and 9th floor terrace.

(b) Gutters and Leaders: None

(iii) Skylights: None

(iv) Bulkheads: Two stair bulkheads are made of poured concrete and are non-combustible with a 2-hour fire rating. Common access from one stair to the roof complies with Fire Code Chapter 10

(a) Stairs: The stairs are poured concrete treads and landings. The stairs are 2-hour fire rated in accordance with NYC Building Code. Guardrails are painted steel and there are no balustrades.

(b) Elevator: See 12 (xi) below

(c) Other: There are HVAC condensing units on rooftop bulkheads.

(v) Metal Work at Roof Levels: Note – all new exterior metal work to have corrosive resistant primer and two finish coats minimum or stainless steel unpainted

(a) Exterior, metal stairs: None

(b) Vertical Ladders: Two metal ladders at roof to provide access from the roof level to the roof of the bulkhead which has mechanical equipment. The ladders are painted steel primed with corrosive resistant paint and two protective finish coats.

(c) Railings: Painted steel primed with corrosive resistant paint and two protective finish coats.

(d) Hatches to Roof: One hatch from staircase A to roof. Not required by code.

(e) Other: None.

(vi) Rooftop Facilities: One private exterior area with (1) sink, (1) electric BBQ, (1) shower/hose bib and (1) option for a circulation tub for the exclusive use of PH unit owners and is accessed through the bulkhead stairs.

(c) HVAC Condensing units will be located on the roof of the bulkhead. A metal railing is provided at the bulkhead level for protection of maintenance contractors who may have to work on the bulkhead equipment. This railing will be minimum 42" above the finish elevation of the roof and will be painted or galvanized steel with wood slates on some areas to better hide the equipment.

(8) Fire Escapes: None

(i) Location: N/A

(ii) Floors covered: N/A

(iii) Drop ladder: N/A

(iv) Type: N/A

(v) Materials: N/A

(9) Yards and Courts: There's no front yard; the rear yard is approximately 20'-0" X 5'-0":

(i) Paving: Soil at rear yard.

(ii) Drainage: Naturally drained rear yard.

(iii) Railings: Painted steel primed with corrosive resistant paint and two protective finish coats

(iv) Stairs: None

(v) Fencing: Metal fence separating backyards and rooftop terraces.

(vi) Walls: None

(10) Interior Stairs: (3) common staircases, (1) commercial space staircase and (5) private unit staircases. All stairs are compliant with all applicable building codes.

*COMMON STAIRS (EGRESS STAIRS):

(i) Number of stairs of each type: There are (2) common interior stairs extending from cellar to the roof (Ladder between mezzanine to roof – not required by code); there is (1) common interior stair extending from cellar to first floor.

(ii) Enclosure: Both staircases are enclosed in a 2hour fire rated enclosure.

(iii) Stair Construction: The stairs are poured concrete treads and landings.

(iv) Stringers: N/A.

(v) Treads: Poured concrete treads.

(vi) Risers: Poured concrete.

(vii) Guard Rails: Painted Steel.

(viii)Balustrade: None

*UNIT STAIR:

(i) Number of stairs of each type: (one per unit listed here)

Stair in Unit COMM – one concrete stair in the unit

Stair in Unit 2 Garden – one steel stair in the unit

Stair in Unit 5 - one steel stair in the unit

Stair in Unit 7 -one steel stair in the unit

Stair in Unit PH – one steel stair in the unit

Enclosure: Open staircases. The stairs are not enclosed since they are internal and serve individual units which have a fire rating at the perimeter of each unit.

(ii) Stair construction: stair construction is code compliant for a convenience stair. These stairs are not required to be fire rated since they are not egress stairs and connect two levels of a duplex apartment. All levels have direct access to both of the Fire Rated Egress Stairs.

(iii) Stringers: Steel

(iv) Treads: Wood

(v) Riser: Wood

(vi) Guard Rails: Wood

(vii) Balustrade: Typical - metal. PH – glass.

(11) Interior Doors and Frames:

(i) Unit entrances and interior doors and frames: Unit entrance doors are hollow metal with a 1-1/2 hour fire rating minimum, that have a peep hole and chime and self-closing. Doors within the units are wood, solid core, with wood veneer in a smooth straight finish, and are not fire rated. Trims painted white.

(ii) Corridor doors: None

(iii) Stair hall doors and frames: Hollow metal with a 1-1/2 hour fire rating minimum self-closing doors.

(iv) Roof Doors, Cellar Doors, and frames: Hollow metal 1-1/2 hour fire rated minimum.

(12) Elevators:

(i) Number of passenger and service elevator: 1

(ii) Manufacturer, age of each and capacity: Alpha Elevator, new-2021, 2,500lbs capacity

(iii) Type of operation for each elevator: Traction

(iv) Automatic: Yes

(v) Floor served: The elevator is servicing from the cellar through 9th floor (stops at floor: Cellar; 1st; 2nd; 5th; 7th; and 9th.

(vi) Type: Traction.

(vii) Doors: Sliding brushed stainless finish.

(viii) Location of machine room: Roof

(ix) DC motor: No

(x) AC motor-generator set: Yes

(xi) There will be a maximum capacity of 2,500lbs allowed (approximately 10 passengers). The elevator call buttons will be lockable to each floor except the 1st floor

lobby. Each floor will be able to call the elevator to their floor and go down to the lobby level without using any locks at all times.

(13) Elevator cabs:

(i) Kind: Custom made steel cab clad in metal mesh walls and paneled metal ceiling with six recessed led downlights and exhaust fan.

(ii) Floor: Porcelain tiles.

(iii) Walls: 14-gauge galvanized steel w/ sound deadening applied to the back. Horizontal raised removable panels – faced in banker wire DS-1 W/ 20-guage stainless steel #4 satin finish binders.

(iv) Ceiling: 1-1/4" fire rated particle board faced in 20-gauge stainless steel #4 satin finish.

(v) Lighting: Six recessed led downlights with dimmer control module & emergency power backup.

(vi) Alarm, safety system: as per code

(i) AUXILIARY FACILITIES:

(1) Laundry Rooms: No common laundry room.

(i) Location and Number of Rooms: One laundry closet located behind the bathroom in each residential unit, a total of four in the building (Floors: 3rd; 4th; 6th; and 8th). All electrical appliances.

(ii) Clothes Washer: Stacked Samsung - 24" Front-Load Washer -Stacked Unit- WW22K6800AW to be provided by sponsor.

(iii) Clothes Dryers: Stacked Samsung - 24" Front-Load Electric Dryer - Stacked Unit- DV22K6800EW to be provided by sponsor.

(iv) Room Ventilation: The laundry exhaust flues are located on the roof Room ventilation is through minimum ½" GAP under doors.

(v) Dryer Ventilation: Vented.

(2) Refuse Disposal:

(i) Incinerator(s): None

(ii) Compactor(s): None

(iii) Approvals by NYC Department of Buildings (NA)

(iv) Initial storage location: Trash will be stored inside the trash room for regularly scheduled pickup. The room is constructed of concrete masonry unit walls with Hollow Metal 1 ½ hour rated doors. The trash room is accessible from 2 stairs and the elevator, and the room is lockable by the residents.

(v) Pick-up schedule, and whether public or private provider:

(a) Refuse/trash pick up days are Monday, Wednesday, and Friday, and shall be picked up by the NYC Department of Sanitation from the sidewalk in front of the building. Trash must be moved from its storage location in the trash room to the sidewalk for pickup.

(b) Recycling pick up days are Friday and shall be picked up by the NYC Department of Sanitation from the sidewalk in front of the building. Recycling must be moved from the trash room to the sidewalk for pickup.

(3) Storage rooms:

(i) There is a storage room located in the cellar with shared space for the 4 residential units. The room is constructed of concrete masonry unit walls with Hollow Metal 1 ½ hour rated doors. The storage room is accessible from 2 stairs and the elevator, and the room is lockable by the residents. There will be no divisions in the storage room. The storage room is approximately 15'-8"x10'-9".

(4) Mail/Package Room: There is no mail room or package room within this building. Mailboxes, by Salsbury Industries, are located in the building lobby on the West wall and are wall mounted. They are aluminum and meet USPS regulations.

(5) Bicycle Storage Room: Residential storage area in cellar may be used for bicycle storage.

(j) PLUMBING AND DRAINAGE:

(1) Water Supply: Domestic water is provided by the City of New York from mains under the street. Domestic water for the building is supplied through a single, four-inch combined cast iron pipe, one-and-a-half-inch meter has been provided for domestic water service for plumbing fixtures. The backflow preventer and main shut off valve is located in the Cellar facing the street. The condominium is responsible for maintenance, repair and replacement of water meters and service piping. Water valves and piping and new water supply piping is "L" copper pipe. Hot and cold water pipes to be insulated with 1/2" thick pre-molded glass fiber insulation in accordance with building code.

(2) Fire Protection System: 100% sprinklered building

(i) Standpipes: None

(ii) Hose racks, hoses, and nozzles: None

(iii) Sprinkler Heads: Yes. Sprinkler heads are provided in each apartment and all common areas within the building.

(iv) Siamese connections: Located on the Left-hand side of the building façade.

(v) Fire pump located in cellar: Pentair Aurora in-line pump model # 4-383-9C with a one year warranty.

(3) Water Storage Tanks and Enclosures: None

(4) Water Pressure and maintenance: Domestic water booster pumps to increase water pressure are located in the cellar: Yaskawa iQpump1000 and 2 pressure transducers mounted on concrete base. The pumps have a 1 year warranty.

(5) Sanitary Sewage System: There is a combined storm and sanitary system.

(i) Sewage Piping: All soil, waste and vent piping is new cast-iron pipe. Drains are visible in the cellar.

(ii) Sewage Pumps: None

(iii) Sewage Disposal: The house sewer connects directly into the main sewer line on Houston Street. The main sewer is owned and maintained by the City of New York. Maintenance of the house sewer is the responsibility of the condominium.

(6) Permits Required: The sanitary plumbing work is covered by the permit applications described in section (b) (4) of this report.
The plumbing permit is #122180914-02-PL obtained on 1/12/2021 and expires 1/12/2022. This permit has been renewed and will be again, if necessary, prior to sign off.

(7) Storm Drainage System: There is a combined storm and sanitary system. The roof drains are cast-iron piping. All piping is new
(i) Catch Basins: None on property.
(ii) Yard and Roof Drains: There are eight roof drains, no balcony or yard drains, and no area drains
(iii) Piping: Storm drainage piping within the building is not visible. The cellar has cast iron pipe, all are new.
(iv) Sump Pump: N/A

(k) HEATING:
(1) Each unit will have its' own heating system. Heating system will be an (outdoor air condensing unit, roof mounted) heat pump with forced air heat. The system will meet NYS Energy Conservation standards: Outdoor design 13 F_DB. Indoor temperature 68 degrees F.
(2) Number of heat pump and description: As indicated on the Mechanical drawings. No interior boiler units installed in the apartments. Split system with interior Air Handlers and exterior condensing units (heat pumps), one for each apartment and one for common areas, a total of five in the building.
(3) Manufacturer and age of heat pump(s): all new Mitsubishi – City Multi Condensing Units: Four PUHY-HP72TNU-A (units: 2/5/7 & Common areas); One PUHY-HP96TNU-A. See Section W(3)(iii) below for all model numbers and specifications for all units within all apartments.
(4) Manufacturer and age of burner(s): None, all electric.
(5) Type of controls: A single Programmable Thermostat is provided in each floor of each apartment.
(6) Radiators, piping, insulation, valves, and pumps: New electric hot air system. New duct work to be installed with 1" insulation.
(7) Fuel: N/A, all electric
(8) Location of gas service: No gas in the building.
(9) Capacity of oil tank: No oil tank in building.
(10) Hot Water Heater: Two A.O. Smith, model: DRE-80-30. Takagi, T-H3S-DV-N, Natural Gas condensing High Efficiency Gas Tankless Water Heater.
(i) Max 180,000 BTU input, Max 8 GPM, ¾" water connections.
(ii) There are two Hot Water Heaters provided for all units and retail space.
(iii) The units have a 5-year warranty for the heat exchanger, a 5-year parts warranty and 1 year labor warranty from the manufacturer.
(iv) The Unit has an Energy Factor of 0.95 and meets energy code requirements.

(v) Controls: The hot water heater is equipped with a temperature control on the unit itself.

(l) Gas supply: No gas is provided in the building.
(1) Type: N/A
(2) Meters: N/A
(3) Piping: N/A

(m) AIR CONDITIONING: The residential units are provided with individual AC units.
(1) Type of system: Split System, new Mitsubishi City Multi (PEFY-P36NMAU-E3/ PEFY-P18NMAU-E3/ PVFY-P48NMAU-E1/ PVFY-P24NMAU-E1) Multi zone Heat Pump Condensing Unit. The energy efficiency ratings are as follows: EER=12.5, and minimum SEER=14.5.
(2) Central system: The units provide central air conditioning within each individual apartment.
(3) Condensers: Rooftop condensing units are mounted on steel dunnage with Neoprene pads to help prevent transmission of vibrations. All devices are designed and constructed to be installed outside and resist rust and weather. All piping is insulated with 1" preformed insulation in accordance with NYC ECC 2016.
(4) Individual units: Each apartment unit has its own condensing unit, located on the roof above the bulkhead, and its own Air Handlers. The air handlers are ducted units contained within each unit and located above the kitchen and bathrooms.
Each unit is furnished with one programmable thermostat that is centrally located in each floor of the apartment. This system is designed to provide continued, controlled, comfort within the unit. All units have a 5-year materials warranty and a one-year labor warranty.

(n) VENTILATION:
(1) The bathrooms have direct exhaust to the exterior of the building, with a minimum of 50 CFM for bathrooms, 50 CFM for kitchens, both in accordance with NYC Mechanical code. The toilet exhaust fans are located on the roof and are common fans that will have a constant draw of all bathrooms. The laundry exhaust is located on the roof. Kitchen and Bath fans are mounted on the roof and are common for all apartments and are a common element.
a. Continental Fan Company, Model #AXC 355B with a maximum CFM of 1,400, with 120V operation. The sound rating is 77 dB.
(2) The kitchens each have an exhaust duct with a hood exhaust to the roof.
(3) Fresh Air is supplied to each unit via fresh intake ductwork.
(4) Cellar has one exhaust from the trash room and one exhaust from janitor's room.

(o) ELECTRICAL SYSTEM: The electrical system serving all units and common areas is new and in good condition.

(1) Service from main service switch gear: One service entrance and end box are provided as per Consolidated Edison requirements. The main service switch gear consists of a 400 -ampere, 208 volt, 3 -phase, AC disconnect. The service wire is #12 BX copper.

(2) Service to Individual Units: There is one, 2 Pole 100 Amp circuit breaker/meter for each individual unit which will provide adequate power for each apartment based on calculated usage.

(3) Compartment switch gear: Sub-feeder protection is provided at the meter location for each unit and the common areas. All sub-feeder protection is by breakers.

(4) Unit Service: Circuit breakers and switches shall be appropriately rated according to the corresponding carrying capacity of the wire. Each of the individual units has two panels: a 140-ampere, 3-phase AC panel with circuit breaker on the kitchen level and a 60-ampere, 3-phase AC panel with circuit breaker on the bedrooms level. Each panel has approximately 12 breakers.

(5) Adequacy:

(i) There is a 3 phase 100 Amp feeder to a 100 Amp circuit panel in each unit to feed all lighting, receptacles, appliances, and air conditioning. There are adequate spaces and spares on each panel for future additional appliances, etc.

(ii) Lighting and Fixtures: Fixtures have been installed at light fixture locations for minimum code compliance.

(a) Lighting in Apartments:
Kitchen, hallways, and bathrooms: 4” round fixtures by Cooper Lighting Solutions HLBSL4069FS231EMWR.
Kitchen Island: 4” round recessed lights fixtures by Juno TC1+17WWH.
Living Rooms and Bedrooms: Track lighting by WAC Lighting with track head Charge8010. Surface mounted lighting fixtures by WAC Lighting models: SLICE FM-4115-27-BN, SLICE FM-4109-27-BN, DOT FM-W57809-35-SS.
Walk-in closet: Surface mounted lighting fixture by Kuzco Lighting FM3506-BN.
Convenience stair: Wall sconce by WAC Lighting WS-30907-WT.
Cellar and Roof: Surface mounted porcelain socket by Satco 80-168. Wall Sconce

(b) Lighting in Hallways: 4” round fixtures by Cooper Lighting Solutions HLBSL4069FS231EMWR. They are Energy Star rated.

(iii) Convenience Outlets, Appliance Outlets: Convenience outlets and appliance outlets in the units are adequate for minimum code compliance. AFCI and / or GFCI will be provided as per code requirements. Kitchen outlets are installed at a minimum of 6’-0” on center and 12’-0” on center in the rest of the apartment.

(a) Electrical outlets are Lutron Decora style. Electrical outlets are duplex outlets.

(b) Light switches are Lutron Decora style.

(iv) There is no generator in this building.

(v) Exit signs and staircase lighting is provided and will contain battery backup for emergency power. This is as required by NYC Electric Code.

(p) INTERCOMMUNICATION AND/OR DOOR SIGNAL SYSTEMS: A new 2N or equal.
Video Intercom System with key fob will be provided, connecting the entrance with all

Units: Wall-mounted monitor with color screen WIFI enabled in each apartment. Security camera system in the vestibule, mailbox area, exterior of building and utility area in the cellar.
Warranty: The intercom has a 2-year warranty on parts, and a 1-year warranty on labor for repairs.
This is a video intercom system and is not a security system or alarm system.
No security system is provided.

(q) PUBLIC AREA LIGHTING: Wall sconces by Lithonia Lighting model# OFTH 300PR are located in the main stairwell.

4" round fixtures by Cooper Lighting Solutions HLBSL4069FS231EMWR are in hallways and Lobby. Porcelain sockets by Satco 80-168 are in the cellar. All to be LED lightbulbs. Adequate lighting is provided in the public lobby and stairs to provide light for egress. Other common spaces have either LED or fluorescent lighting controlled by switches. All lighting in common areas is in conformance with NYC Building Code and the NYS Multiple Dwelling Law.
Exit Lights are by AtLite - Cooper Lighting, with 8" letters, with emergency lights attached and battery backup. These are located in the stairwell at each landing by the doors.

(r) GARAGES AND PARKING AREAS: None

(s) SWIMMING POOL(S): None

(t) TENNIS COURTS, PLAYGROUNDS AND RECREATION FACILITIES: Common roof terraces

(1) Tennis courts: None
(2) Playgrounds: None
(3) Other recreation facilities: None

(u) PERMITS AND CERTIFICATES:

(1) New Building: Proposed nine-story building with cellar and mezzanine, four family dwelling with retail on first, and partial cellar.
units obtain new certificate of occupancy.
#122180914– four Applications filed under this number which are for:
(i) NB – New Building
(ii) FO – Foundation/Earthwork
(iii) FO EA - Earthwork
(iv) EQ FN – Construction Equipment - Fence

(2) New sprinkler system.
#122239238-01 A2:
(i) SP SD – Sprinkler and Standpipe

(3) #122350393-01 A3:
Builders Pavement Plan.

(4) Full Demolition: Full demolition of two-story structure using handheld equipment with partial mechanical means.

#321511262 – two applications filed under this number which are for:
(i) DM - Full Demolition
(ii) EQ FN - Construction Equipment – Fence

(5) Old applications (to be withdrawn):
Install fire alarm system
122239247-01 A2 Fire Alarm (WITHDRAWN)

(6) Ongoing Inspections: the following will be recurring inspections for the building
(i) Fire alarm
(ii) Backflow preventor
(iii) NFPA 80, Sprinkler inspection
(iv) Elevator inspection
(v) Standpipe inspection
(vi) Façade inspection

(v) VIOLATIONS:
Any violations issued against the building will be resolved prior to the issuance of the Permanent Certificate of Occupancy."

35504925Z	DOB VIOLATION – OPEN	11/26/2021
35504926K	DOB VIOLATION – OPEN	11/26/2021

VIOLATIONS: There are currently 2 open (ECB) DOB violations

Stop Work Order:
There are no stop work orders on this property.

(w) UNIT INFORMATION: Four residential units in the building:

RESIDENTIAL UNITS
The following description is applicable to each residential unit from 1st to 4th floor.

(1) Walls are 5/8" minimum gypsum board on metal studs (size varies). Flooring is white engineered Oak wood over 2mm minimum Recycled Rubber Underlayment. All finishes are new and in good condition. One year labor and materials warranty.

Apt 2-Garden: The apartment is a 3 Bedroom, 3 Bathroom Duplex unit. Apartments with Accessory Use storage in the Cellar. Per DOB Schedule A and Multiple Dwelling Law and Housing Maintenance Code Article 1 Section 4, Cellar is not to be counted as a story.

1 Kitchen/Dining/Living Room open area
3 Bedrooms
3 Bathrooms
1 Laundry closet

1 Recreation Room
1 Balcony
1 Private terrace

Apt 5: The apartment is a 3 bedroom, 3 bathroom Duplex unit.
1 Kitchen/Dining/Living Room open area
3 Bedrooms
3 Bathrooms
1 Laundry Closet
2 Balconies
1 Balconette

Apt 7: The apartment is a 3 bedroom, 3 bathroom Duplex unit.
1 Kitchen/Dining/Living Room open area
3 Bedrooms
3 Bathrooms
1 Laundry Closet
1 Recreation Room
2 Balconies
1 Balconette

Apt PH: The apartments is a 3 bedroom, 3 bathroom Duplex unit.
1 Kitchen/Dining open area.
1 Living Room
3 Bedrooms
3 Bathrooms
1 Laundry closet
1 Mechanical Room
2 Balconies
1 Balconette
1 Private Terrace
1 Private Roof

(2) The following Plumbing fixtures or equivalent fixtures are provided in the bathrooms:

TYPE	DESCRIPTION/LOCATION	MODEL NO. AND FINISH	MFG
PL	Bath 1 – Sink	White Caesarstone	Custom
PL	Bath 1 – Faucet	ART. 65812	NEW FORM
PL	Bath 1 - Toilet	AQUIA #CT418FG#01	TOTO
PL	Bath 1 – Showerhead	ART. 68460	NEW FORM
PL	Bath 1 – Handshower on bar	ART. 61356 w/ wall union	NEW FORM
PL	Bath 1 – Valve & Diverter	ART. 67628	NEW FORM
PL	Bath 1 – Shower Drain	Brushed S.S. Linear drain	EASY DRAIN

PL	Bath 2 – Sink	White Caesarstone	Custom
PL	Bath 2 – Faucet	ART. 65812	NEW FORM
PL	Bath 2 - Toilet	AQUIA #CT418FG#01	TOTO
PL	Bath 2 - Tub	SOISSONS K-941-0	KOHLER
PL	Bath 2 – Tub Spout	ART. 65837	NEW FORM
PL	Bath 2 – Showerhead	ART. 68460	NEW FORM
PL	Bath 2 – Handshower on bar	ART. 61356 w/ wall union	NEW FORM
PL	Bath 2 – Valve & Diverter	ART. 67628	NEW FORM
PL	Bath 2 – Shower Drain	Brushed S.S. Linear drain	EASY DRAIN
PL	Bath 3 – Sink	White Caesarstone	Custom
PL	Bath 3 – Faucet	ART. 69610X	NEW FORM
PL	Bath 3 - Toilet	AQUIA ONE PIECE #MS646234CEMFG	TOTO
PL	Bath 3 - Tub	Free Standing BBE 01	WETSTYLE
PL	Bath 3 – Tub/Handshower Mixer	ART. 69671EX	NEW FORM
PL	Bath 3 – Showerhead	ART. 69658X	NEW FORM
PL	Bath 3 – Handshower on bar	ART. 69656X w/ wall union	NEW FORM
PL	Bath 3 – Valve & Diverter	ART. 69663EX	NEW FORM
PL	Bath 3 – Shower Drain	Brushed S.S. Linear drain	EASY DRAIN

Medicine Cabinet Mirror: AQUADOM SR-2240R & SR-2240L

(3) Finishes:

(i) Generally, all interior walls are to be painted white. This consists of one coat of primer and 2 coats of finish paint. All paint is to be low VOC, by Benjamin Moore or equal.

(ii) Floors are engineered White Oak, select grade, 5/8" thick by PID. Soundproof matt is PID Recycled Rubber Underlayment for wood floors, minimum 5mm thick. This material has an IIC Rating of 59, which exceeds building code requirements.

(iii) 1st and 2nd bathrooms will have Porcelain tile floors and Stone tile walls. 3rd bathroom will have Porcelain tiles on floors and walls. Some of 2nd bathroom walls will be half tiled, and other half painted sheet rock. Ceilings will be painted sheet rock.

(iv) The kitchen walls are gypsum board and/or stone backsplash.

(v) Cabinets are new and custom made by ALTA CUCINE (Medium Density Particleboard) 11/16" = 18mm and the back is ½" = 12mm. It is coated in White LP (Low Pressure) in both sides. The doors and drawers are made of laminated/painted MDF (Medium Density Fiberboard) 1" = 25 mm. The countertop is a ¾" quartz composite minimum or stainless steel. Backsplash is a stone Tundra Grey or ¾"

quartz composite minimum.

(i) Appliance Schedule:

APPLIANCE	MAKE	MODEL NO.	DESCRIPTION	CONDITION
Electrical Range	BERTAZZONI	PROF365INSXT	36”	New
Hood	BERTAZZONI	KIN 36 PRO X	36”	New
Refrigerator	MIELE	KF 2982 Vi (French Door)	36” French Door	New
Dishwasher	MIELE	G 5051 SCVi ADA	24” Panel ready	New
Microwave	BOSCH	HMD8053UC	Drawer Microwave	New
Wine Cooler	SUMMIT	CL242WBV	Dual Zone	New
Food Waste Disposer	INSINKERATOR	Evolution Cover Control Plus	3/4 HP	New
Washing Machine	SAMSUNG	WW22K6800AW	24” Front Load	New
Dryer	SAMSUNG	DV22K6800EW	24” Electric Front Load	New
Stacking Kit	SAMSUNG	Included	Without Pullout Tray	New
Sink	Custom	Integrated w/ countertop	Stainless Steel	New
Faucet	NEW FORM	ART. 63915	Brushed Stainless Steel	New

(ii) Other:

APPLIANCE	MAKE	MODEL NO.	DESCRIPTION	CONDITION
Water Heater	A.O SMITH	DRE-80-30	Electric	New

(iii) Other: HVAC Units from MITSUBISHI (EER 12.5, SEER 21.3)

Mitsubishi – City Multi Condensing Units: Four PUHY-HP72TNU-A (units: 2/5/7 & Common areas); One PUHY-HP96TNU-A

Mitsubishi City Multi (PEFY-P36NMAU-E3/ PEFY-P18NMAU-E3/ PVFY-P48NMAU-E1/ PVFY-P24NMAU-E1)

Apt 2-Garden:

Condensing Unit @Roof: PUHY-HP72TNU-A Multi Zone.

Zone #1 Air Handler @2nd Floor: PEFY-P36NMAU-E3 Slim Duct – 36,000 Btu’s/hr.

Zone #2 Air Handler @3rd Floor: Two bedrooms, bathroom, and Hallway:

PEFY-P18NMAU-E3 Slim Duct – 18,000 Btu’s/hr.

Zone #3 Air Handler @3rd Floor Master Bedroom, Bathroom, and Hallway:

PEFY-P18NMAU-E3 Slim Duct – 18,000 Btu’s/hr.

Apt 5:

Condensing Unit @Roof: PUHY-HP72TNU-A Multi Zone.

Zone #1 Air Handler @4th Floor: Bedroom, bathroom, and Hallway:
PEFY-P18NMAU-E3 Slim Duct – 18,000 Btu's/hr.
Zone #2 Air Handler @4th Floor Master Bedroom, Bathroom, and Hallway:
PEFY-P18NMAU-E3 Slim Duct – 18,000 Btu's/hr.
Zone #3 Air Handler @5th Floor: PEFY-P36NMAU-E3 Slim Duct – 36,000 Btu's/hr.

Apt #7:
Condensing Unit @Roof: PUHY-HP72TNU-A Multi Zone.
Zone #1 Air Handler @6th Floor: Two bedrooms, bathroom, and Hallway:
PEFY-P18NMAU-E3 Slim Duct – 18,000 Btu's/hr.
Zone #2 Air Handler @6th Floor Master Bedroom, Bathroom, and Hallway:
PEFY-P18NMAU-E3 Slim Duct – 18,000 Btu's/hr.
Zone #3 Air Handler @7th Floor: PEFY-P36NMAU-E3 Slim Duct – 36,000 Btu's/hr.

Apt PH:
Condensing Unit @Roof: PUHY-HP96TNU-A Multi Zone.
Zone #1 Air Handler @8th Floor: Two bedrooms, bathroom, and Hallway:
PEFY-P18NMAU-E3 Slim Duct – 18,000 Btu's/hr.
Zone #2 Air Handler @8th Floor Master Bedroom, Bathroom, and Hallway:
PEFY-P18NMAU-E3 Slim Duct – 18,000 Btu's/hr.
Zone #3 Air Handler @9th Floor: PEFY-P24NMAU-E3 Slim Duct – 24,000 Btu's/hr.
Zone #4 Air Handler @9th Floor kitchen, Dining, and Mezzanine: PEFY-P48NMAU-E3 Slim Duct – 48,000 Btu's/hr.
Zone #5 Air Handler @9th Floor Living Room and Mezzanine: PEFY-P48NMAU-E3 Slim Duct – 48,000 Btu's/hr.

(X) FINISH SCHEDULE OR SPACES OTHER THAN UNITS:

ROOM	FLOOR	WALLS	CEILING	REMARKS
Mechanical Room	Concrete	Concrete	Concrete	
Storage Room	Concrete	Concrete and CMU block	Concrete	
Meter Room	Concrete	Concrete	Concrete	
Common Stair	Concrete	Paint	Paint	
Lobby	Porcelain tiles	Porcelain tiles	Paint	
Corridors	Concrete	Paint	Paint	

Finishes:

- Walls are to be primed and then to receive 2 coats of finish paint, all Benjamin Moore.
- Floors are either concrete or porcelain tiles.

(y) SAFETY AND WARNING DEVICES:

1. Smoke / Carbon Monoxide detectors are provided in all locations in accordance with NYC Building code:

a. Inside each residential unit: one combination smoke/carbon monoxide detector is located in each bedroom as well as outside of the bedrooms within 15' of the door. These are hardwired with a battery back-up. This installation is in accordance with NYC Building Code.

b. On each floor in the hallway a smoke/ Carbon Monoxide detector is provided.

2. Fire Alarm System: There is a Fire Alarm Control Panel located in the cellar which is connected to the sprinkler system in the building. The Fire alarm notifies the central station and fire department when activated.

(z) ADDITIONAL INFORMATION REQUIRED:

(1) Site Plan: Same as first floor plan. (No side yards)

(2) Area Map: Not required: the condominium is located in an urban area.

(3) Floor Plan for Each Line or Type of Unit: Attached

(4) Floor to Ceiling Heights of Units at the highest points: Ceiling heights may vary in part on as-built conditions of the ceiling.
(All dimensions are approximate)

Cellar	9-5"
First Floor	9'-5"
Second Floor	9'-5"
Third Floor	9'-5"
Fourth Floor	9'-5"
Fifth Floor	9'-5"
Sixth Floor	9'-5"
Seventh Floor	9'-5"
Eighth Floor	9'-5"
Ninth Floor	15'-6" and 8'-0" below Mezzanine
Mezzanine	7-11"

(5) Approximate Total Area of Each Unit:

Gross Square Footage Definition:

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

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

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

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

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

Residential Unit	Gross Area	Outdoor Area	Type of Outdoor Space
Apt 2-Garden: 1st Floor	1,435 SF	534 SF	Rear Terrace
Apt 2-Garden: 2nd Floor	1,436 SF	72 SF	Front Balconette and Rear Balcony
Apt 2-Garden TOTAL	2,871 SF	606 SF	--
Apt 5: 4th Floor	1,436 SF	72 SF	Front Balconette and Rear Balcony
Apt 5: 5th Floor	1,436 SF	72 SF	Front Balconette and Rear Balcony
Apt 5 TOTAL	2,872 SF	144 SF	--
Apt 7: 6th Floor	1,440 SF	72 SF	Front Balconette and Rear Balcony
Apt 7: 7th Floor	1,439 SF	72 SF	Front Balconette and Rear Balcony
Apt 7 TOTAL	2,879 SF	144 SF	--
Apt PH: 8th Floor	1,441 SF	72 SF	Front Balconette and Rear Balcony
Apt PH: 9th Floor	1,255 SF	278 SF	Front Terrace and Rear Balcony
Apt PH: Mezzanine Floor	454 SF	--	--
Apt PH: Roof Floor	--	844 SF	Roof Terrace
Apt PH TOTAL	3,150 SF	1,194 SF	--

Note: All sizes are in square feet and are approximated.

(6) Master Floor Plan: Omitted. See site plan.
(7) Accessory spaces in the cellar will not be used for sleeping, cooking and /or living purposes.

(aa) In the event that certain conditions in the building cannot be adequately evaluated by a visual examination, the Department of Law may, in its discretion, direct that an independent engineer or testing laboratory be retained to perform such tests or monitoring as may be necessary in order to make adequate disclosure. Conditions which may require additional testing or monitoring include, but are not limited to settlement, masonry cracks, rusting of structural steel, adequacy of concrete cover, and firestopping, etc. Test results must be reported in the offering plan or in an amendment thereto: This is a new building, and was built according to code.

(bb) Further development: This is a new building, and all square footage is being used.
(1) Additional units to the building: None
(2) Additional units on top of an existing structure: None
(i) Additional load: N/A
(ii) Resulting building height: N/A
(3) Components to be removed, relocated, or extended: None
(4) Effects of additional structure: None
(5) Sharing facility for existing and new structures: None
(6) Tenants in occupancy during renovation or construction: None
(i) Handling construction debris on common areas used by tenants: N/A
(ii) Renovation or construction work schedule: N/A
(iii) Security protection during construction: N/A
(iv) Interruption to services during construction: N/A
(v) New piping addition: N/A
(vi) Liability insurance in effect during construction: N/A

(cc) Asbestos: No asbestos-based material will be used through-out the construction.
(1) ACP-5 report #: N/A for new building.
(2) Inventory of the asbestos: N/A
(3) Recommendations for handling: N/A
(4) The work must be performed in compliance with New York City Local Law 76 of 1985 or any other applicable laws.
(5) Protocol: N/A

(dd) Lead-based paint: No Lead-based paint will be used through-out the construction.

In accordance with the terms of the Offering Plan, Sponsor reserves the right to make any substitutions of equipment, materials, finishes or fixtures as stated herein, provided that the changes are substantially equal or better in quality as recognized by industry standards of performance, efficiency, longevity and other classifications as applicable.

CERTIFICATION:

I have examined the building records at the New York City Department of Buildings and personally inspected the premises. To the best of my knowledge and belief, this report contains an accurate description of the building. Except as noted in this report, no representation is made as to the condition or legality of the various elements of the building. Many of the components of the building are concealed, obstructed or are not available for inspection, and no representation can be made as to the length of time components and systems currently in working order will remain so.

2/18/22

Jack Silverstein. RA
Barton Designworks, Architecture P.C.

SUBSCRIBED AND SWORN TO BEFORE ME
THIS 18th DAY OF February, 2022.
BY JACK SILVERSTEIN
NOTARY PUBLIC

TAMISHA J MARTIN
Notary Public - State of New York
NO. 01MA6062380
Qualified in Kings County
My Commission Expires 8/6/2025

SITE PLAN AND FLOOR PLANS

Please note that all dimensions are approximate.

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

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

As set forth above, the approximate square footage of a Unit set forth on the Floor Plans is an approximate gross square footage of the Unit, which is greater than the approximate square footage of a Unit measured by using the legal definition of the Unit which appears in the Declaration of the Condominium in Part II of the Plan. As is customary in New York City, these approximate gross square footages substantially exceed the useable floor area of each Unit.

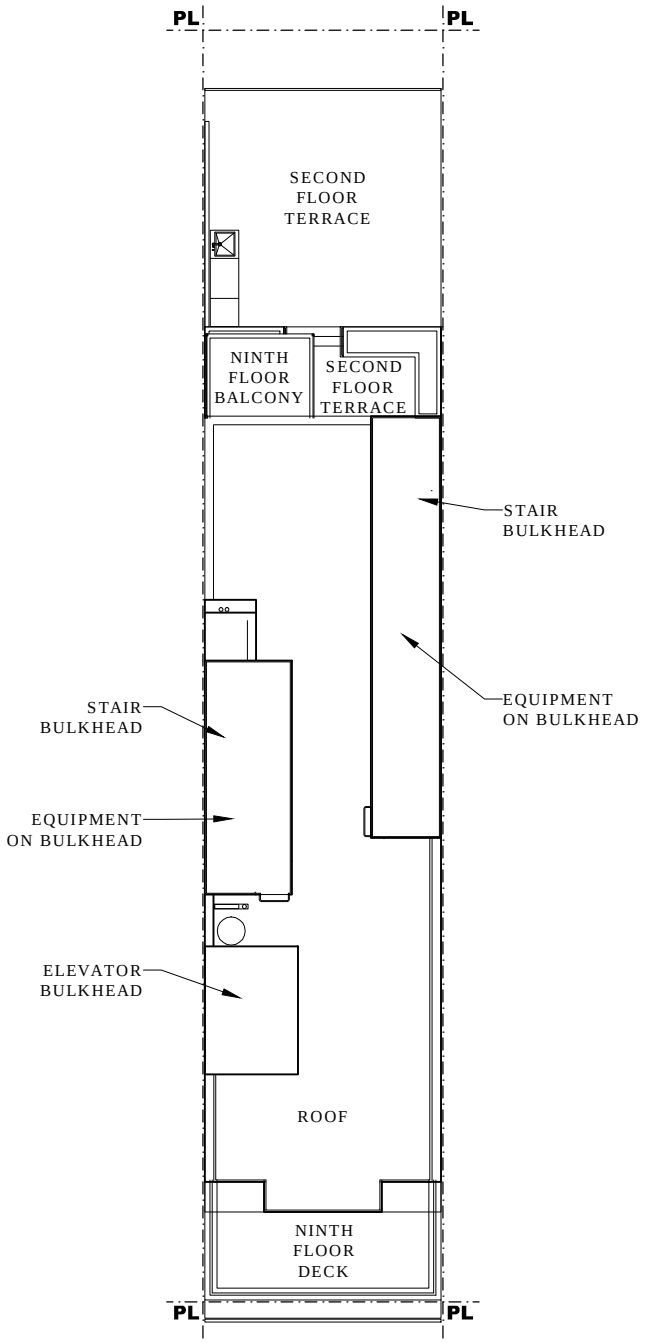
The approximate square footage of exterior private balcony, patio, terrace, or yard areas is measured from the exterior face of the Unit wall to the exterior side of the walls, railings, or fencing delineating such areas, as may be applicable.

Any floor layout, plan or sketch shown to a prospective Purchaser is only an approximation of the square foot area and layout of the Unit in question.

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SITE PLAN

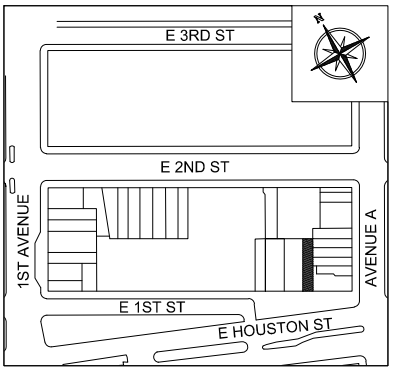
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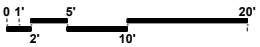


LEGEND

- GENERAL COMMON ELEMENT
- COMMERCIAL UNIT
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- PL — APPROXIMATE PROPERTY LINE

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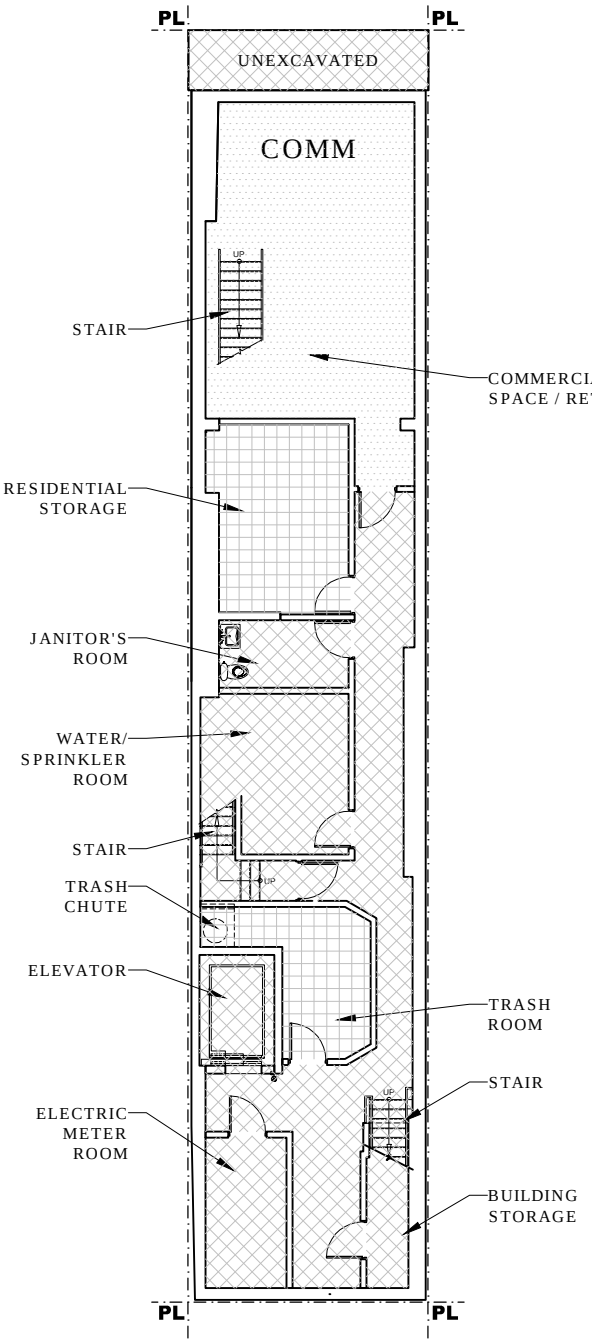
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CELLAR PLAN

RETAIL COMMERCIAL (LOWER LEVEL):
572 SF

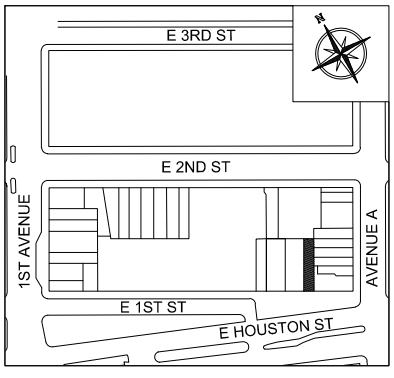
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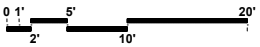


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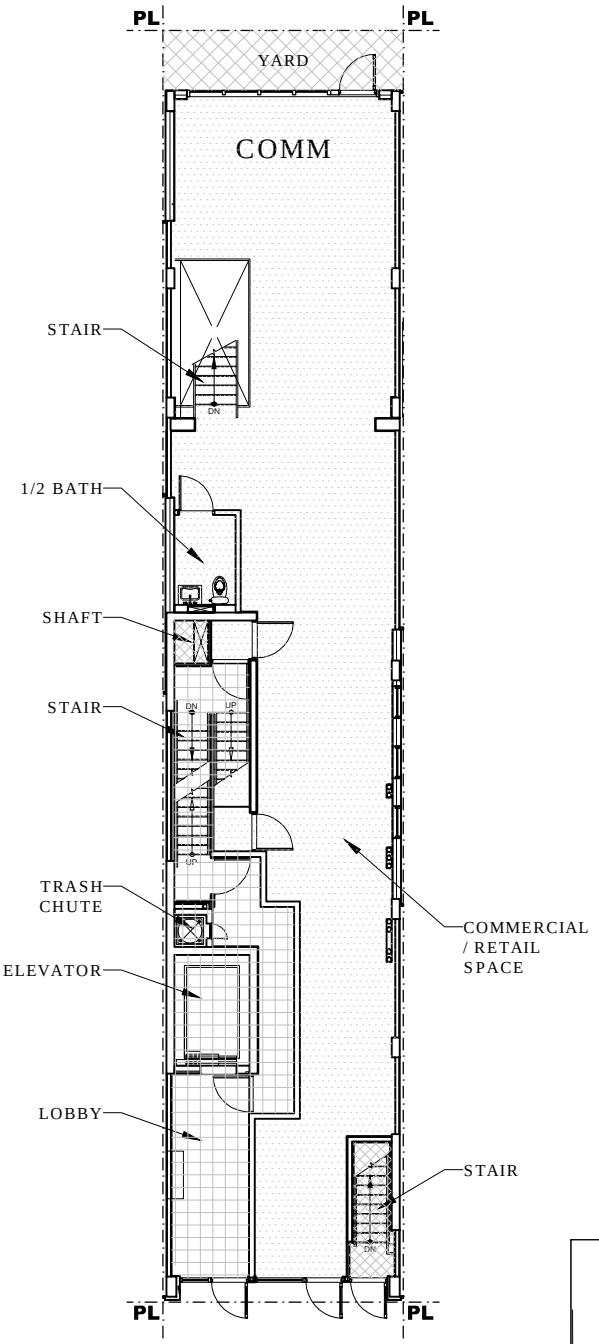
FIRST FLOOR PLAN

RETAIL COMMERCIAL (UPPER LEVEL): 1,453 SF

BACK YARD: 100 SF

TOTAL RETAIL COMMERCIAL AREA: 1,925 SF

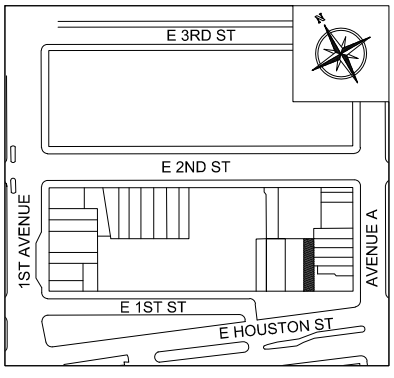
(ALL DIMENSIONS & SQUARE FOOTAGES ARE APPROXIMATE)



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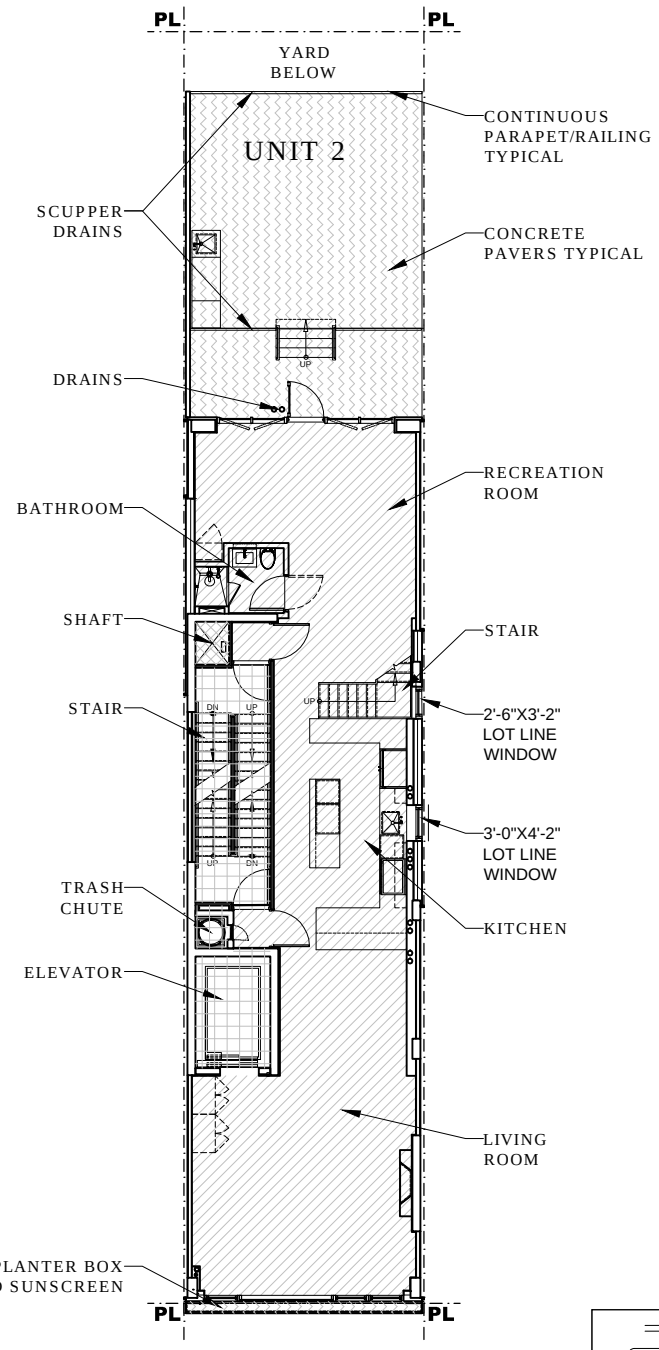
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SECOND FLOOR PLAN

UNIT 2-GARDEN (LOWER LEVEL):
LIVING AND RECREATION
ROOM, AND 1 BATHROOM
AREA: 1,435 SF

NORTH TERRACE: 534 SF

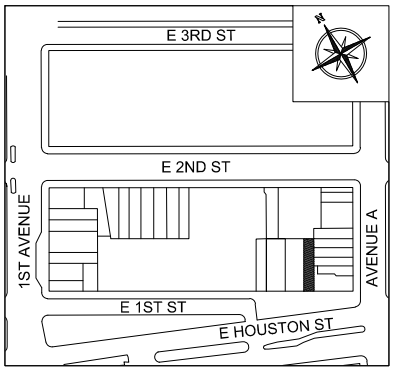
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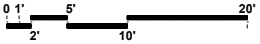


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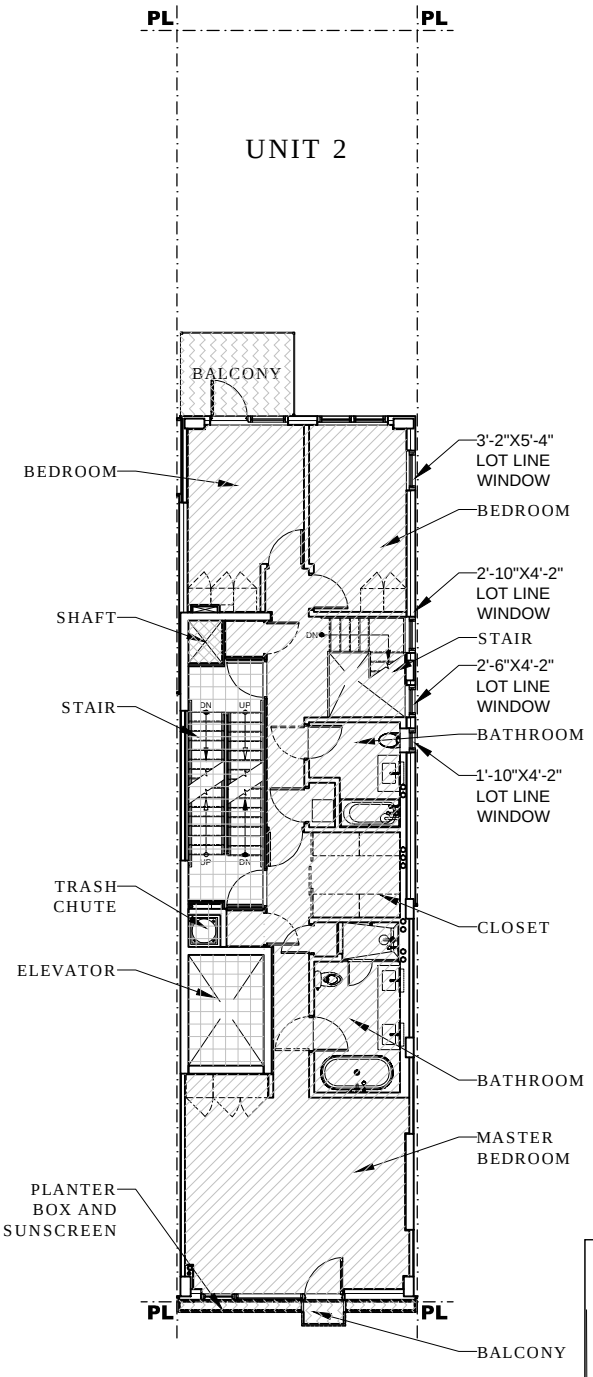
THIRD FLOOR PLAN

UNIT 2-GARDEN (UPPER LEVEL)
3 BEDROOM AND 2 BATHROOM
AREA: 1,436 SF

NORTH BALCONY: 66 SF
SOUTH BALCONY: 6 SF

TOTAL UNIT 2-GARDEN:
AREA: 2,871 SF

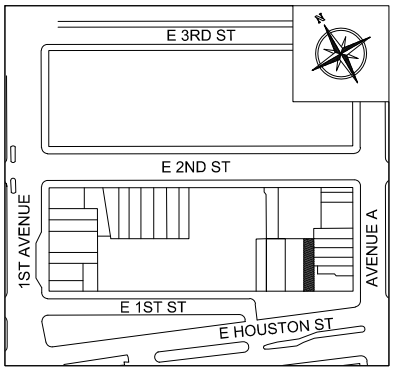
(ALL DIMENSIONS & SQUARE FOOTAGES ARE APPROXIMATE)



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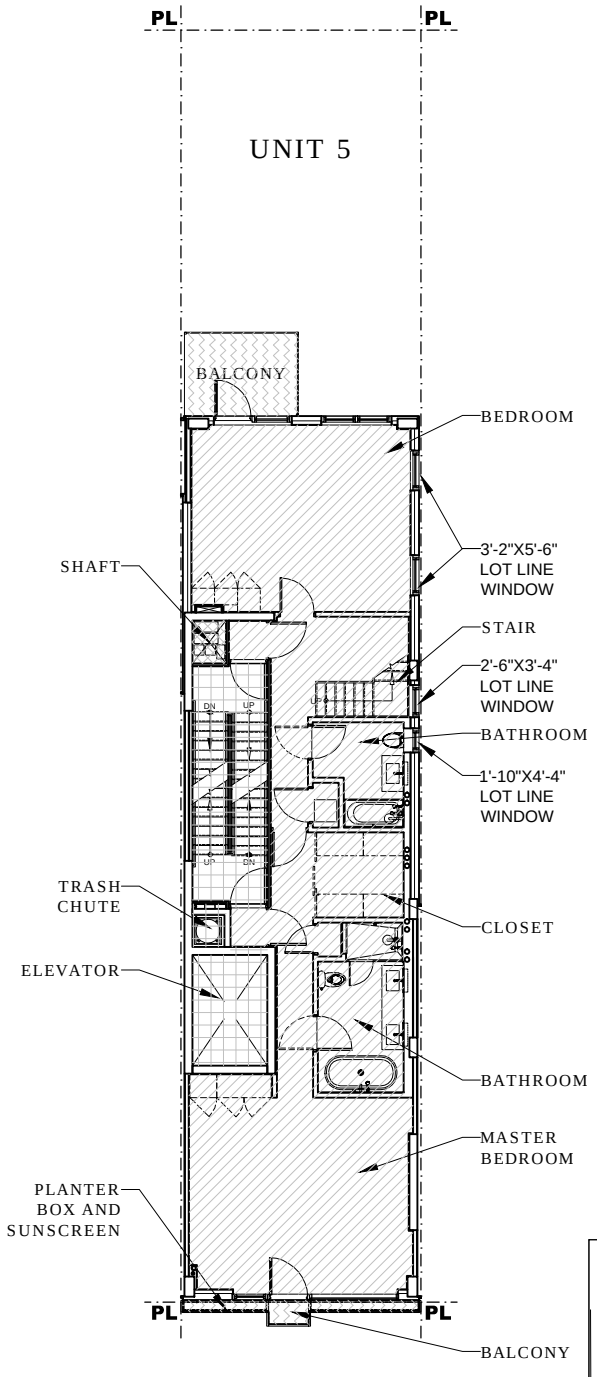
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FOURTH FLOOR PLAN

UNIT 5 (LOWER LEVEL)
2 BEDROOM AND 2 BATHROOM
AREA: 1,436 SF

NORTH BALCONY: 66 SF
SOUTH BALCONY: 6 SF

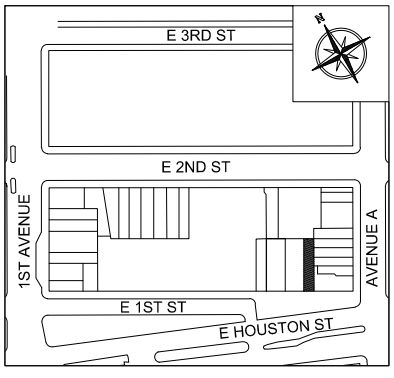
(ALL DIMENSIONS & SQUARE FOOTAGES ARE APPROXIMATE)



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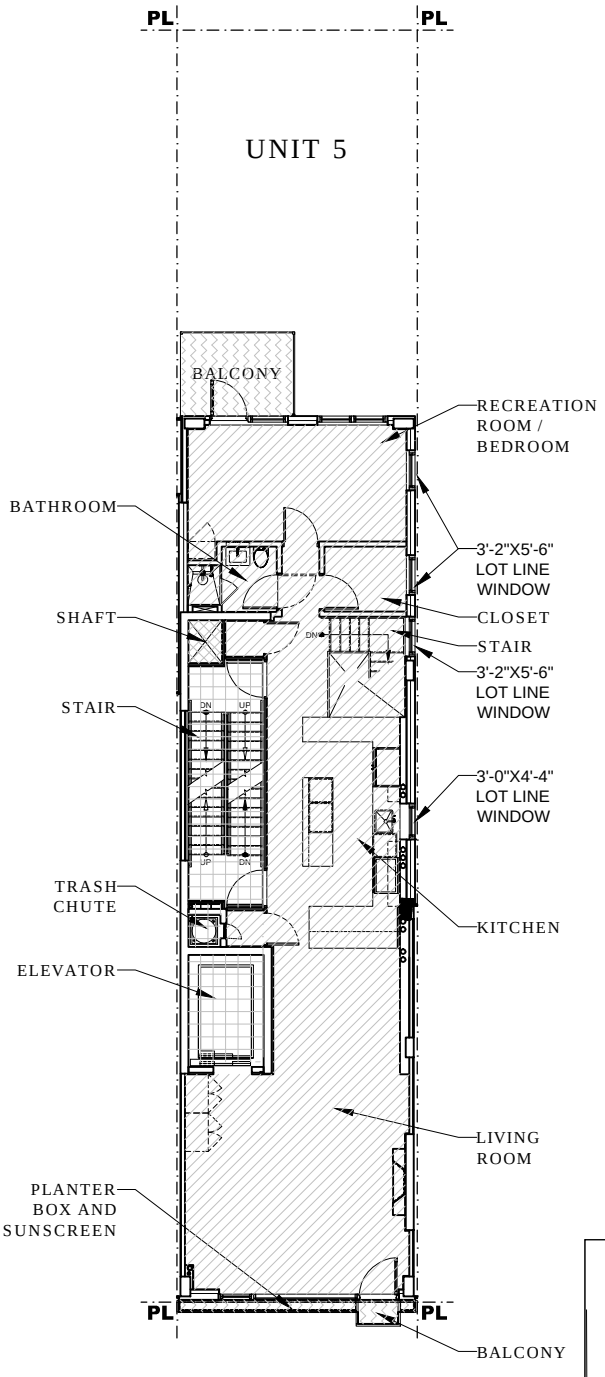
FIFTH FLOOR PLAN

UNIT 5 (UPPER LEVEL)
LIVING AND RECREATION
ROOM, AND 1 BATHROOM
AREA: 1,436 SF

NORTH BALCONY: 66 SF
SOUTH BALCONY: 6 SF

TOTAL UNIT 5:
AREA: 2,872 SF

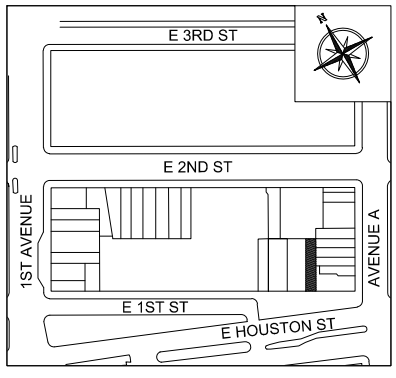
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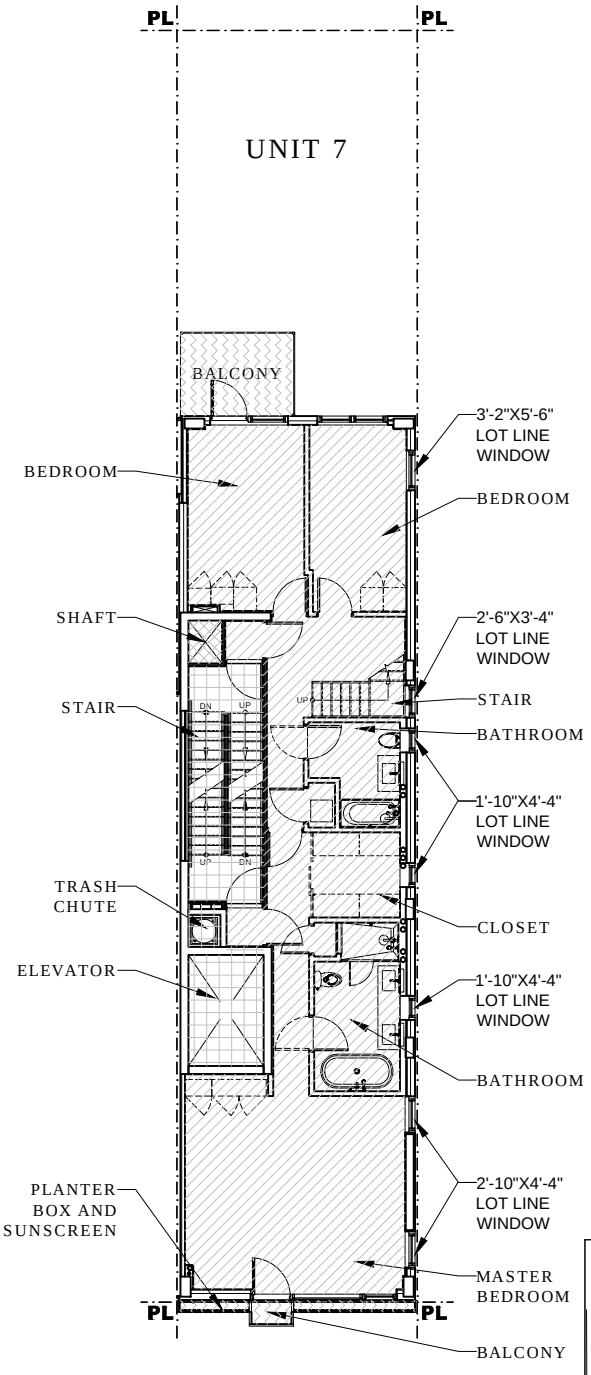
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SIXTH FLOOR PLAN

UNIT 7 (LOWER LEVEL)
3 BEDROOM AND 2 BATHROOM
AREA: 1,440 SF

NORTH BALCONY: 66 SF
SOUTH BALCONY: 6 SF

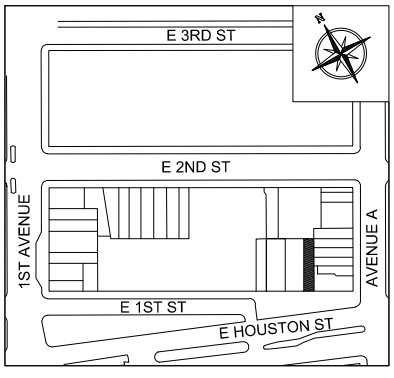
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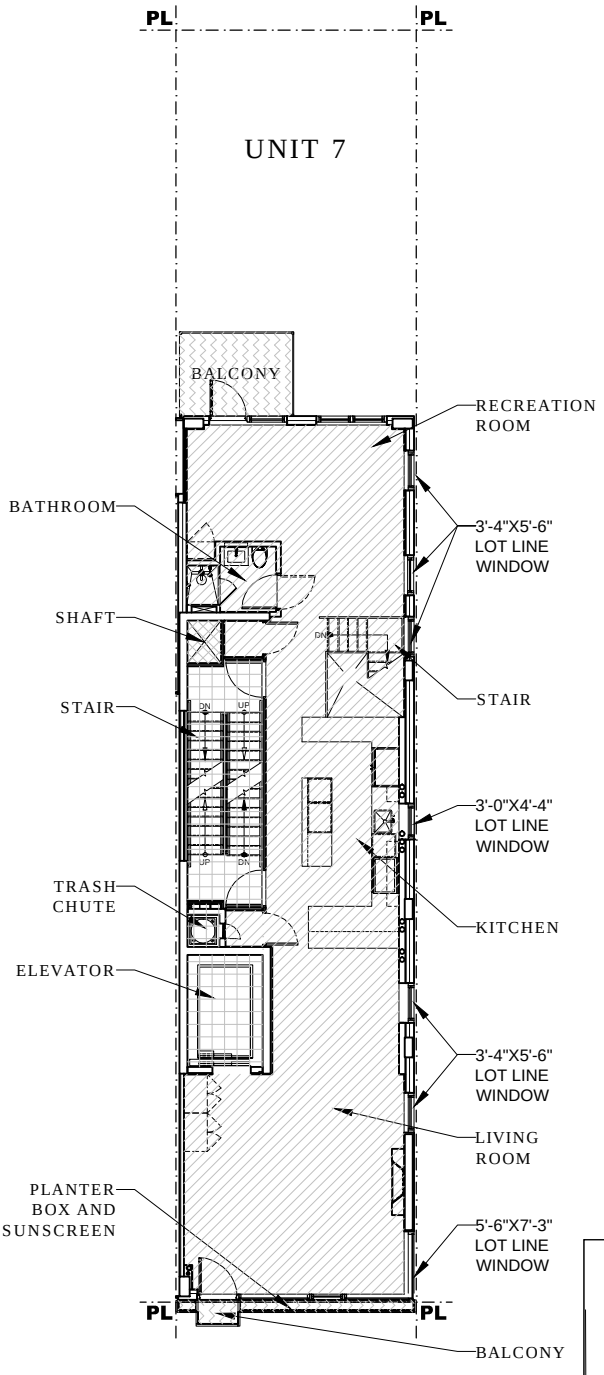
SEVENTH FLOOR PLAN

UNIT 7 (UPPER LEVEL)
LIVING AND RECREATION
ROOM, AND 1 BATHROOM
AREA: 1,439 SF

NORTH BALCONY: 66 SF
SOUTH BALCONY: 6 SF

TOTAL UNIT 7:
AREA: 2,879 SF

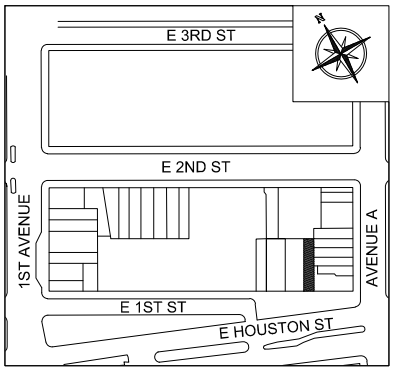
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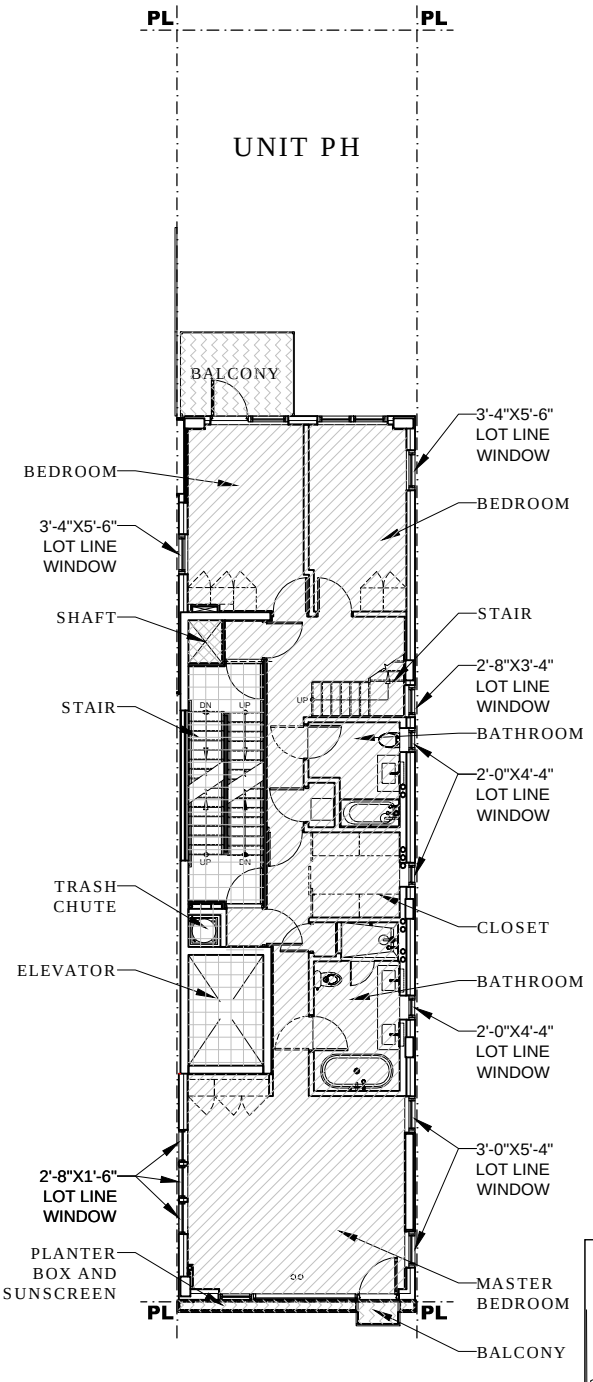
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EIGHTH FLOOR PLAN

UNIT PH (LOWER LEVEL)
3 BEDROOM AND 2 BATHROOM
AREA: 1,441 SF

NORTH BALCONY: 66 SF
SOUTH BALCONY: 6 SF

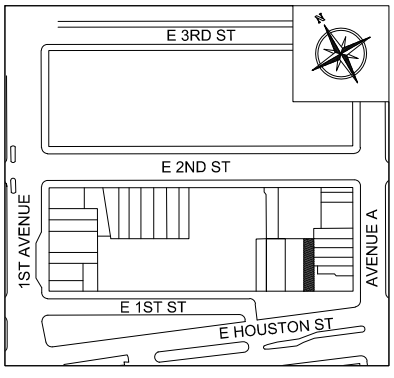
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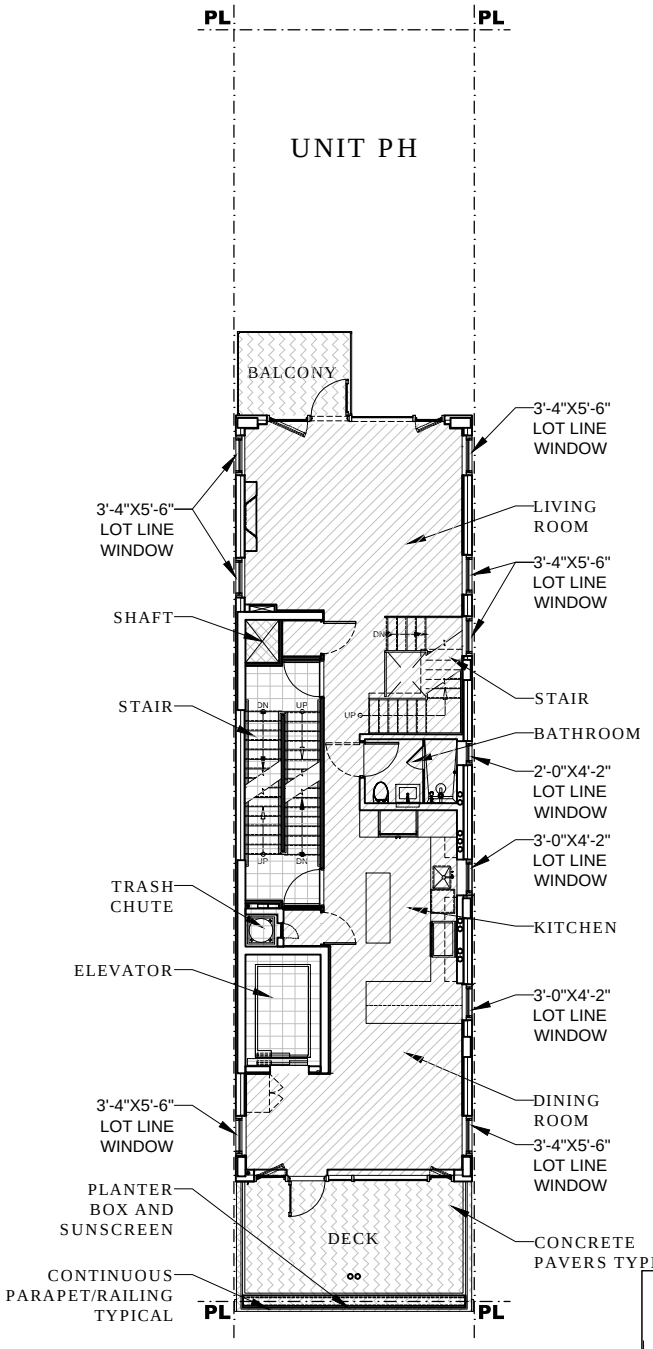
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NINTH FLOOR PLAN

UNIT PH (UPPER LEVEL)
LIVING AND DINING ROOM,
AND 1 BATHROOM
AREA: 1,255 SF

NORTH BALCONY: 66 SF
SOUTH TERRACE: 212 SF

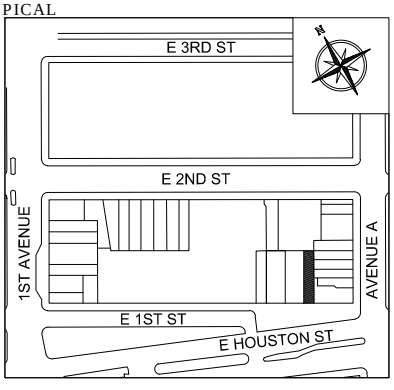
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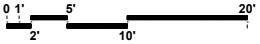


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118
E. 1ST ST.





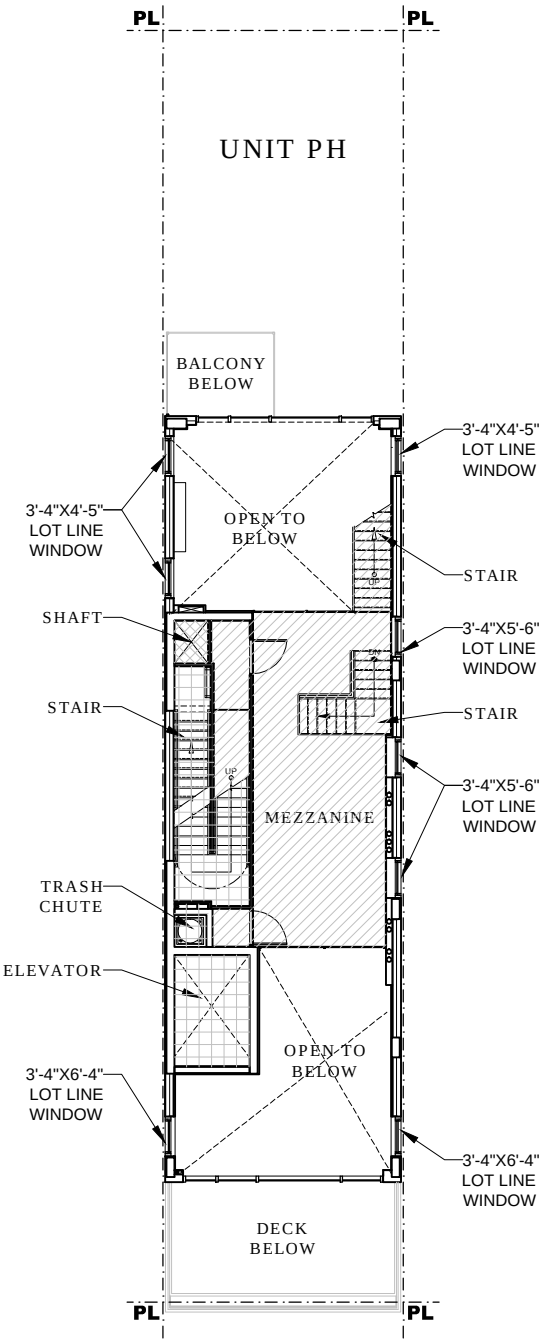
Freyer Collaborative Architects
111 John Street, Suite 200
New York, NY 10038
212-598-0900
Fax: 598-9028
freyerarchitects.com

118 EAST 1ST STREET
NEW YORK, NY 10009

MEZZANINE PLAN

UNIT PH (MEZZANINE LEVEL)
AREA: 454 SF

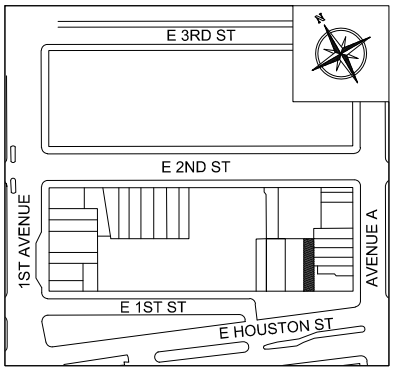
(ALL DIMENSIONS & SQUARE FOOTAGES ARE APPROXIMATE)



LEGEND

- GENERAL COMMON ELEMENT
- COMMERCIAL UNIT
- COMMERCIAL COMMON ELEMENT
- RESIDENTIAL UNIT
- RESIDENTIAL LIMITED COMMON ELEMENT
- RESIDENTIAL COMMON ELEMENT
- PL — APPROXIMATE PROPERTY LINE

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0 1' 5' 20'
2' 10'

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NEW YORK, NY 10009

ROOF

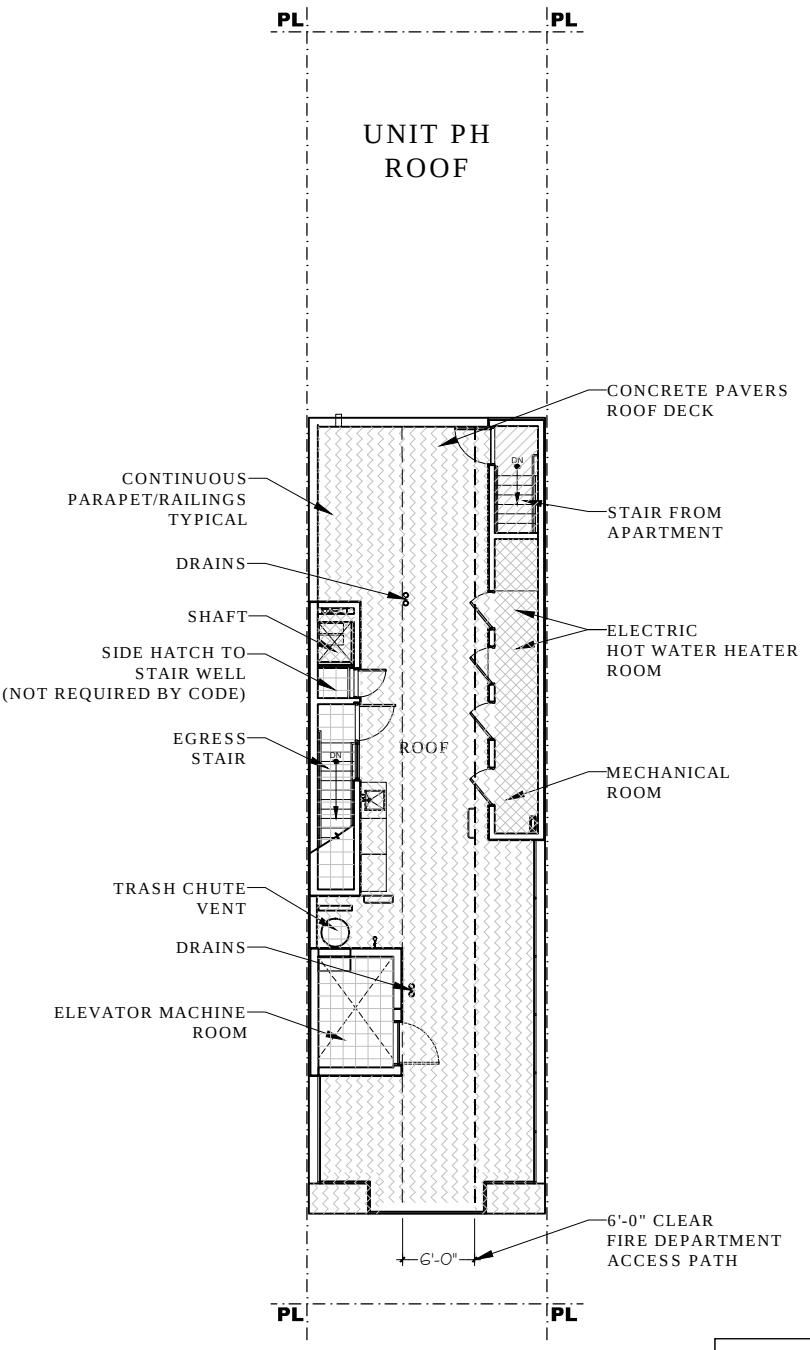
UNIT PH (ROOF LEVEL)

ROOF DECK: 844 SF

(SOAKING TUB AREA: 90 SF)

TOTAL UNIT PH:
AREA: 3,082 SF

(ALL DIMENSIONS & SQUARE FOOTAGES ARE APPROXIMATE)



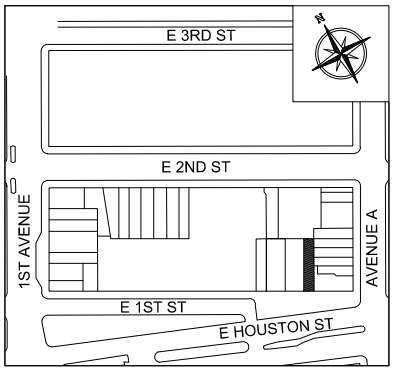
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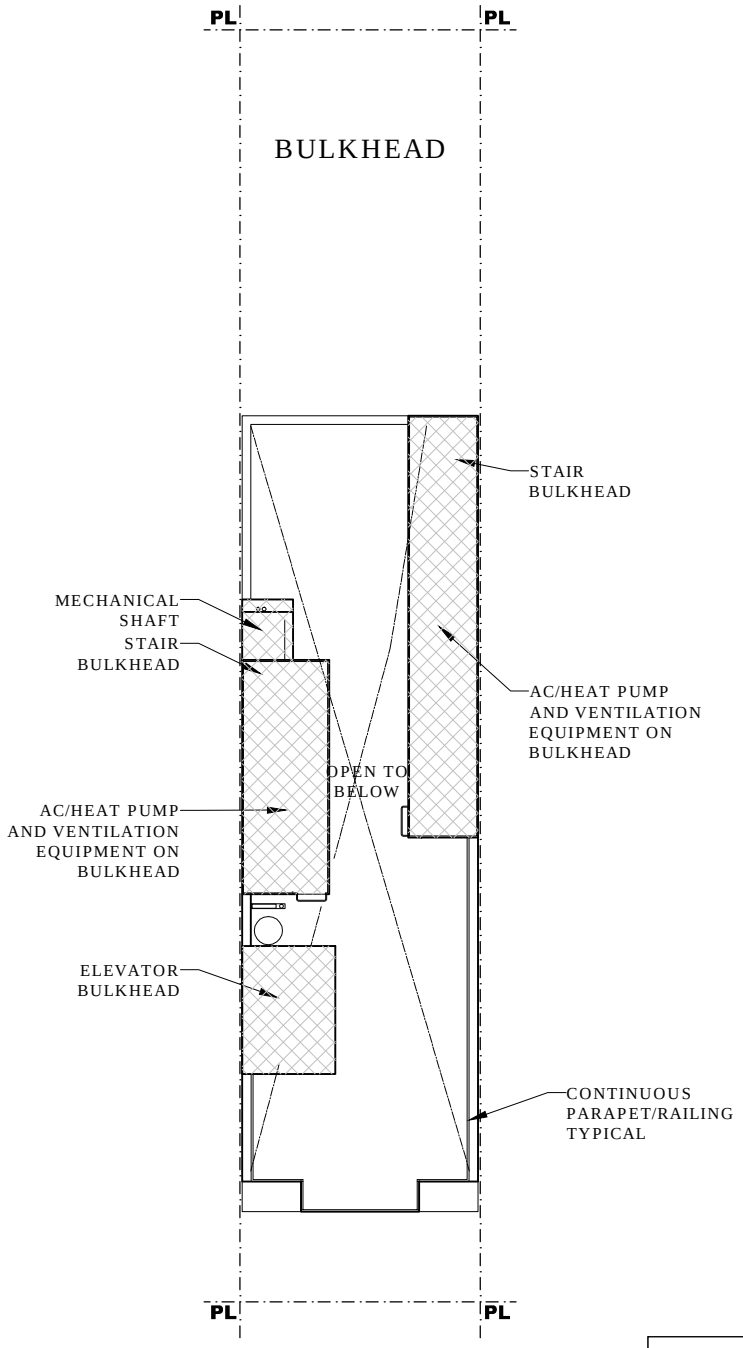
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118 EAST 1ST STREET
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BULKHEAD ROOF

(ALL DIMENSIONS & SQUARE FOOTAGES ARE APPROXIMATE)



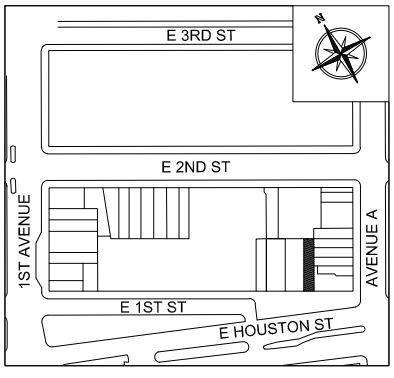
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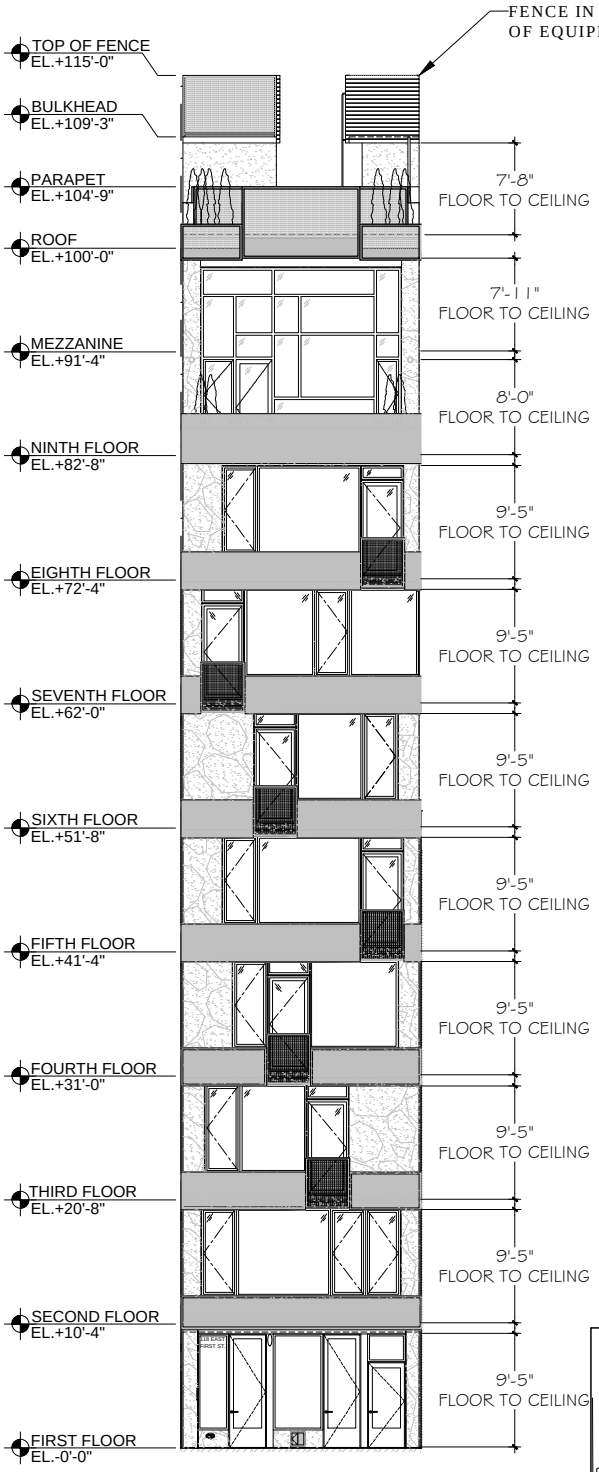
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118 EAST 1ST STREET
NEW YORK, NY 10009

FRONT ELEVATION

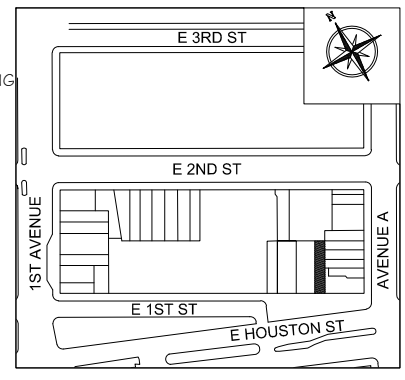
(ALL DIMENSIONS ARE APPROXIMATE)



LEGEND

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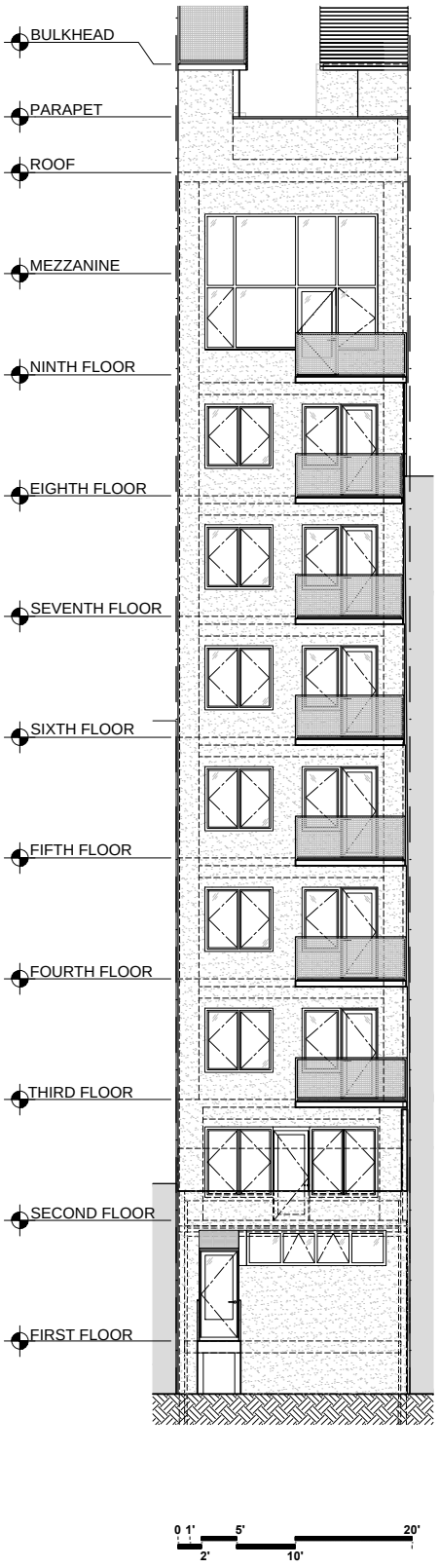
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118 EAST 1ST STREET
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REAR ELEVATION

(ALL DIMENSIONS ARE APPROXIMATE)

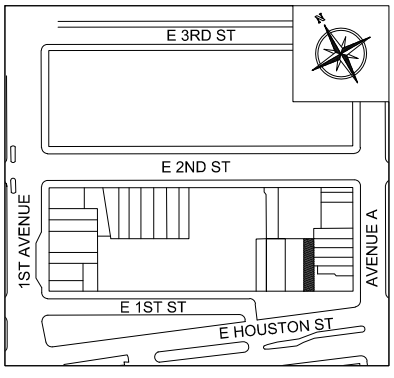
HEIGHTS ARE NOTED ON FRONT ELEVATION



LEGEND

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DECLARATION

Establishing a Plan for Condominium Ownership of Premises located at 118 East 1st Street, City, County, and State of New York Pursuant to Article 9-B of the Real Property Law of the State of New York.

NAME: ACACIA 118 CONDOMINIUM

118 EAST 1ST STREET
NEW YORK, NY 10009

SPONSOR/DECLARANT:

Acacia 118, LLC
111 JOHN STREET, SUITE 200
NEW YORK, NEW YORK 10038

DATE OF DECLARATION: _____.

The land affected by the within instrument lies in Block 429 Formerly Lot 43 and Now Known As Lots ____ to ____ on the Tax Map of the Borough of Manhattan, City, County, and State of New York.

Record and Return:

D'AGOSTINO, LEVINE, LANDESMAN, LEDERMAN & RIVERA, LLP
Attorneys for Sponsor
345 Seventh Avenue, 23rd Floor
New York, New York 10001
Attn: Jose M. Rivera, Esq.
(212) 564-9800

Declaration Establishing a Plan for Condominium Ownership of Premises to be known as ACACIA 118 CONDOMINIUM, located at 118 East 1st Street, City, County, and State of New York, Pursuant to Article 9-B of Real Property Law of the State of New York.

Acacia 118, LLC, a limited liability company organized and existing under the laws of the State of New York and authorized to do business in the State of New York, with an office situated at 111 John Street, Suite 200, New York, New York 10038, hereinafter referred to as "the" Sponsor" and/or "Declarant" does hereby declare:

1. **Submission of Property**: Sponsor hereby submits the land hereinafter described, together with the building and improvements thereon erected (the "Property") to the provisions of Article 9-B of the Real Property Law of the State of New York.

2. **Area and Location of Land**. The land ("Land") has an area of approximately 2,119 square feet and consists of all that certain tracts, plots, pieces and parcels of land situate, lying and being in the City, County, and State of New York, more particularly described on Schedule A annexed hereto and made a part hereof. The Land is owned by the Sponsor in fee simple absolute.

3. **Name of Condominium**. The Condominium shall be known as Acacia 118 Condominium.

4. **Description of the Building**. is constructing a new building to be situated at the Property. The new building will be a mixed use commercial/residential building, consisting of nine (9) stories, plus, a cellar, a ninth floor mezzanine level and a roof with one (1) bulkhead.

   The premises will be located on First Street between First Avenue to the west and Avenue A to the east, and will have its principal entrance on First Street. Hereinafter the newly renovated building shall be referred to as the "Building." The Property and the Building to be constructed are not in a landmarked district.

   When completed, the proposed condominium Building will contain four (4) residential units (the "Residential Units") and one (1) commercial unit (the "Commercial Unit"), and other common elements of the Building as defined herein (the "Common Elements"). Hereinafter any or all of the Residential Units and/or Commercial Unit are individually or collectively referred to as the "Unit" or "Units." The Common Elements shall either be for the use of all the Unit Owners ("General Common Elements") or for the exclusive use of one (1) or more Unit Owners ("Limited Common Elements"). All of the four (4) Residential Units will be duplex 3-bedroom units. The Commercial Unit may be physically altered and/or subdivided by Sponsor or its designee or the Commercial Unit Owner, to accommodate more than one (1) rental tenant.

The cellar level of the Building will contain the lower level of the Commercial Unit, Common Elements including the janitor's room, residential storage room, water/sprinkler room, trash chute, trash room, electric meter room, as well as the elevator shaft and pit, common corridors and stairs. The first floor of the Building will contain the upper level of the Commercial Unit, and Common Elements including the Building's main entrance and lobby, as well as the elevator shaft, trash chute, common corridors and stairs. The second floor of the Building will contain the lower level of a duplex Residential Unit and Common Elements including, the elevator shaft, trash chute, common corridors and stairs. The third floor of the Building will contain the upper level of a duplex Residential Unit and Common Elements including private balconies, the elevator shaft, trash chute, common corridors and stairs. The fourth floor of the Building will contain the lower level of a duplex Residential Unit and Common Elements including private balconies, the elevator shaft, trash chute, common corridors and stairs. The fifth and seventh floor of the Building will contain the upper levels of a duplex Residential Unit and Common Elements including private balconies, the elevator shaft, trash chute, common corridors and stairs. The sixth and eighth floors of the Building will contain the lower levels of a duplex Residential Unit and Common Elements including private balconies, the elevator shaft, trash chute, common corridors and stairs. The ninth floor of the Building will contain the upper level of a duplex Residential Unit and Common Elements including a private terrace, private balcony, private deck, the elevator shaft, trash chute, common corridors and stairs. The ninth floor mezzanine level of the Building will contain Common Elements including the elevator shaft, trash cute, common corridors and stairs. The Building's roof level will contain (i) the penthouse level of a duplex Residential Unit and (ii) Common Elements including the rest of the Building's main bulkhead, which will contain the common stairs and the elevator control room, in addition to outdoor mechanical areas. Sets of interior access stairs will connect the lower and upper levels of the duplex Residential Units.

There will be one (1) passenger elevator in the Building which will run from the cellar level to the ninth floor level and service all such floors. There will be one (1) common stairway running from the cellar level to the first floor level, and one (1) common stairway running from the cellar level to the roof level. The latter stairs will be structured as a "scissor" stair between the first floor level and the roof level. The elevator, its elevator shaft and pit, and all common corridors and stairs throughout the Building will be Common Elements for the use of the Residential Unit Owners.

There will be no common recreational areas or facilities at the Property other than the storage rooms at the cellar level. There are private balconies throughout the Building and a private terrace, for the use of certain Residential Units, as described hereinabove. Any other roofs, yards or areaways of the Building are common areas

not meant for public access or use. Additionally, there are no parking facilities which are part of the Property.

There is no public or common laundry room at the Building. The Residential Units will each be provided with a laundry area with individual hook-ups for either a side-by-side washer and dryer or one (1) stacked washer and dryer. The washer and dryer units shall be supplied by Sponsor.

Pursuant to the New York City Building Code, the class of construction for the Building is Class 1-B 2 hour fire rating protected. The Sponsor projects that construction of the Building, including the Units and Common Elements, should be completed by approximately July 1, 2022. A Certificate of Occupancy will be obtained by the Sponsor and its principals upon final completion of the project.

The Building is being constructed in accordance with all applicable zoning and buildings laws, regulations, codes and other requirements of the New York City Building Code and applicable zoning requirements.

All license fees and all periodic taxes and charges ("Vault Charges") for street vaults located in the Common Elements of the Building, if any, or other protrusions beyond the lot lines of the Building shall be paid by the Board of Managers as a Shared Common Expense. However, Vault Charges, if any, attributable to the Commercial Unit which has exclusive use of such vault area shall be paid by the Owner of such Commercial Unit. If an allocation of Vault Charges is necessary to determine those charges allocable to the Commercial Unit, such allocation shall be made on a square footage basis.

The Building's structural system is a new structure with concrete foundations, concrete columns, concrete slabs, and concrete and steel stud in fill walls. The south exterior wall of the Building is a façade with stone. The east and west exterior walls are concrete and steel stud in fill walls with a stucco finish and 1-hour fire rating. The north exterior wall is a concrete and steel stud fill wall with a stucco finish. The foundation walls are poured in place concrete and are constructed with proper damp proofing. The floors are cast concrete with a sound insulating mat below the wood floor.

The construction of the Building's roof is a poured concrete slab layers of pitched insulation, coverboard, roofing membrane, and continuous insulation.

All windows are aluminum picture and casement from Schuco windows. Lot Line Windows (defined below) at the east and west façade of the Building are painted metal.

There are lot line windows (each a "Lot Line Window" and collectively the "Lot Line Windows") at the east façade of the Building from the second through the

ninth floor mezzanine, affecting Unit 2 (in the kitchen area and its adjacent stairs area, in a bedroom, and in a bathroom and its adjacent stairs area), Unit 5 (in a bedroom, in a bathroom and its adjacent stairs area, in the recreation room and its adjacent closet, and in the kitchen area and its adjacent stairs area), Unit 7 (in the master bedroom, in a bedroom, in the stairs areas, in two bathrooms and its adjacent closet, in the recreation room, in the kitchen and in the living room) and in Unit PH (in the master bedroom, a bedroom, in stairs areas, in two bathrooms and its adjacent closet area, in the living room, in the dining room, in the kitchen and the mezzanine level). There are lot line windows at the west façade of the Building from the eighth floor through the ninth floor mezzanine floor, affecting Unit PH (in a bedroom, in the living room, and dining room). The Lot Line Windows do not provide the legal light and air required for residential occupancy. Legal light and air which is required for the issuance of the certificate of occupancy for the Building is being provided by the windows on the north and/or south façades at the aforementioned affected Units. The Lot Line Windows provide supplementary light and air only. As Lot Line Windows, the view from such windows may be obstructed or completely blocked in the future if a new or enlarged building or structure is constructed on the adjoining property opposite the applicable lot line. It is the opinion of Sponsor's architect that in the event adjacent construction obstructs or completely blocks the Lot Line Windows, which are shatter resistant and sprinkler protected, the Lot Line Windows will not need to be sealed. The subsequent obstruction or sealing of these Lot Line Windows will not affect the validity of the certificate of occupancy.

In the event the Board of Managers determines that, pursuant to applicable Law or guidelines from governmental authorities, including but not limited to DOB, it would be necessary or advisable to seal any Lot Line Windows subsequent to construction that obstructs or completely blocks the same, all construction to enclose the windows shall be performed by the Board of Managers of the Condominium. The cost and expense of such construction shall be the sole responsibility of the Unit Owner or Owners affected and such cost and expense shall be charged to the individual Unit Owners affected as a Special Assessment.

The Sponsor, if applicable, or the Board of Managers, their agents, contractors and employees, will have the right to enter any Unit(s) necessary to effect the enclosure of such Lot Line Windows, should same be determined as provided above. The Unit side of the enclosure will be finished with the same material originally used therein, if available, or if not available, then with such other finish material as will nearly as possible resemble such original material. Decoration of the affected area on the Unit side of the enclosure will also be the responsibility of the Unit Owner, at his or her sole expense.

Heating and cooling for the Units will be provided by electric-only split-system heat pumps. The Building's lobby and common corridors will also be provided with

heating and cooling in this manner. Other common areas cellar level mechanical rooms, will be provided with local electric heating.

The Building's common areas will be mechanically ventilated. Bathrooms and kitchens in Units will be mechanically ventilated; additionally, Residential Units will be provided with natural ventilation via operable windows.

Electrical service to the Building will be provided by the public utility company serving the area. The electric service will be distributed throughout the Building to various loads and will be directly metered by the utility company. The electricity consumed by each individual Residential Unit and the Commercial Unit shall be separately and directly metered. Each Unit Owner shall be responsible for paying his or her own individual electric bill. The electricity consumed in the Common Elements of the Building shall be separately metered and shall be an expense of the Residential Unit Owners.

No gas is provided in the building. Water and sewerage services are provided for by the City of New York. The Units and the Common Elements shall be metered for water usage by one (1) or more common meters.

The Commercial Unit shall be sub-metered as to its respective water and sewer charges. In the event the Commercial Unit is not initially sub-metered for water consumption, the Commercial Unit Owner shall be responsible for installing a sub-meter prior to such Commercial Unit Owner or a commercial tenant occupying the space. Upon installation of such sub-meter, the Commercial Unit Owner shall be solely responsible for the cost of water consumption, together with any related sewer charges, in the Commercial Unit. Subsequent to the time that the Commercial Unit is separately sub-metered, the cost of water consumption, together with any sewer charges, in the Residential Units and in the Common Elements, shall be a Residential Common Expense. However, in the event the Commercial Unit is not initially sub-metered for water consumption, the cost of water and sewer charges at the Building will be a Shared Common Expense until such sub-metering of the Commercial Unit occurs.

With respect to telephone, cable television, and internet service, each Unit Owner desiring the same shall be responsible for arranging an account with the respective provider thereof, and the costs of any such services shall be the sole responsibility of the respective Unit Owner. With respect to any such services that may be provided to common areas of the Building and/or with respect to the health and safety systems of the Building, the cost thereof shall be a Shared Common Expense.

The Building's passenger elevator which shall service all of the Residential Units is a Residential Common Element. The cost of any repairs, maintenance and/or replacement of this passenger elevator shall be the responsibility of all of the Residential Unit Owners as a Residential Common Expense.

Sponsor notes that Local Law 10 of 1981 requires an elevator inspection to be made by December 31 of each year by an insurance company, elevator maintenance company, elevator manufacturer or elevator inspection company, and that a report be filed with the Department of Buildings of the City of New York within sixty (60) days after delivery of such report to the owner. Failure to comply will result in a civil monetary penalty levied against the owner. Sponsor shall not be responsible for having such inspection or report made unless Sponsor controls the Board of Managers at the time such inspection report is due. However, even though the Sponsor is in control of the Board of Managers, the cost of such inspection report will be a Residential Common Expense of the Condominium. Subsequent to Sponsor relinquishing control of the Board of Managers, the Board of Managers on behalf of all the Residential Unit Owners shall be responsible for obtaining the requisite inspections for the passenger elevators and the cost of such inspections shall continue to be a Residential Common Expense.

Amendments to the high-rise façade safety statute (formerly known as Local Law 10 of 1980, later known as Local Law 11 of 1998, and now known as the Façade Inspection Safety Program, or "FISP") passed by the City Council and signed by the Mayor of New York City require professional engineers or registered architects to advise the Buildings Department of the City of New York and the owner of a property of any unsafe condition in a building's exterior walls revealed during a FISP inspection. The amendments also subject all exterior walls to be inspected; previously, only walls fronting on a street were affected by the law. The revised law also calls for a certification by the registered professional that a wall is either safe or unsafe; the latter declaration by the professional means that an immediately hazardous condition exists and must be corrected within thirty (30) days with the option of a ninety (90) day extension upon application to the Buildings Department. A building is considered either safe with no further action necessary, or fit, but in a condition that warrants a repair and/or maintenance program. In the latter case, the condition must be corrected during the five (5) year period between mandatory inspections. As a result of the new construction of the Building, the completed Building will require regular five (5) year inspections in accordance with FISP. The first inspection will be required five (5) years after the issuance of the first temporary certificate of occupancy for the Building. Thereafter, the Building must be inspected in accordance with FISP's five (5) year cycle.

Although not budgeted for the First Year of Condominium operation, the cost of any future additional inspections, if any, required by FISP and any amendments thereto, shall be a Shared Common Expense.

5. **The Units.** Schedule B annexed hereto and made a part hereof sets forth the following data with respect to each Unit necessary for the proper identification thereof: unit designation; tax lot number; percentage interest in the Common Elements; Percentage Contributing Share; approximate square footage area of the

Unit and its exclusive Limited Common Elements, if any; location; number of bedrooms and bathrooms; and the portion of the Common Elements, including Limited Common Elements, to which the Unit has immediate access. The location of each Unit is more clearly designated on the Floor Plans (as hereinafter defined) and reference should be made thereto for the statement of the location of each Unit.

As shown on the Floor Plans of the Building (the "Floor Plans"), certified by Barton Designworks, Architecture P.C., and intended to be filed in the New York County Office of the Register of the City of New York, simultaneously with the recording of this Declaration, the approximate physical dimensions of each Unit consists of the area of the Unit on one or more floors measured horizontally from the Unit side of the glass or the inside face of the exterior walls of the Building (columns, mechanical pipes, shafts, shaftways, chases, chaseways, or conduits, whether located within the Unit or along the perimeter of the Unit, are not deducted for square footage calculations) to the centerline of the interior walls and partitions separating the Unit from another Unit, common corridors, common stairways, the common elevator and elevator shaft, mechanical equipment spaces or other Common Elements; or, if applicable, to the Unit side of the glass or the line of the inside face of the opposite exterior walls of the Building. Vertically, each Unit consists of the space at each floor of the Building between the upper face of the slab below (located under the finished flooring and sub-floor materials) and the upper face of the drywall ceiling above or where there is no drywall ceiling, the under face of the floor slab above. Doors and windows which open from or form a border of a Unit shall be deemed part of the Unit.

Any access stair located within a Unit which is for the exclusive use of the Unit Owner thereof shall be deemed a part of such Unit. Further, any mechanical equipment, including, but not limited to, sprinkler, heating, hot water and air-conditioning equipment, with all related ductwork and piping attached thereto, located outside or inside a Unit which only services a particular Unit shall be a fixture which is the personal property of the Unit Owner of the Unit it services. Such Unit Owner shall be responsible for the cost of any maintenance, repair or replacement of such mechanical equipment.

Any Common Elements located within a Unit will not be considered a part of such Unit.

Outdoor floor areas of any private patio, terrace, or yard appurtenant to a Unit are not included in such Unit's floor areas. An exterior private terrace or private balcony area is measured from the exterior face of the Unit wall to the exterior side of the walls, railings, or fencing delineating such area, as may be applicable.

6. **Common Elements**. The Common Elements of the Condominium consist of the entire Property, including all parts of the Building and improvements thereon other than the Units or unless otherwise specified. Common Elements are comprised of

General Common Elements and Limited Common Elements. They include, without limitation, the following:

A. **General Common Elements**:

(1) The land on which the Building is physically erected, and all other lands comprising the Property, if any. Specifically excluded are any unused transferable air rights and/or development rights pertaining to the Land and Building, which rights are being reserved by Sponsor for itself or for its designee, and any successors or assigns thereof. Yard areas or other areaways at the Property, if any, other than the Limited Common Elements as described below, are not intended for public use except for fire egress purposes and are subject to the easement rights, if any, of Sponsor, Sponsor's designee and/or the Commercial Unit Owner;

(2) At the cellar, and first floor levels, all foundations, footings, columns, beams, supports, bearing walls (except to the extent included below as Limited Common Elements or in the dimension of a Unit); also at those levels, those portions of the exterior walls and any insulation or framing beyond the unexposed face of the dry wall at the exterior face of the Building, or, where applicable, those portions of the exterior walls beyond the interior face of the exterior walls; those portions of the walls and partitions dividing the Commercial Unit from a Residential Unit or from the corridors, fire staircases and stairs, elevator shafts, and other Common Elements located beyond the unexposed face of the dry walls enclosing the Commercial Unit, or, where applicable, the blockwork or concrete work of the interior walls of the Building separating the Commercial Unit from a Residential Unit or from corridors, fire staircases and stairs, elevator shafts, and other Common Elements located beyond the unexposed face of the dry walls enclosing the Commercial Unit; the subfloors and framing joists, if any, including any framing attached to such joists from which the dry wall ceiling of the Commercial Unit below is attached;

(3) The utility and mechanical rooms and storage areas located at the cellar level of the Building, including but not limited to the electric meter room and water/sprinkler at the cellar level, any and all cellar or other areas and Facilities which are not designated as part of a Unit or a Limited Common Element;

(4) All installations and Facilities on the Property outside the Units for services such as gas, power, light, cable television, heat, telephone

and water which service both the Commercial Unit and the Residential Component and/or General Common Elements;

(5) All sewer pipes and drainage pipes;

(6) Those portions of the main roof of the Building, and those portions of the roof bulkheads, which have been designated for the installation of mechanical equipment, including, but not limited to, roof tanks, cooling towers, any ventilation or air-conditioning equipment to the extent same exist and/or are installed, and other related Facilities which service, both the Commercial Unit and the Residential Component and/or General Common Elements;

(7) The boilers, hot water heaters or equipment, if any, heating, ventilation and/or air-conditioning equipment, cooling towers and water tanks, if any, and related machinery or Facilities, wherever located in the Building, which service both the Commercial Unit and the Residential Component and/or General Common Elements;

(8) Any piping and/or ductwork which is necessary for the functioning of the boilers and hot water heaters or equipment, if any, heating, ventilation and/or air-conditioning equipment and cooling towers, if any, wherever located in the Building, which service both the Commercial Unit and the Residential Component and/or General Common Elements;

(9) Any common tanks, common water towers or tanks, pumps, including, but not limited to, motors, fans, compressors, ducts, siamese connections, the Building's water filtration system, and, in general, all apparatus and installations and Facilities existing for common use;

(10) At the cellar level, the janitor's room;

(11) At the cellar level, the building storage room;

(12) The street vault areas that are adjacent to and accessible from the Common Elements of the Building, which shall be for the benefit of the Condominium and its Unit Owners, to be used in a manner to be determined by the Board of Managers. To the extent there are any charges for said vault areas, such charges shall be paid by all of the Unit Owners as a Shared Common Expense; and

(13) Except as specifically noted, all other apparatus, installations and Facilities existing in the Building for common use or necessary or

convenient to the existence, maintenance or safety of the Building and the Units.

B. **Limited Common Elements**. The following portions of the Common Elements will be Limited Common Elements which shall be for the exclusive use of either all of the Residential Unit Owners ("Residential Common Elements") or the Commercial Unit Owner ("Commercial Common Elements") or an individual Residential Unit Owner ("Residential Limited Common Elements"):

(1) Residential Common Elements:

(1a) At the second floor level and above, columns, beams, supports, bearing walls (except to the extent included below as Limited Common Elements in the dimension of a Unit); also at those levels, those portions of the exterior walls and any insulation or framing beyond the unexposed face of the dry wall at the exterior face of the Building, or, where applicable, those portions of the exterior walls beyond the interior face of the exterior walls; those portions of the walls and partitions dividing the Residential Units from the corridors, fire staircases and stairs, elevator shafts, and other Common Elements located beyond the unexposed face of the dry walls enclosing the Residential Units, or, where applicable, the blockwork or concrete work of the interior walls of the Building separating the Residential Units from corridors, fire staircases and stairs, elevator shafts, and other Common Elements located beyond the unexposed face of the dry walls enclosing the Residential Units; the subfloors and framing joists, if any, including any framing attached to such joists from which the dry wall ceiling of the Residential Units below is attached;

(1b) At the first floor through ninth floor mezzanine level, any service corridors, fire corridors, halls, stairs, and stairway areas, mechanical, storage, and utility areas that are not part of any Unit, that are not specifically designated below as Residential Limited Common Elements or Commercial Common Elements, and that are located beyond the unexposed face of the dry walls or blockwork or concrete work enclosing any Unit;

(1c) The stairs and stairway areas throughout the Building, including but not limited to the common stairway running from the cellar level to the first floor level, the common

stairway running from the cellar level to the roof level, and the common stairway running from the first floor level to the roof level (but explicitly excluding any interior access stairs located within Units), which stairs shall be for the exclusive use of all of the Residential Unit Owners in a manner to be determined by the Board of Managers but subject to an easement in favor of the Commercial Unit Owner or the tenants thereof, their servicemen, consultants and/or repairmen (i) to install, access, maintain, repair and/or replace any and all mechanical equipment servicing the Commercial Unit; and (ii) for the fire egress purposes and access and/or egress to or from the Commercial Unit;

(1d) Common service corridors, fire corridors, and halls located at all levels of the Building, which shall be for the exclusive use of all of the Residential Unit Owners in a manner to be determined by the Board of Managers but subject to an easement in favor of the Commercial Unit Owner or the tenants thereof, their servicemen, consultants and/or repairmen (i) to install, access, maintain, repair and/or replace any and all mechanical equipment servicing the Commercial Unit; and (ii) for the fire egress purposes and access and/or egress to or from the Commercial Unit;

(1e) The trash compactor room and related Facilities located at the cellar level of the Building, together with any trash compactor chute located on all floors of the Building, as set forth on the Floor Plans, which shall be for the exclusive use of all the Residential Unit Owners in a manner to be determined by the Board of Managers;

(1f) The residential entrances to the Building, together with their canopies, if any, located on First Street; the residential vestibule and lobby at the first floor, which shall be for the exclusive use of all the Residential Unit Owners in a manner to be determined by the Board of Managers but subject to an easement in favor of the Commercial Unit Owner or tenants, their servicemen, consultants and/or repairmen, for fire egress purposes and access and/or egress to or from the Commercial Unit;

(1g) The storage rooms located at the cellar level of the Building, which service and shall be for the exclusive use of the

Residential Unit Owners only in a manner to be determined by the Board of Managers;

(1h) The passenger elevator, passenger elevator machinery, shaft and pit, and the elevator control room, together with all Facilities related thereto, located on any floor of the Building, which shall be for the use of all the Residential Unit Owners in a manner to be determined by the Board of Managers, and subject to an easement in favor of the Commercial Unit Owner or the tenants thereof, their servicemen, consultants and/or repairmen to install, access, maintain, repair and/or replace any and all mechanical equipment servicing the Commercial Units;

(1i) Those portions of the main roof of the Building, and those portions of the roof bulkheads and the roofs located thereover, which have been designated for the installation of mechanical equipment, including, but not limited to, any heating, air-conditioning and ventilation equipment or Facilities which service the Residential Component only, which shall be for the exclusive use of the Residential Unit Owners;

(1j) Any heating, air-conditioning and/or ventilation equipment, hot water heaters, if any, and related machinery or Facilities, wherever located in the Building, which only service the Residential Component, which shall be for the exclusive use of all of the Residential Unit Owners;

(1k) Any piping and/or ductwork which is necessary for the functioning of any heating, air-conditioning and/or ventilation equipment, cooling towers, hot water heaters, if any, wherever located in the Building, which only service the Residential Component, which shall be for the exclusive use of all of the Residential Unit Owners;

(1l) The cooling tower(s), if any, or tanks on the roofs of the Building together with any related Facilities which only service the Residential Component;

(1m) The structural components of the Building's roof bulkheads;

(1n) The residential gas, water and/or electric meters and mechanical, gas, water and/or electric panels, closets, and respective rooms and/or feeders, risers and other

improvements, residential cables, pipes, all of which serve the Residential Component exclusively;

(1o) Any and all windows of the Building which are not part of a particular Residential Unit or the Commercial Unit, and any skylights, existing or installed at some future date, that are not directly above any Residential Unit or Commercial Unit;

(1p) Any and all installations or Facilities on the Property outside the Units for services such as gas, power, light, cable television, heat, telephone and water which only service the Residential Component; and

(1q) All other improvements, installations, apparatus or Facilities exclusively serving all of the Residential Units and/or the Residential Component and which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of the residential portions of the Building.

Notwithstanding anything to the contrary in this Paragraph numbered 6, if a Residential Common Element benefits only certain Residential Unit Owners, then the costs of alteration, addition, repair, replacement and restoration thereto shall be borne solely by those Residential Unit Owners who benefit from the Residential Common Element in the proportion that the Common Interest of each benefitting Residential Unit Owner bears to the Common Interests of all benefitting Residential Unit Owners. In addition, except as otherwise provided in Article VI, Section 10 of the By-Laws, such Residential Unit Owners shall be responsible for the normal operation, maintenance and repair of any such Residential Common Element at their sole cost and expense.

(2) Commercial Common Elements:

(2a) Those portions of the main roof, bulkheads, or rear yard of the Building, if any, which have been designated for the installation of mechanical equipment, including, but not limited to, any heating, air-conditioning and ventilation equipment or Facilities which service the Commercial Unit only, which shall be for the exclusive use of the Commercial Unit Owner;

(2b) Commercial mechanical and/or electric meter(s), separate cold water meter(s), gas meter(s) and other utility meters (if any) and/or mechanical, electrical, gas, water rooms and/or

closets servicing or available for the exclusive use of the Commercial Unit;

(2c) All installations or Facilities on the Property outside the Units for services such as gas, power, light, cable television, heat, telephone and water which service the Commercial Unit only;

(2d) All remaining improvements, installations, apparatus or Facilities exclusively serving the Commercial Unit or which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of the Commercial Unit; and

(2e) The skylights, if any, existing or installed at some future date, that are directly above the Commercial Unit which shall be for the exclusive use of such Unit Owner. The maintenance, repair and replacement of such skylights shall be the responsibility of the individual Unit Owner of such Unit.

Notwithstanding anything to the contrary in this Paragraph numbered 6, since the Commercial Common Elements benefit only the Commercial Unit Owner, then the costs of alteration, addition, repair, replacement and restoration thereto shall be borne solely by the Commercial Unit Owner. In addition, except as otherwise provided in Article VI, Section 10 of the By-Laws, the Commercial Unit Owner shall be responsible for the normal operation, maintenance and repair of any such Commercial Common Element at its sole cost and expense.

(3) Residential Limited Common Elements:

(3a) The skylights, if any, existing or installed at some future date, that are directly above any Residential Unit which shall be for the exclusive use of such Unit Owner. The maintenance, repair and replacement of such skylights shall be the responsibility of the individual Unit Owner of such Unit;

(3b) Any fireplace, together with any flue and/or ductwork attached thereto, whether gas-fired or wood-burning, existing or installed at some future date in any Unit shall be for the exclusive use of such Unit Owner. The maintenance, repair and replacement of such fireplace, together with any

flue and/or duct-work attached thereto, shall be the responsibility of the individual Unit Owner of such Unit; and

(3c) The private balconies, and/or private terraces, together with any walls, fencing and/or railings delineating such areas, which are directly accessed from certain Residential Units, as delineated on the Floor Plans, which shall be for the exclusive use of the Unit Owners of such respective Units. Nonstructural, ordinary repairs and maintenance of the private balconies and/or private terraces, together with any walls, fencing and/or railings delineating such areas, shall be the responsibility of the individual Unit Owner(s) who have the exclusive use thereof.

Notwithstanding anything to the contrary in this Paragraph numbered 6, since a Residential Limited Common Element benefits only a particular Residential Unit Owner, the costs of alteration, addition, repair, replacement and restoration thereto shall be borne solely by the Residential Unit Owner who benefits from the Residential Limited Common Element. In addition, except as otherwise provided in Article VI, Section 10 of the By-Laws, such Residential Unit Owner shall be responsible for the normal operation, maintenance and repair of any such Residential Limited Common Element at their sole cost and expense.

7. **Use of Units**. Subject to compliance with the By-Laws of the Condominium, each of the Residential Units may be used only for general residential use (Use Group 2), except that a Residential Unit Owner may use his Residential Unit for any home occupation use permitted under applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction. Such Residential Units may also be used as professional offices by a resident thereof provided such professional use does not violate any zoning law and ordinances and provided further, that the prior written consent of the Board of Managers to such professional use is obtained.

Notwithstanding the foregoing, the Sponsor or Sponsor-designee shall have the right, without charge, (i) to maintain general and sales offices in one or more Units or elsewhere on the Property, to use one or more Units as models and for other promotional purposes and to erect and maintain signs on the Property; (ii) to have its employees, contractors and sales agents present on the Property; (iii) to do all things necessary or appropriate, including the use of the Common Elements, to sell or lease Units and to comply with its obligations.

A Residential Unit may only be occupied by: (i) any individual who is a Residential Unit Owner or permitted lessee; (ii) any officer, director, shareholder or employee of any corporation which is a Residential Unit Owner or permitted lessee; (iii) any

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

The following spaces are not intended for sleeping or living purposes, which uses are not permitted under, and could result in a violation issued pursuant to, the Building Code, which shall be the obligation of the offending individual Unit Owner to remove: (i) in Units 2, 5, 7 the recreation rooms; and (ii) in Unit PH, the mezzanine level.

The Commercial Unit may be used for any legal use permitted by the Zoning Resolution of the City of New York, as amended (the "Zoning Resolution"), or other applicable laws.

No sale, lease or sublease or use of all or any portion of the Commercial Unit shall be deemed to adversely affect the Residential Units. The Board of Managers does not have the right to approve or change the use of the Commercial Unit, or any part thereof, or to apply for or cause any amendment to the Building's certificate of occupancy to authorize a different use, except at the request or direction of Sponsor, a Sponsor-designee, or the Commercial Unit Owner, as applicable.

The use of the residential common storage room, which are located at the cellar level of the Building, will be determined at the discretion of the Board of Managers, provided that no stored article or material that shall pose a threat to the health or safety of the Unit Owners or other occupants or tenants of the Building or shall otherwise create a nuisance shall be permitted to be brought into or stored in said residential common storage room by any Unit Owner.

8. **The Commercial Unit**. The Commercial Unit shall be located on a portion of the cellar level and first floor level of the Building, with frontage along First Street.

With respect to the Commercial Unit, the certificate of occupancy shall provide for commercial use on a portion of the first floor and accessory storage on a portion of

the cellar level in connection with the same, as permitted in the Zoning Resolution of City of New York, as amended.

The Commercial Unit Owner shall have the right, without the payment of any fees or charges to the Condominium, Board of Managers or the Managing Agent, to sell or lease its Unit, or any part thereof, without the Board of Managers having any right of first refusal to purchase or lease such Unit, and all sale and/or rental proceeds shall belong solely to the Commercial Unit Owner.

The Board of Managers shall be obligated to permit the Commercial Unit Owner, at such Unit Owner's sole cost and expense, to install and use additional equipment in the risers and conduits serving the Building, provided the Commercial Unit Owner reimburses the Board of Managers for the actual costs attributable to such installation and use.

The Board of Managers does not have the right to (i) approve any change in the use of the Commercial Unit or any part thereof or (ii) to apply for or cause any amendment to the Building's certificate of occupancy to authorize a different use of the Commercial Unit except at the request of the Commercial Unit Owner. The Commercial Unit Owner shall have the right, without obtaining the consent of the Board of Managers or the Residential Unit Owners, or mortgagees of Units other than the affected Commercial Unit, (i) to change the use and the certificate of occupancy, accordingly, of the Commercial Unit, and (ii) to subdivide the Commercial Unit into two (2) or more Commercial Units and to reallocate the Common Interest of the Commercial Unit among the newly established Commercial Units in proportion to their respective floor areas. A change in use of the Commercial Unit shall be subject to all applicable laws, including, but not limited to, the Zoning Resolution, as amended, and applicable building codes. A subdivision of the Commercial Unit must be reflected in a duly recorded amendment to the Declaration filed by the new Unit Owner(s). Under no circumstances will the Common Interest of any Residential Unit Owner be changed as a result of such subdivision or will the aggregate Common Interest for the new Commercial Units be greater than the Common Interest for the original Commercial Unit. If the Commercial Unit is so subdivided, the Owner or Owners thereof shall have the right, without obtaining the consent of the Board of Managers, Residential Unit Owners, or mortgagees of Units other than the affected Commercial Unit(s), to thereafter change the size, layout, use, and/or number of the respective Commercial Units under the same terms, conditions and restrictions as those imposed on the original Commercial Unit Owner.

At the request of the Sponsor, a Sponsor-designee or the Commercial Unit Owner, the Board of Managers will execute any application or other document required to be filed with any governmental agency having or asserting jurisdiction in connection with any addition, alteration, improvement, repair or subdivision of

such Unit or operation or use of the Commercial Unit, at which time, the requesting party shall indemnify and hold the Board of Managers of the Condominium and the other Unit Owners harmless from any expense or liability by virtue of the execution of the application or such other documents.

The Commercial Unit Owner, and any tenant or tenants of the Commercial Unit pursuant to the terms of any lease pertaining thereto, shall have the right, without charge or limitation, and without the consent of the Board of Managers to install, repair, replace and maintain either within or in the immediate location of the Commercial Unit at the first floor level and on the sidewalk adjacent to the Commercial Unit's entrance or entrances, a sign or signs, which may be illuminated, including neon, flags, banners, lettering, fixtures or decorations of any size, material or content, for advertising or identification purposes. Additionally, the Commercial Unit Owner, and any tenant or tenants of the Commercial Unit pursuant to the terms of any lease pertaining thereto, shall have the right, without charge or limitation and without the consent of the Board of Managers to install, or erect, repair, replace and maintain in the immediate location of the Commercial Unit at the first floor level, but not to interfere with the entrance of any other Unit or to the Building, a canopy and/or awning for advertising or identification purposes or an automatic teller machine ("ATM") to be used in conjunction with the use of the Commercial Unit. The Commercial Unit Owner and any tenant of space in the Commercial Unit shall comply with all of the laws, orders, rules and regulations of the governmental authorities, if applicable, having jurisdiction thereof, including zoning laws, building codes and as required by insurance underwriters. The Commercial Unit Owner or its tenant shall obtain and pay for all permits required for such signs, canopies, awnings, or ATM and/or any necessary renewal fees related thereto.

The Sponsor, Sponsor's designee and/or the Commercial Unit Owner, and any tenant or tenants of the Commercial Unit pursuant to the term of any lease pertaining thereto, shall have the right, and an easement, without charge or limitation and without the consent of the Board of Managers, any Unit Owners or mortgagees thereof, to install (i) elevators, escalators, staircases and/or other mechanical equipment in the Commercial Unit, and (ii) HVAC equipment at the main roof, bulkheads, or at the rear yard of the Building, which is necessary in the sole discretion of the Sponsor, its designee or the Commercial Unit Owner for the lawful use of the Commercial Unit. All such installations will comply with all applicable law, ordinances or building codes.

The Sponsor, Sponsor's designee and/or the Commercial Unit Owner and any tenant or tenants of the Commercial Unit pursuant to the terms of any lease pertaining thereto, shall have the right, without charge or limitation and without consent of the Board of Managers, any Unit Owners or mortgagees thereof, to replace all or any portion of the sidewalks, including, but not limited to, any

planting and/or planters located thereon (hereinafter, the "Commercial Sidewalks"), which are directly in front of any portion of such Commercial Unit whose Owner (including Sponsor or Sponsor's designee) or tenant intends to effectuate such replacement. However, any replacement of the Commercial Sidewalks must be an installation which is equal to the existing sidewalks or the Commercial Sidewalks as originally set forth in the approved Building Plans for the Building. The Sponsor, Sponsor's designee and/or the Commercial Unit Owner and any tenant or tenants thereof, shall also have an easement, without charge or limitation, to use the Commercial Sidewalks for any lawful purpose and in conjunction with the use of the Commercial Unit.

In the event of a dispute between the Commercial Unit Owner and the Condominium as to any issue relating to the Commercial Unit, the Commercial Unit Owner or any tenant thereof and the Condominium, at the sole option of the Commercial Unit Owner only, the Board of Managers and the Condominium shall be obligated to arbitrate, on an expedited basis, the dispute pursuant to the provisions of Article XV of the By-Laws of the Condominium. The decision of the arbitrator shall be final and binding. In the event that the Commercial Unit Owner elect not to arbitrate, the Commercial Unit Owner and the Board of Managers of the Condominium on behalf of all of the Residential Unit Owners may exercise all remedies available to them in equity and at law.

9. **Determination of Percentages in Common Elements**. The percentage of Common Interest allocated to each Unit is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit.

10. **Encroachments**. If any portion of the Common Elements now encroach upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or if any encroachment shall occur hereafter as a result of (a) settling or shifting of the Building, or (b) alteration or repair to the Common Elements made by or with the consent of the Board of Managers, or (c) as a result of repair or restoration of the Building or a Unit after damage by fire or other casualty, or (d) as a result of condemnation or eminent domain proceedings; a valid easement shall exist for such encroachment and for the maintenance of the same so long as the Building shall stand.

11. **Easements**.

A. Each Unit Owner shall have an easement in common with the owners of all other Units to use all pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements located in any of the other Units and serving his Unit. Each Unit shall be subject to an easement in favor of the Owners

of all other Units to use the pipes, ducts, cables, wires conduits, public utility lines and other Common Elements serving such other Units and located in such Unit. The Board of Managers shall have a right of access to all Units and to all Common Elements, including any Limited Common Elements appurtenant to Units, to inspect the same, to remove violations therefrom and/or to maintain, repair or replace the Common Elements contained within a particular Unit or elsewhere in the Building. In addition, each Unit shall have, and shall be subject to, easements of subjacent support and necessity in favor of such Unit and in favor of other Units and the Common Elements.

B. The Sponsor and its designees, their successors, assigns, invitees, licensees, contractors, employees and tenants, shall have an easement in, on, over and across the Property for (i) construction, installation and development thereon of recreation facilities, if any, and for the construction and installation, ingress to and egress from, and use of (including the right to connect with) all pipes, conduits, ducts, cables, wires, storm drainage facilities, water, sewer and other utility lines for the benefit of the recreation facilities, if any, and (ii) construction and installation of, whether on the interior or exterior of the Building, ingress to and egress from and the right to use (in common with Unit Owners) all storm drainage facilities, water, sewer and other utility lines, pipes, conduits, flues, ducts, wires and cables necessary for the use of its Units, and (iii) ingress to and egress from all land areas of the Property and the use of said land areas (in common with Unit Owners) for any lawful purpose.

C. The Sponsor, its designees and their successors, assigns, invitees, licensees, contractors, employees and tenants (i) shall have an easement to erect, maintain, repair and replace from time to time one or more signs on the Property for the purposes of advertising the sale of Units and the leasing of space in any Unit as well as an easement in and access to Units and Common Elements consistent with the purposes of the Offering Plan for the Property, as same may be amended, and Sponsor's rights and obligations thereunder, including, without limitation, the right to develop, renovate, maintain, repair, refurbish, offer, sell and lease Units and Common Elements and (ii) reserve the right to establish, grant and create easements for any additional underground, exterior wall mounted or roof-top electric transformer, amplifier, gas, cable television, telephone, satellite, telecommunication installations or equipment, water, storm drainage, sewer or other utility lines or services and appurtenances in, under, over and through the Property, including, without limitation, an easement or easements for the benefit of any property adjacent to the Property, to relocate any existing utility or equipment easements in any portion of the Property and, in the sole discretion of Sponsor, to dedicate any or all of such facilities to any

governmental body, public benefit corporation or utility company if the Sponsor or designee shall deem it necessary or desirable for the proper operation and maintenance of the Property or any portion thereof, or for the general health or welfare of any Unit Owner, or the residents of any property adjacent to the Property, or users of the recreation facilities, if any, provided that such additional utilities or equipment or the relocation of existing utilities or equipment will not prevent or unreasonably interfere with the use of the Residential Units for dwelling purposes or home occupation purposes, the Commercial Unit for the permitted uses therein, or the residential common storage room for accessory storage use. Any utility company or service company or public benefit corporation furnishing services to the Property, and the employees and agents of any such company or corporation, shall have the right of access to any Unit and to any Common Element, including any Limited Common Element appurtenant to a Unit, in furtherance of such easements, provided such right of access is exercised in such a manner as to not unreasonably interfere with the use of the Units.

D. The Commercial Unit Owner and any tenant or tenants of the Commercial Unit pursuant to the terms of any lease pertaining thereto, shall have the right, and an easement, without charge or limitation, to install, repair, replace and maintain either within or in the immediate location of the Commercial Unit at the first floor level, or on the sidewalk adjacent to the Commercial Unit's entrance or entrances, a sign or signs which may be illuminated, including neon, flags, banners, lettering, fixtures or decorations of any size, material or content, for advertising or identification purposes and shall have an easement to use any adjacent sidewalk in conjunction with its use of the Unit to the extent permitted by law. Additionally, the Commercial Unit Owner and any tenant or tenants of such Unit pursuant to the terms of any lease pertaining thereto, shall have the right, and an easement, without charge or limitation, to erect or install, repair, replace and maintain, a canopy and/or awning and/or ATM in the immediate location of the Commercial Unit at the first floor level, but not to interfere with the entrance of any other Unit or to the Building, without prior written consent of the Board of Managers. Such Unit Owner and any tenant of space in the Units shall comply with all of the laws, orders, rules and regulations of the governmental authorities having jurisdiction thereof, including zoning laws, building codes and as required by insurance underwriters. The Commercial Unit Owner or its tenant shall obtain and pay for all permits required for such signs, canopies, awnings, or ATM and/or any necessary renewal fees related thereto.

E. The Board of Managers, their servicemen, consultants and/or repairmen, shall have an easement by means of the shortest distance and/or route from the common entrances to the Building and through the public staircase in,

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

F. All Unit Owners, their servicemen, consultants and/or repairmen, shall have an easement by means of the shortest distance and/or route from the service entrances to the Building and through the public staircases and/or by use of the elevator of the Building in, on, over and across the roofs of the Building and any terrace, balcony, or yard areas of the Building for the sole purpose of maintaining, repairing and/or replacing any mechanical equipment, including but not limited to, HVAC equipment, located in the sub-cellar, cellar, or roof level or bulkhead mechanical or utility areas, or on the roofs or at the yards, of the Building which services one (1) or more of the Units. This includes, but is not limited to, an easement on, over, and across the Unit PH private terrace at the main roof of the Building in order to access any mechanical equipment serving the Units located at the roof or bulkhead of the Building.

G. The Commercial Unit Owner, its servicemen, consultants and/or repairmen, shall have an easement by means of the shortest distance and/or route from the entrances to the Building and through the public staircases and/or by use of the elevators of the Building in, on, over and across the sub-cellar, cellar, first floor, or other common areas of the Building for the sole purpose of maintaining, repairing and/or replacing any mechanical equipment, including, but not limited to, HVAC equipment, located in the sub-cellar, cellar, or roof level or bulkhead mechanical or utility areas, or on the roofs or at the yards, of the Building and which services the Commercial Unit.

H. The Sponsor, Sponsor’s designee and/or the Commercial Unit Owner, and any tenant or tenants of the Commercial Unit pursuant to the terms of any lease pertaining thereto, shall have the right and an easement, without

charge or limitation and without the consent of the Board of Managers, any Unit Owner or mortgagee thereof, to install (i) elevators, escalators, staircases and/or other mechanical equipment in the Commercial Unit, and (ii) HVAC equipment at the main roof, bulkheads, or at the rear yard of the Building, which is necessary in the sole discretion of the Sponsor, its designee or the Commercial Unit Owner for the lawful use of the Commercial Unit. All such installations will comply with all applicable law, ordinances or building codes.

I. The Sponsor, Sponsor's designee and/or the Commercial Unit Owner and any tenant or tenants thereof, shall have an easement, without charge or limitation, to use all or any portion of the sidewalks, including, but not limited to, any plantings and/or planters located thereon, which are directly in front of the Commercial Unit for any lawful purpose and in conjunction with the use of the Commercial Unit.

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

K. In addition, each Unit shall have an easement for the exclusive use, alone or in common with one (1) or more other specified Units, of its Limited Common Elements.

L. Sponsor and its designee(s) shall have the right, until the fifth anniversary of the First Unit Closing, to use, without charge, portions of the Building, including the Common Elements, for exhibitions, events, promotional functions (e.g., with respect to any sales programs for Unsold Units). Such activities will result in increased traffic and noise in the Building, and may

interfere with owner-occupants' enjoyment of the Building. However, in exercising this right, Sponsor shall follow all Rules and Regulations of the Condominium, which are disclosed as an addendum to the By-Laws.

M. The user of any easement granted by subparagraphs B, C, D, E, F, G, H, I, J, K, and L of this Paragraph 11 shall have the responsibility of repairing any damage resulting therefrom. No fee or charge may be imposed by the Board of Managers for any easement granted herein.

12. **Power of Attorney to Board of Managers, Sponsor and Commercial Unit Owner**. Each Unit Owner shall grant to the persons who shall from time to time constitute the Board of Managers, an irrevocable power of attorney, coupled with an interest, to acquire title to or lease any Unit whose owner desires to surrender, sell or lease the same, or which may be the subject of a foreclosure or other judicial sale, in the name of the Board of Managers or its designee, corporate or otherwise on behalf of all Unit Owners, and to convey, sell, lease, mortgage (but not to vote the votes appurtenant thereto) or otherwise deal with any such Units so acquired or to sublease any Unit so leased by the Board of Managers. Each Unit Owner, their successors and/or assigns, shall also grant to the Sponsor or its designee and Commercial Unit Owner, an irrevocable power of attorney, coupled with an interest, to exercise Sponsor's or Sponsor designee's rights hereunder. The form of Power of Attorney to the Board of Managers and Sponsor is attached hereto as **Schedule D**.

13. **Acquisition of Units by Board of Managers**. In the event any Unit Owner shall surrender his Unit, together with: (i) the undivided interest in the Common Elements, general and limited, appurtenant thereto; (ii) the interest of such Unit Owner in any other Units acquired by the Board of Managers or its designee on behalf of all Unit Owners or the proceeds of the sale or lease thereof, if any; and (iii) the interest of such Unit Owner in any other assets of the Condominium; (hereinafter collectively called the "Appurtenant Interests"), pursuant to the provisions of Section 339-x of the Real Property Law of the State of New York, or in the event the Board of Managers shall purchase from any Unit Owner who has elected to sell the same, a Unit, together with the Appurtenant Interests, pursuant to Section 1 of Article VIII of the By-Laws, or in the event the Board of Managers shall purchase at a foreclosure or other judicial sale, a Unit, together with the Appurtenant Interests, title to any such Unit, together with the Appurtenant Interests, shall be held by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests. The lease covering any Unit leased by the Board of Managers, or its designee, corporate or otherwise, shall be held by the Board of Managers, or its designee, on behalf of all Unit Owners, in proportion to their respective Common Interests.

14. **Person to Receive Service**. For the period during which Sponsor is in control of the Board of Managers, Acacia 118, LLC, with an office at 111 John Street, Suite 200, New York, New York 10038, is hereby designated to receive notice of process in any action which may be brought against the Condominium. After Sponsor relinquishes control of the Board of Managers notice of process in any action which may be brought against the Condominium shall be served on the President of the Condominium at the Office of the Condominium, at 118 East 1st Street, New York, New York 10009. In addition, the Secretary of State of the State of New York, as agent of the Board of Managers, and any successor to the jurisdiction thereof, is hereby designated to receive service of process in any action that may be brought against the Condominium.

15. **Units Subject to Declaration, By-Laws and Rules and Regulations**. All present and future Owners, tenants, subtenants and occupants of Units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time. The initial By-Laws of the Condominium are attached hereto as **Schedule E**. The acceptance of a deed or conveyance or the entering into of a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such Owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof.

16. **Amendment to Declaration**. This Declaration may be amended, modified, added to or deleted from by the vote of at least sixty-seven percent (67%) in number and in Common Interest of all Unit Owners, cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws, or in lieu of a meeting, any amendment may be approved, in writing by sixty-seven percent (67%) in number and in Common Interest of all Unit Owners, provided, however:

    (a) No amendment, modification, addition or deletion which shall adversely affect the lien of any mortgage may be made without the written consent of the mortgagee;

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

    (c) No amendment, modification, addition or deletion of or to this Declaration will be effective in any respect against Sponsor, its designee, the

Commercial Unit Owner, the Commercial Unit or any Unsold Unit until Sponsor or such designee, or the Commercial Unit Owner, as the case may be, shall consent thereto in writing.

The Sponsor hereby reserves to itself and its designee(s) the right to amend the Condominium Declaration at any time without the requirement of a vote and without the approval or consent of any Unit Owners or mortgagees for the sole purpose of (i) filing the Floor Plans required by the New York Real Property Law Section 339-p for any portion or portions of the Building and appurtenances which are incomplete at the time the Declaration is recorded and the filing along with said amendment to the Declaration and the Floor Plans, the verified statement of a registered architect or licensed professional engineer certifying that the plans being filed simultaneously with such amendment, fully and fairly depict the layout, location, unit designations and approximate dimensions of the particular Unit or Units as built, as provided in said Section 339-p; and/or (ii) conforming the Declaration to the requirements of applicable state and local condominium laws and/or the legal requirements of the Department of Housing and Urban Development of the United States of America ("HUD"), including, but not limited to, HUD Revised Legal Policy which is attached as appendix 24 of HUD Handbook 4265.1, as same may be amended from time to time, or any other governmental authority or agency, to qualify the Condominium for any applicable Unit financing, including, but not limited to, financing of the Federal Housing Authority of the United States of America ("FHA") and/or Fannie Mae financing.

Notwithstanding anything to the contrary contained herein, the Sponsor or its designees shall have the right to amend the Declaration, By-Laws and/or certificate of occupancy without the consent of the Board of Managers and/or Unit Owners provided such amendments have no material adverse effect on other Unit Owners and/or the Common Elements (except for Limited Common Elements existing for the exclusive use of only Units owned by the Sponsor or its designees).

No such amendment shall be effective until recorded in the New York County Office of the Register of the City of New York.

17. **Changes in Unsold Units and the Commercial Unit**. For any Unit owned by the Sponsor or its designee(s) or the Commercial Unit Owner, if not prohibited by the New York Condominium Act (as the same may be amended), the Sponsor or its designee(s) or the Commercial Unit Owner (with respect to the Commercial Unit) shall have the right, without the vote or consent of the Board of Managers, other Unit Owners or the holders of Unit mortgages, to (i) make alterations, additions, or improvements in, to and upon the Unit; (ii) change the layout or number of rooms in the Unit; (iii) change the size and/or number of such Units by subdividing a Unit, combining separate Units (including those resulting from any subdivision or otherwise) into one or more Units, altering the boundary walls between any Unit or

otherwise; and (iv) reapportion among such Unit(s) affected by such change in size or number, subdivision, combination or alteration, their appurtenant interests in the Common Elements; provided, however, that the Sponsor or its designee(s) or the Commercial Unit Owner shall comply with all rules, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom.

In connection with the foregoing as it relates to the (i) Unsold Units and (ii) the Commercial Unit, respectively, the Sponsor, its designee or the Commercial Unit Owner, respectively, shall cause the Declaration to be amended, if necessary. Sponsor, its designee or the Commercial Unit Owner, as applicable, shall have the right pursuant to the Powers of Attorney granted by Unit Owners to amend and record any amendment to the Declaration on behalf of the Condominium and all Unit Owners as required to reflect the foregoing without any further consent of the Condominium Board, Unit Owners or Permitted Mortgagees. Sponsor, its designee or the Commercial Unit Owner, as applicable, shall each have the right, upon its request, to require any other Unit Owners or the Condominium Board or its officers to execute, file and/or record any amendment to the Declaration, together with any application, documents or instruments as they deem appropriate to effectuate the same, or any application, documents or instruments required by any governmental or quasi-governmental agency having or asserting jurisdiction in connection with the foregoing, or any application, documents or instruments necessary in connection with any change, addition, decoration, alteration, improvement, repair or subdivision of any Units owned by said parties or any operation of any Unit owned by said parties, at which time, the requesting party shall indemnify and hold the Condominium Board and the other Unit Owners and Sponsor or its designee harmless from any expense or liability by virtue of the execution of any of such applications, document or instruments. As an alternative, Sponsor, its designees or the Commercial Unit Owner, as applicable shall have the right pursuant to the Powers of Attorney granted by Unit Owners to execute, file and/or record any such applications, documents or instruments on behalf of the Condominium Board and all Unit Owners. For purposes of recording any amendment to the Declaration or executing, filing or recording any applications, documents or instruments, Sponsor, its designee and the Commercial Unit Owner may rely on the authority contained in the Power of Attorney and no further consent of the Board or the Unit Owners or Permitted Mortgagees is required.

In accordance with law, the Common Elements appurtenant to each Unit as expressed in this Declaration shall have a permanent character and shall not be altered without the consent of all affected Unit Owners. Written consents will be obtained from Unit Owners, if any, who are adversely and directly affected as a result of the above changes. The provisions of this paragraph 17 may not be added

to, amended or deleted without the prior written consent of the Sponsor or its designees(s) or the Commercial Unit Owner.

Unit Owners in the Condominium hold title to their respective Units subject to the benefits, rights, privileges, easements, burdens, covenants, and restrictions as described herein, in the By-Laws of the Condominium and any agreement of record recorded prior or subsequent to this Declaration.

18. **Invalidity.**

(a) If any provision of this Declaration or of the By-Laws is invalid under, or would cause this Declaration or the By-Laws to be insufficient to submit the Property to the provisions of the Condominium Act, such provision shall be deemed deleted from this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act, but shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under the other applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration or the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land. If any provision that is necessary to cause this Declaration or the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as a part of this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act.

(b) Subject to the terms of paragraph (a) of this clause 18, if this Declaration or the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the provisions of this Declaration or the By-Laws shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land.

19. **Termination of Condominium**. The Condominium may be terminated by casualty loss, condemnation or eminent domain, in accordance with the provisions of the By-Laws, or by withdrawing the Property from the provisions of the New York

Condominium Act if authorized by an affirmative vote of Unit Owners that own not less than eighty percent (80%) in number and in Common Interest of the Units and the affirmative vote of Eligible Holders of first mortgages on Units to which not less than sixty-seven percent (67%) of the votes of Units subject to mortgages held by such Eligible Holders are allocated. Sponsor or its designees will not vote its interests appurtenant to any Unsold Units for such withdrawal unless at least eighty percent (80%) in number and in Common Interest of all other Unit Owners have elected for such withdrawal, in which event Sponsor may choose to vote in favor of or against such withdrawal. In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all the Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid off out of his share of such net proceeds all liens on his Unit, in the order of priority of such liens.

20. **Sponsor's Retention of Transferable Air Rights and/or Development Rights**.

(a) Sponsor hereby reserves to itself and/or to Sponsor's designee, and their successors or assigns, all unused transferable air rights and/or development rights (hereinafter "Unused Development Rights"). As against all other Unit Owners and their mortgagees, their successors, assigns and/or heirs, and the Board of Managers of the Condominium and any mortgagees thereof, the Sponsor or Sponsor's designee, their successors or assigns, shall have the exclusive right to cause any part or all Unused Development Rights pertaining to the Property to be conveyed, transferred or otherwise assigned to any other adjoining premises, "zoning lot," "development" or "enlargement" as those prior three terms are now defined in the Zoning Resolution of the City of New York, as amended.

(b) Sponsor or Sponsor's designee, their successors or assigns, have also bound themselves, their successors or assigns, from transferring, assigning, or surrendering in whole or in part any Unused Development Rights, if such transfer, assignment or surrender shall (i) make illegal the erection, existing or restoration or use of the Building at the time of the recordation of this Declaration, or (ii) will allow any party, including Sponsor or its designee, their successors or assigns, but excluding the non-Sponsor controlled Board of Managers of the Condominium, to build on or directly above the land and/or expand the Building. However, with regard to (ii) above, the Sponsor, its designee, their successors or assigns may transfer (pursuant to terms and conditions mutually agreed upon by the foregoing and the Board of Managers) in whole or in part any Unused Development Rights to the Board of Managers of the Condominium subsequent to Sponsor relinquishing control of the Board of Managers. In such event, any

construction by the Condominium shall (i) not increase the number of Units in the Building; (ii) be limited in scope to a minor alteration to a Unit and/or the Building; (iii) not have any material impact on the operating budget of the Condominium; (iv) not impact the Percentage of Common Elements allocated to any of the Units; and (v) be made only in accordance with the Condominium's Declaration and By-Laws, all applicable law, including any requirements of 13 NYCRR 20.3(af) of the Attorney General's Regulations. As defined herein, "Unused Development Rights" shall include all such rights which exist under the current Zoning Resolution of the City of New York, as amended, and any further rights which result from future amendments to the Zoning Resolution. Any and all consideration paid to Sponsor or its designee in connection with a transfer of any Development Rights shall be the sole and absolute property of the Sponsor or its designee.

(c) The Sponsor or Sponsor's designee, their successors or assigns, at their sole cost and expense, shall have the right to cause the Board of Managers, all of the Unit Owners, and any mortgagees thereof, to take such action as it deems necessary to convey the Unused Development Rights. This includes execution, acknowledgement, delivery and recording in the Register's Office of the County of New York in the City of New York and elsewhere, if required by law, such instruments and documents, including, but not limited to (i) lease(s), zoning lot agreement(s), declaration(s), consent(s), waiver(s) and/or grant(s) of such Unit Owner's, mortgagees' and such Board's interests, if any, in the Property with respect only to any Unused Development Rights for the purpose of confirming the ownership of Sponsor or Sponsor's designee and/or their successors or assigns in such rights and/or for the purpose of effectuating the transfer, assignment or surrender of such rights by Sponsor or Sponsor's designee and/or their successors or assigns; (ii) any amendment to this Declaration which the Sponsor or Sponsor's designee and/or their successors or assigns deems necessary or appropriate to effectuate the purpose of this Paragraph 20, provided that such amendment complies with the terms in Paragraph 20 and 13 NYCRR 20.3(af) of the Attorney General's Regulations.

(d) Failure of the Unit Owners and Board of Managers to comply with the terms of this Paragraph 20 shall result in liquidated damages payable by the Board of Managers to the Sponsor or Sponsor's designee and/or their successors or assigns, as the case may be, in an amount equal to the purchase price to be paid to Sponsor or Sponsor's designee and/or their successors or assigns for the transfer, assignment or surrender of such Unused Development Rights.

(e) If any provision that is necessary to effectuate the purposes of this Paragraph 20 is missing, then such provision shall be deemed included as part of paragraph 20, including, but not limited to, any provision required by law to limit the reservation of the contingent rights as set forth herein. Any term of limitation, if required to be measured, may be determined by the use of the life of Sponsor, any principal thereof or the children of any principal thereof plus twenty-one (21) years.

21. **Common Expense**. Common Expenses of the Condominium shall mean and include all expenses of operation of the Property and all sums designated Common Expenses by or pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York, the Declaration or the By-Laws. Pursuant to RPL §339-m, common expenses and profits (except as to insurance) must be charged and distributed in accordance with the allocation of common interests, unless otherwise permitted as provided in that statute. RPL §339-m further provides that such common expenses and profits, if authorized by a condominium declaration and by-laws, may be specially allocated: (a) by the board of managers to non-residential units, and/or (b) based upon special or exclusive use or availability or exclusive control of particular units or common areas by particular unit owners. This Declaration hereby authorizes the special allocation of Common Expenses and assessment of Common Charges in accordance with either or both of the foregoing methods. Allocation of Common Expenses is described in detail in Article VI of the By-Laws.

22. **Covenant of Further Assurances.**

(a) Any person who is subject to the terms of this Declaration, whether such Person is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member of the Board of Managers, an officer of the Condominium, or otherwise, shall, at the expense of any such other Person requesting the same, execute, acknowledge and deliver to such other Person, such instruments, in addition to those specifically provided for herein, and take such other action as such other Person may reasonably request to effectuate the provisions of this Declaration or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

(b) If any Unit Owner or any other Person who is subject to the terms of this Declaration fails or refuses to execute, acknowledgment, or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action that such Unit Owner or Person is required to take pursuant to this Declaration, then the Board of Managers is hereby authorized as attorney-in-fact for such Unit Owner or other Person, which power shall be deemed to be coupled with an interest, to execute, acknowledge and deliver

such instrument, or to take such action, in the name of such Unit Owner or other Person, and such document or action shall be binding on such Unit Owner or other Person.

(c) If any Unit Owner or the Board of Managers or any other Person who is subject to the terms of this Declaration fails or refuses to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action that the Board of Managers, Unit Owner, or other Person is required to take pursuant to this Declaration at the request of Sponsor or Sponsor's designee or the Commercial Unit Owner, then the Sponsor, its designee or the Commercial Unit Owner are hereby authorized as attorney-in-fact for the Board of Managers, such Unit Owner, or other Person, which power shall be deemed to be coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of the Board of Managers, such Unit Owner, or other Person, and such document or action shall be binding on the Board of Managers, such Unit Owner, or other Person, as the case may be.

23. **Definitions**. All capitalized terms used in this Declaration that are not defined herein shall have the meanings set forth in Schedule C to this Declaration. Each of the capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

24. **Waiver**. No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

25. **Captions**. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration, nor the intent of any provision thereof.

26. **Gender**. The use of the masculine gender in this Declaration shall be deemed to refer to the feminine gender and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

IN WITNESS WHEREOF, the party has caused this Declaration to be executed by its duly authorized representative this _____ day of _____, 20__.

Sponsor/Declarant:

Acacia 118, LLC

By:_____
Warren Freyer, Member

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

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

_____
Notary Public

SCHEDULE A
TO THE DECLARATION
OF CONDOMINIUM OF THE PREMISES
KNOWN AS

ACACIA 118 CONDOMINIUM
118 EAST 1ST STREET
NEW YORK, NEW YORK 10009

ALL THAT CERTAIN PLOT, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Borough of Manhattan, City, County and State of New York, being more particularly bounded and described as follows:

BEGINNING at a point on the northerly side of East 1st Street distant 80 feet westerly from the northwesterly corner of East 1st Street and Avenue 'A';

THENCE northerly, parallel with Avenue 'A', 105 feet 11-1/2 inches to the center line of the block:

THENCE westerly along the center line of the block, 20 feet 0 inches to a point;

THENCE southerly and parallel with Avenue 'A', 105 feet 11-1/2 inches to the northerly side of East 1st Street;

THENCE easterly along the northerly side of East 1st Street, 20 feet 0 inches to the point or place of BEGINNING.

TOGETHER WITH all rights, benefits and easements provided for in that certain Zoning Lot Development Agreement dated as of 9/28/2017 made by and between Rental Apartments, LLC and ACACIA 118 LLC and recorded 10/10/2017 in CRFN 2017000373446.

SAID PREMISES being known as and by the street number 118 East 1st Street, New York, New York 10009.

SCHEDULE B
TO THE DECLARATION
OF CONDOMINIUM OF THE PREMISES
KNOWN AS

ACACIA 118 CONDOMINIUM
118 EAST 1ST STREET
NEW YORK, NEW YORK 10009

SCHEDULE B
TO THE DECLARATION OF
ACACIA 118 CONDOMINIUM
118 EAST 1ST STREET
NEW YORK, NEW YORK
Block: 429; Lots: TBD to TBD (f/k/a Lot 43)

Unit	Tax Lot Number	Percentage Interest in Common Elements	Percentage Contributing Share	Approximate Square Foot Area of Unit	Approximate Square Foot Area of Private Balcony and/or Terrace(s) Which is/are Limited	Location	Number of Bedrooms/Baths/Etc.	Common Elements to Which Unit Has Immediate Access
2	TBD	19.3000%	22.4200%	2149	606	2nd Floor + 3rd Floor	3BD/3/T/F/B/SDM/DU	Elevator, Public Halls + Stairs
5	TBD	18.9100%	21.9700%	2146	144	4th Floor +5th Floor	3BD/3/F/B/SDM/DU	Elevator, Public Halls + Stairs
7	TBD	22.7800%	26.4600%	2139	144	6th Floor +7th Floor	3BD/3/F/B/SDM/DU	Elevator, Public Halls + Stairs
PH	TBD	25.1000%	29.1500%	2311	1194	7th Floor + 8th Floor+Roof	3BD/3/F/B/T/SDM/DU	Elevator, Public Halls + Stairs
Residential Unit Totals:		86.0900%	100.0000%	8745	2088			
C	TBD	13.9100%	100.0000%	1848		Cellar + 1st Floor	DU	
Commercial Unit Total:		13.9100%	100.0000%	1848				
Grand Totals:		100.0000%		10593	2088			

B - denotes private Balcony
BD - denotes Bedroom(s)
DU - denotes Duplex Unit
S - denotes Studio
T - denotes private Terrace(s)

SCHEDULE C
TO THE DECLARATION
OF CONDOMINIUM OF THE PREMISES
KNOWN AS

ACACIA 118 CONDOMINIUM
118 EAST 1ST STREET
NEW YORK, NEW YORK 10009

DEFINITIONS

"Appurtenant Interest"	-	With respect to any Unit, the undivided interest of the owner thereof, pursuant to the terms of Section 339-x of the Condominium Act, in and to: (i) the Common Elements; (ii) any other Units owned or leased at the time in question by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners; (iii) any proceeds of the sale or lease of Units of the nature described in subdivision (ii) above; and (iv) any other assets of the Condominium.
"Assessments"	-	The charges allocated and assessed by the Board of Managers to the Unit Owners, pro rata, in accordance with their respective Common Interest, (except as otherwise provided in the Declaration or in the By-Laws).
"Board of Managers" or "Condominium Board"	-	The governing board of the Condominium composed of representatives elected by Unit Owners voting in accordance with their respective percentages of Common Interest.
"Building"	-	The structure known as Acacia 118 Condominium renovated or being renovated at 118 East 1st Street, New York, New York 10009.
"Commercial Common Expenses"	-	As set forth in the By-Laws of the Condominium, in the event of the sub-division of the Commercial Unit into two (2) or more Commercial Units, such Commercial Units shall be solely responsible for the

payment of all expenses ("Commercial Common Expenses") arising from snow removal from the front of the Commercial Units, commercial garbage collection; the cost of utilities, including, but not limited to, electricity and water consumption in the Commercial Units but only to the extent that the Commercial Units are not separately metered and/or sub-metered with respect to those utilities; repairs, maintenance and replacement of the Commercial Common Elements; and any other expenses, whether in addition to or established in lieu of the foregoing expenses, which are not Shared Common Expenses, fairly attributable to the Commercial Units only, or as provided in the By-Laws. The Commercial Common Expenses shall be deemed a part of the Common Expenses of the Condominium to be paid by each Commercial Unit Owner. With respect to any expenses deemed to be Commercial Common Expenses in the Condominium Documents or Offering Plan, in the event there is just one (1) Commercial Unit, the Commercial Unit Owner shall be responsible for paying the full cost thereof.

"Commercial Unit" - An area designated on a portion of the cellar and first floor of the Building, which shall be owned in fee simple absolute. According to the terms of the Offering Plan, there shall be one (1) Commercial Unit.

"Commercial Unit Owner" - The Person, persons, entity or entities owning the Commercial Unit.

"Common Charges" - In the case of the Residential Units, each Residential Unit Owner's proportionate share of the Shared Common Expenses and Residential Common Expenses, as may be applicable.

In the case of the Commercial Unit (or, in the event the Commercial Unit is subdivided into two (2) or more Commercial Units, the Commercial Units), each Commercial Unit Owner's proportionate share of the Shared Common Expenses and Commercial Common Expenses, as may be applicable.

"Common Elements"	-	All portions of the Property other than Units. Common Elements are comprised of General Common Elements and Limited Common Elements.
"Common Expenses"	-	(a) Expenses of operation of the Property, and (b) All sums designated Common Expenses by or pursuant to the provisions of the New York Condominium Act, the Declaration or the By-Laws.
"Common Interest"	-	The proportionate, undivided interest in fee simple absolute in the Common Elements appertaining to each Unit as expressed in the Declaration.
"Condominium"	-	A form of ownership of real property in which individual Units as component parts of a whole are owned in fee simple with the right of exclusive use, by separate individuals or entities, which separate individuals and/or entities jointly own those parts of the whole designated as Common Elements. In the context of the Offering Plan and Condominium Documents, "Condominium" specifically refers to Acacia 118 Condominium, which may also be known as "118 East 1st Street."
"Condominium Act"	-	Article 9-B of the Real Property Law of the State of New York, as the same may be amended from time to time.
"Condominium Documents"	-	The Declaration and all Schedules thereto, the By-Laws, the Rules and Regulations, the Floor Plans, form of Unit Deed and the form of Unit Owners Power of Attorney.
"Consummation of the Plan"	-	Means filing the Declaration of Condominium and the first transfer of title to a condominium unit to at least one (1) purchaser under the Plan following a declaration of effectiveness by the Sponsor and acceptance of the Amendment by the Department of Law confirming or declaring the Plan effective.
"Contributing Share"	-	(a) In the case of the Residential Units, each Residential Unit's proportionate share of the Common Charges payable by all of the Residential

Unit Owners. Each Residential Unit's Percentage Contributing Share is calculated as the proportion such Residential Unit's Percentage Common Interest bears to the aggregate Percentage Common Interest of all of the Residential Units. Each Residential Unit Owner's proportionate share of the Common Charges shall be determined by first summing (i) the amount of the Shared Common Expenses allocated to the Residential Units in the aggregate (in a proportion equal to the aggregate Percentage Common Interest of all Residential Units) and (ii) the amount of the Residential Common Expenses allocated to the Residential Units in the aggregate (i.e., 100% of the Residential Common Expenses), and then multiplying the foregoing sum by such Unit Owner's Percentage Contributing Share.

(b) In the case of the Commercial Unit (or, in the event of the subdivision of the same into two (2) or more Commercial Units), each Commercial Unit's proportionate share of the Common Charges payable by all of the Commercial Unit Owners. For so long as there is just one (1) Commercial Unit, the Commercial Unit's Percentage Contributing Share shall be one hundred percent (100%), but in the event the Commercial Unit is subdivided into two (2) or more Commercial Units, each Commercial Unit's Percentage Contributing Share shall be calculated as the proportion such Commercial Unit's Percentage Common Interest bears to the aggregate Percentage Common Interest of all of the Commercial Units. The Commercial Unit Owner's (and, in the event the Commercial Unit is subdivided into two (2) or more Commercial Units, each Commercial Unit Owner's) proportionate share of the Common Charges shall be determined by first summing (i) the amount of the Shared Common Expenses allocated to the Commercial Unit(s) in the aggregate (in a proportion equal to the aggregate Percentage Common Interest of all Commercial Units) and (ii) the amount of the Commercial Common Expenses allocated to the Commercial Unit(s) in the aggregate (i.e., 100% of the Commercial Common Expenses), and then

multiplying the foregoing sum by such Unit Owner's Percentage Contributing Share.

"Declaration"	-	The instrument, as may be amended from time to time, by which the Property is submitted to the provisions of the New York State Condominium Act, consistent with the provisions of the New York Condominium Act and the By-Laws.
"DOB"	-	Refers to the Department of Buildings of the City of New York.
"Equal or Better Quality"	-	This phrase shall mean comparable or better quality as recognized by industry standards for performance, efficiency, longevity and/or classifications, as applicable.
"Facility" or "Facilities"	-	As used in the Declaration, the word "Facility" or "Facilities" includes, but is not limited to, the following items (grouped more or less functionally) which are set forth only for purposes of illustrating the broad scope of that term: system, equipment, apparatus, radiator, heater, convertor, heat exchanger, mechanism, device, machinery, motor, pump, control, tank or tank assembly, insulation, induction unit, condenser, compressor, fan, damper, blower, thermostat, thermometer, coil, vent, sensor, shut-off valve or other valve, gong, panel, receptacle, outlet, relay, alarm, sprinkler head, electric distribution facility, wiring, wireway, switch, switchboard, circuit breaker, transformer, fitting, siamese connection, hose, plumbing fixture, lighting fixture, other fixture, bulb, sign, telephone, meter, meter assembly, scaffolding, piping, line, duct, conduit, cable, riser, main shaft, pit, flue, lock or other hardware, rack, screen, strainer, trap, drain, catch basin, leader, filter, canopy, incinerator, closet, cabinet, door, railing, coping, step, furniture, mirror, furnishing, appurtenance, urn, basket, mailbox, carpeting, tile or other floor covering, drapery, shade or other window covering, wallpaper or other wall covering.

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

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

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

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

(a) The land on which the Building is physically erected, and all other lands comprising the Property, if any. Specifically excluded are any unused transferable air rights and/or development rights pertaining to the Land and Building, which rights are being reserved by Sponsor for itself or for its designee, and any successors or assigns thereof. Yard areas or other areaways at the Property, if any, other than the Limited Common Elements as described below, are not intended for public use except for fire egress purposes and are subject to the easement rights, if any, of Sponsor, Sponsor's designee and/or the Commercial Unit Owner;

(b) At the cellar, and first floor levels, all foundations, footings, columns, beams, supports, bearing walls (except to the extent included below as Limited Common Elements or in the dimension of a Unit); also at those levels, those portions of the exterior walls and any insulation or framing beyond the unexposed face of the dry wall at the exterior face of the Building, or, where applicable, those portions of the exterior walls beyond the interior face of the exterior walls; those portions of the walls and partitions dividing the Commercial Unit from

a Residential Unit or from the corridors, fire staircases and stairs, elevator shafts, and other Common Elements located beyond the unexposed face of the dry walls enclosing the Commercial Unit, or, where applicable, the blockwork or concrete work of the interior walls of the Building separating the Commercial Unit from a Residential Unit or from corridors, fire staircases and stairs, elevator shafts, and other Common Elements located beyond the unexposed face of the dry walls enclosing the Commercial Unit; the subfloors and framing joists, if any, including any framing attached to such joists from which the dry wall ceiling of the Commercial Unit below is attached;

(c) The utility and mechanical rooms and storage areas located at the cellar level of the Building, including but not limited to the water/sprinkler pump room at cellar level; any and all cellar or other areas and Facilities which are not designated as part of a Unit or a Limited Common Element;

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

(e) All sewer pipes and drainage pipes;

(f) Those portions of the main roof of the Building, and those portions of the roof bulkheads, which have been designated for the installation of mechanical equipment, including, but not limited to, roof tanks, cooling towers, any ventilation or air-conditioning equipment to the extent same exist and/or are installed, and other related Facilities which service, both the

Commercial Unit and the Residential Component and/or General Common Elements;

(g) The boilers, hot water heaters or equipment, if any, heating, ventilation and/or air-conditioning equipment, cooling towers and water tanks, if any, and related machinery or Facilities, wherever located in the Building, which service both the Commercial Unit and the Residential Component and/or General Common Elements;

(h) Any piping and/or ductwork which is necessary for the functioning of the boilers and hot water heaters or equipment, if any, heating, ventilation and/or air-conditioning equipment and cooling towers, if any, wherever located in the Building, which service both the Commercial Unit and the Residential Component and/or General Common Elements;

(i) Any common tanks, common water towers or tanks, pumps, including, but not limited to, motors, fans, compressors, ducts, siamese connections, the Building's water filtration system, and, in general, all apparatus and installations and Facilities existing for common use;

(j) At the cellar level, the janitor's room;

(k) At the cellar level, the building storage room;

(l) The street vault areas that are adjacent to and accessible from the Common Elements of the Building, which shall be for the benefit of the Condominium and its Unit Owners, to be used in a manner to be determined by the Board of Managers. To the extent there are any charges for said vault areas, such charges shall be paid by all of the Unit Owners as a Shared Common Expense; and

(m) Except as specifically noted, all other apparatus, installations and Facilities existing in the Building for common use or necessary or convenient to the existence, maintenance or safety of the Building and the Units.

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

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

"Law" - The laws and ordinances of any or all of the Federal, New York State, New York City, and New York County governments, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public, or quasi-public authorities, including the Landmarks Preservation Commission, having jurisdiction over the Property and/or the Condominium, and/or the direction of any public officer pursuant to law.

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

(1) Residential Common Elements:

(1a) At the second floor level and above, columns, beams, supports, bearing

walls (except to the extent included below as Limited Common Elements in the dimension of a Unit); also at those levels, those portions of the exterior walls and any insulation or framing beyond the unexposed face of the dry wall at the exterior face of the Building, or, where applicable, those portions of the exterior walls beyond the interior face of the exterior walls; those portions of the walls and partitions dividing the Residential Units from the corridors, fire staircases and stairs, elevator shafts, and other Common Elements located beyond the unexposed face of the dry walls enclosing the Residential Units, or, where applicable, the blockwork or concrete work of the interior walls of the Building separating the Residential Units from corridors, fire staircases and stairs, elevator shafts, and other Common Elements located beyond the unexposed face of the dry walls enclosing the Residential Units; the subfloors and framing joists, if any, including any framing attached to such joists from which the dry wall ceiling of the Residential Units below is attached;

(1b) At the second floor through ninth floor, any service corridors, fire corridors, halls, stairs, and stairway areas, mechanical, storage, and utility areas that are not part of any Unit, that are not specifically designated below as Residential Limited Common Elements or Commercial Common Elements, and that are located beyond the unexposed face of the dry walls or blockwork or concrete work enclosing any Unit;

(1c) The stairs and stairway areas throughout the Building, including but not limited to the common stairway running from the cellar level to the first floor level and the common stairway running from the cellar level to the roof level (but explicitly excluding any interior access stairs located within Units), which stairs shall be for the exclusive use of all of the Residential Unit Owners in a manner to be determined by the Board of Managers but subject to an easement in favor of the Commercial Unit Owner or the tenants thereof, their servicemen, consultants and/or repairmen (i) to install, access, maintain, repair and/or replace any and all mechanical equipment servicing the Commercial Unit; and (ii) for the fire egress purposes and access and/or egress to or from the Commercial Unit;

(1d) Common service corridors, fire corridors, and halls located at all levels of the Building, which shall be for the exclusive use of all of the Residential Unit Owners in a manner to be determined by the Board of Managers but subject to an easement in favor of the Commercial Unit Owner or the tenants thereof, their servicemen, consultants and/or repairmen (i) to install, access, maintain, repair and/or replace any and all mechanical equipment servicing the Commercial Unit; and (ii) for the fire egress purposes and access and/or egress to or from the Commercial Unit;

(1e) The trash compactor room and related Facilities located at the cellar level of

the Building, together with any trash compactor chute located on all floors of the Building, as set forth on the Floor Plans, which shall be for the exclusive use of all the Residential Unit Owners in a manner to be determined by the Board of Managers;

(1f) The residential entrances to the Building, together with their canopies, if any, located on First White Street; the residential vestibule and lobby at the first floor, which shall be for the exclusive use of all the Residential Unit Owners in a manner to be determined by the Board of Managers but subject to an easement in favor of the Commercial Unit Owner or tenants, their servicemen, consultants and/or repairmen, for fire egress purposes and access and/or egress to or from the Commercial Unit;

(1g) The residential storage room located at the cellar level of the Building, which service and shall be for the exclusive use of the Residential Unit Owners only in a manner to be determined by the Board of Managers;

(1h) The passenger elevator, passenger elevator machinery, shaft and pit, and the elevator control room, together with all Facilities related thereto, located on any floor of the Building, which shall be for the use of all the Residential Unit Owners in a manner to be determined by the Board of Managers, and subject to an easement in favor of the Commercial Unit Owner or the tenants thereof, their

servicemen, consultants and/or repairmen to install, access, maintain, repair and/or replace any and all mechanical equipment servicing the Commercial Units;

(1i) As shown on the Floor Plans, the residential common storage room located at the cellar level, which shall be for the exclusive use of the Residential Unit Owners in a manner to be determined by the Board of Managers. The use of the residential common storage room shall be subject to the Declaration and By-Laws of the Condominium and any and all rules and regulations promulgated with regard thereto by the Board of Managers in their sole discretion;

(1j) Those portions of the main roof of the Building, and those portions of the roof bulkheads and the roofs located thereover, which have been designated for the installation of mechanical equipment, including, but not limited to, any heating, air-conditioning and ventilation equipment or Facilities which service the Residential Component only, which shall be for the exclusive use of the Residential Unit Owners;

(1k) Any heating, air-conditioning and/or ventilation equipment, hot water heaters, if any, and related machinery or Facilities, wherever located in the Building, which only service the Residential Component, which shall be for the exclusive use of all of the Residential Unit Owners;

(1l) Any piping and/or ductwork which is necessary for the functioning of any heating, air-conditioning and/or ventilation equipment, cooling towers, hot water heaters, if any, wherever located in the Building, which only service the Residential Component, which shall be for the exclusive use of all of the Residential Unit Owners;

(1m) The cooling tower(s), if any, or tanks on the roofs of the Building together with any related Facilities which only service the Residential Component;

(1n) The structural components of the Building's roof bulkheads;

(1o) The residential gas, water and/or electric meters and mechanical, gas, water and/or electric panels, closets, and respective rooms and/or feeders, risers and other improvements, residential cables, pipes, all of which serve the Residential Component exclusively;

(1p) Any and all windows of the Building which are not part of a particular Residential Unit or the Commercial Unit, and any skylights, existing or installed at some future date, that are not directly above any Residential Unit or Commercial Unit;

(1q) All installations or Facilities on the Property outside the Units for services such as gas, power, light, cable television, heat, telephone and water which only service the Residential Component; and

(1r) All other improvements, installations, apparatus or Facilities exclusively

serving all of the Residential Units and/or the Residential Component and which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of the residential portions of the Building.

(2) Commercial Common Elements:

(2a) Those portions of the main roof, bulkheads, or rear yard of the Building, if any, which have been designated for the installation of mechanical equipment, including, but not limited to, any heating, air-conditioning and ventilation equipment or Facilities which service the Commercial Unit only, which shall be for the exclusive use of the Commercial Unit Owner;

(2b) Commercial mechanical and/or electric meter(s), separate cold water meter(s), gas meter(s) and other utility meters (if any) and/or mechanical, electrical, gas, water rooms and/or closets servicing or available for the exclusive use of the Commercial Unit;

(2c) All installations or Facilities on the Property outside the Units for services such as gas, power, light, cable television, heat, telephone and water which service the Commercial Unit only;

(2d) All remaining improvements, installations, apparatus or Facilities exclusively serving the Commercial Unit or which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of the Commercial Unit; and

(2e) The skylights, if any, existing or installed at some future date, that are directly above the Commercial Unit which shall be for the exclusive use of such Unit Owner. The maintenance, repair and replacement of such skylights shall be the responsibility of the individual Unit Owner of such Unit.

(3) Residential Limited Common Elements:

(3a) The skylights, if any, existing or installed at some future date, that are directly above any Residential Unit which shall be for the exclusive use of such Unit Owner. The maintenance, repair and replacement of such skylights shall be the responsibility of the individual Unit Owner of such Unit;

(3b) Any fireplace, together with any flue and/or ductwork attached thereto, whether gas-fired or wood-burning, existing or installed at some future date in any Unit shall be for the exclusive use of such Unit Owner. The maintenance, repair and replacement of such fireplace, together with any flue and/or duct-work attached thereto, shall be the responsibility of the individual Unit Owner of such Unit; and

(3c) The private balconies and/or private terraces, together with any walls, fencing and/or railings delineating such areas, which are directly accessed from certain Residential Units, as delineated on the Floor Plans, which shall be for the exclusive use of the Unit Owners of such respective Units. Nonstructural,

ordinary repairs and maintenance of the private balconies and/or private terraces, together with any walls, fencing and/or railings delineating such areas, shall be the responsibility of the individual Unit Owner(s) who have the exclusive use thereof.

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

"Managing Agent" - A person employed by the Condominium Board pursuant to Article II, Section 4 of the By-Laws, who shall undertake to perform the duties and services that the Condominium Board shall direct and who shall have whatever powers the Condominium shall delegate, subject to the limitations contained in such Section of the By-Laws.

"Offering Plan" - The document filed with the New York State Department of Law which describes the condominium property and pursuant to which individual Units in the Condominium are offered for sale, as the same may be amended from time to time. Sometimes herein referred to as the "Plan".

"Operation of the Property" - The administration and operation of the Property and the maintenance, repair and replacement of, and the

making of any additions and improvements to, the Common Elements.

"PCO" - Refers to a permanent certificate of occupancy issued by the Department of Buildings of the City of New York.

"Permitted Mortgagee" - Refers to the holder of a Permitted Mortgage and shall include, without limitation, such banks and financial institutions as constitute the holder(s) of the mortgages given by Sponsor to acquire and construct the Property, including the successors, assigns, and affiliates thereof.

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

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

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

(ii) the Sponsor and Commercial Unit Owner, as attorneys-in-fact, to amend the Declaration, the By-Laws, and the Rules and Regulations of the Condominium or any of said documents under certain conditions set forth in the Power of Attorney; and

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

"Property" - Means and includes the Land, the Building and all other improvements thereon, (i) owned in fee simple

absolute, (ii) all easements, rights and appurtenances belonging thereto, and (iii) all other property, personal or mixed, intended for use in connection therewith, which have been or are intended to be submitted to the provisions of the New York State Condominium Act.

"Purchaser"	-	Any Person who has entered into an agreement with Sponsor to purchase a Unit and is not in default thereunder.
"Recording officer and "Recording" or "Recorded"	-	Shall have the meanings stated in section two hundred ninety of the New York State Real Property Law.
"Residential Common Expenses"	-	As set forth in the By-Laws of the Condominium the Owners of the Residential Units shall be solely responsible for the payment of all expenses ("Residential Common Expenses") included in the following categories set forth in the "Schedule B, Projected Budget for First Year of Condominium Operation" in the Offering Plan: (i) Payroll and Related Expenses, (ii) Water Charges and Sewer Rent (for the Residential Units and the Common Elements, subsequent to the sub-metering of the Commercial Unit with respect to the same; prior to such sub-metering, the cost of water and sewer charges for the Building shall be a Shared Common Expense, and (iii) Elevator Maintenance, as well as expenses arising from garbage collection for the Residential Units if not collected by the City of New York; and any other expenses, whether in addition to or established in lieu of the foregoing expenses, which are not Shared Common Expenses, fairly attributable to the Residential Units only, or as provided in the By-Laws. The Residential Common Expenses shall be deemed a part of the Common Expenses of the Condominium to be paid by all Residential Unit Owners.
"Residential Component"	-	Collectively, the Residential Units, Residential Common Elements, and Residential Limited Common Elements.

“Residential Unit”	-	A designated apartment in the Building comprising the Condominium which is owned in fee simple absolute.
“Residential Units”	-	Collectively, all the apartments in the Building.
“Residential Unit Owner”	-	Means the person, persons or entity owning a Residential Unit in fee simple absolute.
“Rules and Regulations”	-	The rules and regulations of the Condominium, which are annexed as an addendum to the By-Laws, as any of the same may be amended, modified, added to, or deleted from time to time pursuant to the terms of the By-Laws, provided that they are not in conflict with the terms of the Condominium Act, the Declaration, or the By-Laws.
“Selling Agent”	-	The entity which will, on behalf of the Sponsor, originate and supervise sales of Units. Acacia 118, LLC is the Selling Agent pursuant to the terms of the Offering Plan.
“Shared Common Expenses”	-	As set forth in the By-Laws of the Condominium the Owners of all of the Units at the Condominium, collectively, shall be responsible for the payment of all shared expenses (“Shared Common Expenses”) included in the following categories set forth in the "Schedule B, Projected Budget for First Year of Condominium Operation" in the Offering Plan: (i) Payroll and Related Expenses, (ii) Electric (electricity consumption for the Building’s mechanical equipment and in the Common Elements), (iii) Water Charges and Sewer Rent (water and sewer charges for the Building, prior to the Commercial Unit being sub-metered with respect to the same; subsequent to such sub-metering, the Commercial Unit Owner shall be solely responsible for all such sub-metered charges, and all other water and sewer charges, relating to the Residential Units and Common Elements, shall be a Residential Common Expense), (iv) Repairs and Maintenance, (v) Service Contracts other than Elevator Maintenance, (vi) Insurance, (vii) Management Fee, (viii) Legal and Audit Fees, (ix) Other Expenses, (x) Contingency, and (xi) Major Capital Improvement

		Replacement Reserve Fund; vault charges, if any; and any other expenses, whether in addition to or established in lieu of the foregoing expenses, fairly attributable to all of the Units at the Condominium, collectively, or as provided in the By-Laws. The Shared Common Expenses shall be deemed a part of the Common Expenses of the Condominium to be paid by all Unit Owners.
"Sponsor"	-	The promoter of the project and/or Offering Plan to submit the Premises at 118 East 1st Street, New York, New York 10009 to the condominium form of ownership; Acacia 118, LLC is the Sponsor of this Offering Plan.
"Sponsor-designee"	-	Any Person designated by Sponsor to hold title to any Unit. Sponsor's statement in writing that a Person is a Sponsor-designee shall be conclusive evidence of such status so as to entitle such Person to all the rights of a Sponsor-designee under this Offering Plan. A Sponsor-designee shall have the right to designate a Person to succeed to its rights and any such designee shall also be deemed a "Sponsor-designee."
"Sponsor's Initial Control Period"	-	Refers to the initial period during which Sponsor, including any designee thereof, retains control of the Board of Managers of the Condominium prior to relinquishing the same. Upon the earlier of (i) the closing of title to Units whose aggregate Common Interest exceeds ninety percent (90%) of the Common Interest allocated to all the Units, or (ii) five (5) years from the First Unit Closing, Sponsor, including any designee thereof, will relinquish control of the Board of Managers if it has such control and will not elect or designate a majority of its nominees for positions on the Board of Managers, even though the total percentage of Common Interest may otherwise enable it to do so.
"TCO"	-	Refers to a temporary certificate of occupancy issued by the Department of Buildings of the City of New York.

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

SCHEDULE D
TO THE DECLARATION
OF CONDOMINIUM OF THE PREMISES
KNOWN AS

ACACIA 118 CONDOMINIUM
118 EAST 1ST STREET
NEW YORK, NEW YORK 10009

POWER OF ATTORNEY

TO BOARD OF MANAGERS,

SPONSOR

AND

COMMERCIAL UNIT OWNER

UNIT OWNER'S POWER OF ATTORNEY

Terms used in this Unit Owner's Power of Attorney which are used (a) in the declaration (the "Declaration") establishing a plan for condominium ownership of the premises known as Acacia 118 Condominium ("Condominium") and by the street number 118 East 1st Street, New York, New York 10009 under Article 9-B of the Real Property Law of the State of New York, dated _____, 201_, and recorded in the New York County Office of the Register of The City of New York, under CRFN _____, or (b) in the by-laws of the Condominium (the "By-Laws") attached to, and recorded together with, the Declaration, shall have the same meanings in this Power of Attorney as in the Declaration or the By-Laws.

The undersigned, _____, having an address at _____, the Owner of Unit No. _____ and also designated as Tax Lot No. _____ in Block 429, Section _____ of the Borough of Manhattan on the Tax Map of the Tax Map Unit of the City of New York and on the Floor Plans, do(es) hereby nominate, constitute and appoint the persons who may from time to time constitute the Board of Managers of Acacia 118 Condominium jointly, true and lawful Agent and Attorneys-In-Fact for the undersigned, coupled with an interest, with power of substitution, to acquire in their own name, as members of the Board of Managers, or in the name of their designee, corporate or otherwise, on behalf of all Owners of Units in said Property, in accordance with their common interests, subject to the provisions of the By-Laws then in effect, (1) (a) to acquire or lease any Unit, together with its appurtenant interests, from any Unit Owner desiring to sell, convey, transfer, assign, surrender or lease the same, (b) to acquire any Unit, together with its Appurtenant Interests, from any Unit Owner who elects to surrender the same pursuant to the By-Laws, and (c) to acquire any Unit, together with its Appurtenant Interests, which becomes the subject of a foreclosure or other similar sale, all on such terms and at such price or rental, as the case may be, as the Agent and Attorney-In-Fact shall deem proper, in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, and, after any such acquisition or leasing, to convey, sell, lease, sublease, mortgage or otherwise deal with (but not vote the interest appurtenant thereto) any such Unit so acquired by them, or to sublease any Unit so leased by them without the necessity of further authorization by the Unit Owners, on such terms as the Agent and Attorney-In-Fact may determine, granting to the Agent and Attorney-In-Fact the power to do all things in the same premises which the undersigned could do if the undersigned were personally present, (2) to commence, pursue, appeal, settle and/or terminate administrative and certiorari proceedings to obtain reduced real estate tax assessments with respect to Units, including retaining counsel and taking any other actions which the Condominium Board deems necessary or appropriate, and (3) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Property which 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 Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Property or (b) any consent, covenant,

restriction, easement or declaration, or any amendment thereto, affecting the Property or the Common Elements which the Condominium Board deems necessary or appropriate.

The acts of majority of such persons shall constitute the acts of said Attorneys-In-Fact.

The undersigned do(es) hereby nominate, constitute and appoint Acacia 118, LLC ("Sponsor"), Sponsor's designee and/or the Commercial Unit Owner as Attorneys-In-Fact for the undersigned, their successors, assigns and/or heirs, coupled with an interest, with power of substitution, to severally amend from time to time the Declaration, the By-Laws and the Rules and Regulations of the Condominium, or any of said documents, when such amendment (1) shall be required to effectuate the provisions of Articles 8, 16 and 17 of the Declaration and any other provision thereof or set forth in the Condominium's By-Laws and/or Rules and Regulations, or to reflect any change in Unsold Units, the Commercial Unit and/or the reapportionment of the Common Interests of the affected Unsold Units or the Commercial Unit resulting therefrom made by Sponsor or its designee or the Commercial Unit Owner in accordance with Articles 8 and 17 of the Declaration or any other provision thereof or set forth in the Condominium's By-Laws and/or Rules and Regulations, or (2) shall be required by (a) an institutional lender procured by Sponsor, its designee or the Commercial Unit Owner, to make a mortgage loan secured by a mortgage on any Unit, (b) any governmental agency having regulatory jurisdiction over the Condominium, or (c) any title insurance company selected by Sponsor, its designee or the Commercial Unit Owner, to insure title to any Unit, provided, however, that any amendment made pursuant to the terms of this paragraph shall not (i) change the Common Interest of the undersigned's Unit, (ii) require a material, physical modification to the undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an institutional lender covering the undersigned's Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) and the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment. With regard to Sponsor's Unsold Units, the terms, covenants and conditions contained in, and the powers granted pursuant to this paragraph shall remain in full force and effect until such time as the Sponsor or Sponsor-designee(s) shall cease to own any Units in the Condominium.

The undersigned do(es) further nominate, constitute and appoint Acacia 118, LLC or its designee as Attorney-In-Fact for the undersigned, their successors, assigns and/or heirs, coupled with an interest, with power of substitution, to execute any document on behalf of the undersigned and the Board of Managers, if same is necessary, to effectuate the transfer, assignment or conveyance by Sponsor, in whole or in part, of the transferable air rights and/or development rights which Sponsor has retained for itself, its successors and assigns in accordance with Paragraph numbered 20 of the Declaration. This power of attorney shall in no way be construed to grant any interest in such transferable air rights and/or development rights to the undersigned.

This power of attorney shall be irrevocable and shall expire by its terms upon sale or conveyance of the Unit.

IN WITNESS WHEREOF, the undersigned, has executed this Power of Attorney this _____ day of _____, 20__.

Principal – Unit Owner

_____

_____

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

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

_____
Notary Public

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

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

_____
Notary Public

SCHEDULE E

BY-LAWS

OF

THE CONDOMINIUM OF THE PREMISES

KNOWN AS

ACACIA 118 CONDOMINIUM

118 EAST 1ST STREET
NEW YORK, NEW YORK 10009

BOROUGH OF MANHATTAN

CITY, COUNTY, AND STATE OF NEW YORK

D'AGOSTINO, LEVINE, LANDESMAN, LEDERMAN & RIVERA, LLP
ATTORNEYS FOR SPONSOR
345 SEVENTH AVENUE, 23RD FLOOR
NEW YORK, NEW YORK 10001
ATTN: JOSE M. RIVERA, ESQ.

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BY-LAWS
OF
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ARTICLE I

PLAN OF UNIT OWNERSHIP

Section 1. **Unit Ownership**. The property, located in the borough of Manhattan, City, County, and State of New York at 118 East 1st Street, New York, New York 10009 (hereinafter called the "Property") has been submitted pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York by the Declaration recorded in the New York County Office of the Register of the City of New York, simultaneously herewith. The Condominium thereby created shall hereinafter be known as Acacia 118 Condominium and are sometimes referred to as the "Condominium" or "Condominiums."

Section 2. **Applicability of By-Laws**. The provisions of these By-Laws are applicable to the Property of the Condominium and to the use and occupancy thereof. The term "Property" as used herein shall include the land, the Building and all other improvements thereon (including the Units and all Common Elements), owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all of which are intended to be submitted to the provisions of said Article 9-B of the Real Property Law of the State of New York. The Condominium Units are hereinafter sometimes referred to as "Unit" or "Units."

Section 3. **Application**. All present and future owners, mortgagees, lessees and occupants of Units and their employees, and any other persons who may use the facilities of the Property in any manner are subject to these By-Laws, the Declaration and the Rules and Regulations attached hereto as Addendum to the By-Laws.

The acceptance of a deed or conveyance or the entering into of a lease for a Unit or the act of occupancy of a Unit shall constitute an agreement that these By-Laws, the Rules and Regulations and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

Section 4. **Definitions**. All capitalized terms used in these By-Laws that are not otherwise defined in any of the Articles hereof shall have the meanings set forth in **Schedule C** to the Declaration, unless the context in which the same are used shall otherwise require. All capitalized terms used in these By-Laws that are defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used shall otherwise require. Each of the aforedescribed capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

Section 5. **Office**. The office of the Condominium and of the Board of Managers shall be located at the Property.

ARTICLE II

BOARD OF MANAGERS

Section 1. **Status of the Board of Managers**. Unless and until the Board of Managers shall incorporate in accordance with the terms of Section 3 hereof, the Board of Managers shall have, to the extent permitted by Law, the status conferred upon unincorporated associations under, or pursuant to, the terms of the General Association Law of the State of New York. If the Board of Managers shall incorporate in accordance with the terms of Section 3 hereof, the Board of Managers shall have, to the extent permitted by Law, the status conferred upon it under, or pursuant to, the terms of the applicable statutes of the State of New York. In either event, however, the Board of Managers shall also have the status conferred upon it under, or pursuant to, the terms of the Condominium Act.

Section 2. **Number and Term**. The number of Managers which shall constitute the whole Board, other than the initial Board selected by Sponsor, shall be not fewer than three (3) and not more than seven (7). Until succeeded by the Managers elected at the first meeting of Unit Owners called for such purpose, Managers need not be Unit Owners; thereafter, all Managers, other than a representative of Sponsor or its designee, shall be Unit Owners, the principal or officer of a Unit Owner or the spouse of a Unit Owner. The number of Managers elected at the first such meeting shall be five (5): four (4) elected by the Residential Unit Owners (including Sponsor or its designee as to its Unsold Units) and one (1) designated by the Commercial Unit Owner (including Sponsor or its designee as to its Unsold Units). Thereafter, within the limits above specified, the number of Managers shall be determined by the Unit Owners at their annual meetings. The Managers shall be elected at the annual meeting of the members. There shall always be an odd number of Managers and the Commercial Unit Owner (including Sponsor or its designee as to Unsold Units) shall always maintain the right to designate one (1) Manager. The Managers shall hold office until their successors have been elected and hold their first meeting. But, in any event, the terms of the members of the Board of Managers shall expire annually.

Section 3. **Powers and Duties**. The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things except as by law or by the Declaration or by these By-Laws may not be delegated to the

Board of Managers by the Unit Owners. Such powers and duties of the Board of Managers shall include, but shall not be limited to, the following:

a. Contracting for the necessary services for operation, care, upkeep and maintenance of the Common Elements.

b. Determination of the Common Expenses and Common Charges required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Property.

c. Collection of the Common Charges and expenses of the Condominium from the Unit Owners.

d. Employment and dismissal of the personnel necessary for the maintenance and operation of the Common Elements.

e. Adoption and amendment of Rules and Regulations covering the details of the operation and use of the Property subject to a right of the Unit Owners to overrule the Board (See Article VI, Section 16).

f. Opening of bank accounts on behalf of the Condominium and designating the signatories required therefor.

g. Purchasing or leasing or otherwise acquiring in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners, Units offered for sale or lease or surrendered by their Owners to the Board of Managers.

h. Purchasing of Units at foreclosure or other judicial sales in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners.

i. Acquiring in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners, rights and interests in real and personal property for use in connection with the ownership and operation of the Property as a condominium, as described in the Declaration and these By-Laws.

j. Selling, leasing, mortgaging (but not voting the votes appurtenant to), or otherwise dealing with Units acquired by, and subleasing Units leased by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners.

k. Organizing corporations to act as designees of the Board of Managers in acquiring title to or leasing of Units on behalf of all Unit Owners.

l. To incorporate, to the extent and in the manner provided in the Condominium Act, provided, however, that: (i) the certificate of incorporation and by-laws of any such resulting corporation shall conform as closely as practicable to the terms of the

Declaration and these By-Laws and (ii) the terms of the Declaration and these By-Laws shall prevail in the event of any inconsistency or conflict between the terms thereof and the terms of such certificate of incorporation and bylaws;

m. Obtaining and reviewing of insurance for the Property, including the Units, pursuant to the provisions of Article VI, Section 2 hereof.

n. Making of repairs, additions and improvements to or alterations of the Property and repairs to and restoration of the Property in accordance with the other provisions of these By-Laws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

o. Negotiation and settlement of all claims and actions relating to the Condominium.

p. Borrowing money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the Common Elements, provided, however, that (i) the consent of a majority of all Unit Owners shall be required for the borrowing of any sum in excess of $10,000.00 and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the written consent of the Unit Owner. If any sum borrowed by the Board of Managers on behalf of the Condominium pursuant to the authority contained in this paragraph (p) is not repaid by the Board, a Unit Owner who pays to the creditor such proportion thereof as his interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor shall have filed or shall have the right to file against the Unit Owner's Unit.

q. Levying fines against Unit Owners for violations of the Rules and Regulations governing the operation and use of the Property and levying late payment charges against Unit Owners for late payment of their Common Charges, including Assessments and Special Assessments.

r. Notwithstanding anything to the contrary contained in these By-Laws, so long as the Sponsor or any Sponsor-designee shall continue to own twenty-five percent (25%) of the Common Interests allocated to the Units, but in no event for a period in excess of five (5) years from the closing of title to the first Unit ("First Unit Closing"), the Board of Managers may not, without the Sponsor's or Sponsor-designee's prior written consent, (i) make any addition, alteration or improvement to the Common Elements or to any Unit or (ii) assess any Common Charge for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund except that Sponsor will consent to replacements to any contingency fund and/or capital replacement reserve provided for in Schedule B of the Offering Plan for the Property to the extent that the aggregate amount of such fund does not exceed three percent (3%) of the budgeted expenses of the Condominium, and

Sponsor will consent to replacements to the Major Capital Improvement Replacement Reserve Fund provided for in Schedule B of the Offering Plan and as required by Federal Housing Administration ("FHA") and Fannie Mae guidelines to the extent that the aggregate amount of such funds does not exceed ten percent (10%) of the budgeted expenses of the Condominium, but subject to Sponsor's right to obtain a reserve study that may justify the reduction of the requisite percentage or (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent that existing reserves are insufficient) or (iv) increase the number or change the type of employees from that described in Schedule B of the Offering Plan to be filed for the Property or (v) provide for new or additional services from those indicated in Schedule B of the Offering Plan to be filed for the Property, unless the annual cost of all other services being provided, is no greater than the total cost of those provided for in Schedule B. As long as the Sponsor or any Sponsor-designee shall continue to own a Unit the Board of Managers may not, without the Sponsor's or Sponsor designee's prior written consent (i) amend the Declaration or these By-Laws so as to in any way adversely affect the Sponsor or its designees or (ii) interfere with the offer and sale or leasing of Units; (iii) interfere with the operation of general or sales and leasing offices at the Property or the actions necessary for construction, renovation, repair or correction at the Property, as required by Sponsor. The Sponsor or Sponsor-designee shall have the right to withhold its consent to any of the foregoing actions. However, notwithstanding the provisions of this Section 3r, the Sponsor or Sponsor-designee shall not withhold its consent to the making of capital repairs to the Common Elements or assessment of any Common Charge for expenses required to comply with applicable law or regulations, including but not limited to any matter affecting the health and safety of occupants of the Building, or to remedy any notice of violation or to remedy any work order by an insurer.

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

Section 4. **Managing Agent and Manager**. The Board of Managers may employ for the Condominium a managing agent and/or a manager at a compensation established by the Board of Managers to perform such duties and services as the Board of Managers shall authorize. The Board of Managers may delegate to the manager or Managing Agent, all of the powers granted to the Board of Managers by these By-Laws other than the powers set forth in subdivisions (b), (e), (f), (g), (h), (i), (j), (k), (l), (o), (p) and (q) of Section 3 of this Article II. Except with respect to Sponsor or Sponsor's designee, the Managing Agent or manager may not be a member of the Board of Managers.

Section 5. **First Board of Managers**. The first Board of Managers shall consist of persons designated by the Sponsor, who shall hold office and exercise all powers of the Board of Managers until the first meeting of Unit Owners called for the purpose of electing Managers. Any or all of said Managers shall be subject to replacement in the event of resignation or death in the manner set forth in Section 7 of this Article.

Section 6. **Removal of Members of the Board of Managers**. At any regular or special meeting of Unit Owners, any one (1) or more of the members of the Board of Managers, other than a member designated by the Sponsor or a Sponsor-designee or the Commercial Unit Owner, may be removed with or without cause by an affirmative vote of Unit Owners whose aggregate Common Interest exceed fifty percent (50%) of the Common Interest of the Condominium, and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any member of the Board of Managers whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting. A member of the Board of Managers designated by the Sponsor or a Sponsor-designee or a Commercial Unit Owner may only be removed for cause by the affirmative vote of Unit Owners (including Sponsor and/or the Commercial Unit Owner) owning in the aggregate, a percentage in Common Interest in excess of fifty percent (50%) of the Common Interest of the Condominium. In the event of such removal, the Sponsor, Sponsor-designee or the Commercial Unit Owner, as the case may be, shall have the exclusive right to designate a replacement for such removed member of the Board of Managers. If a member of the Board of Managers ceases to be a Unit Owner, the principal or officer of a Unit Owner or the spouse of a Unit Owner, unless such member is a designee of the Sponsor or a Sponsor-designee, such Board Member shall be deemed to have resigned effective as of the date such ownership interest ceased.

Section 7. **Vacancies**. Vacancies in the Board of Managers caused by any reason other than the removal of a member thereof by a vote of the Unit Owners shall be filled by vote of a Majority of the remaining members at a special meeting of the Board of Managers held for that purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Managers until a successor shall be elected at the next annual meeting of the Unit Owners to serve the remaining term. Notwithstanding the foregoing, vacancies of members designated by the Sponsor or Sponsor-designee or the Commercial Unit Owner, shall be filled only by the Sponsor or Sponsor-designee or the Commercial Unit Owner, as the case may be.

Section 8. **Organization Meeting**. The first meeting of the members of the Board of Managers following the annual meeting of the Unit Owners shall be held within ten (10) days thereafter, at such time and place as shall be fixed by a Majority of the members of the Board of Managers elected at the meeting at which they shall have been elected, and no notice shall be necessary to the newly elected members of the Board of Managers in order legally to constitute such meeting, providing a majority of the whole Board of Managers shall be present thereat.

Section 9. **Regular Meetings**. Regular meetings of the Board of Managers may be held at such time and place as shall be determined from time to time by a Majority of the members of the

Board of Managers, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Managers shall be given to each member of the Board of Managers, by mail or telegraph, at least five (5) business days prior to the day named for such meeting.

Section 10. **Special Meetings**. Special meetings of the Board of Managers may be called by the President on three (3) business days' notice to each member of the Board of Managers, given by mail, telegraph or personal delivery to the Unit owned by such member of the Board of Managers, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Managers shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) members of the Board of Managers.

Section 11. **Waiver of Notice**. Any member of the Board of Managers may at any time waive notice of any meeting of the Board of Managers in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Managers at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board of Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 12. **Quorum of Board of Managers**. At all meetings of the Board of Managers, a Majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board of Managers present at a meeting at which a quorum is present shall constitute the decision of the Board of Managers. If at any meeting of the Board of Managers there shall be less than a quorum present, a Majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called, may be transacted without further notice. Any action required or permitted to be taken by the Board of Managers or any committee thereof may be taken without a meeting if all members of the Board or the committee consent in writing to the adoption of a resolution authorizing such action, and the writing or writings are filed with the minutes of the proceedings of the Board or the committee.

Section 13. **Fidelity Bonds**. The Board of Managers shall, in its discretion, obtain fidelity bonds or a commercial crime insurance policy in the amount of $100,000.00 or more for all officers and employees of the Condominium handling or responsible for Condominium funds and for the managing agent, if any. The premiums on such bonds or commercial crime insurance policy shall constitute a Common Expense.

Section 14. **Compensation**. No member of the Board of Managers shall receive any compensation from the Condominium for acting as such.

Section 15. **Liability of the Board of Managers**. The members of the Board of Managers shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the members of the Board of Managers against all contractual liability to others arising out of contracts made by the Board of Managers on behalf of the Condominium

unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these By-Laws. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium within the scope of their authority. It is understood and permissible for the original Board of Managers who are members of the Sponsor to contract with the Sponsor and affiliated corporations without fear of being charged with self-dealing. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers or out of the aforesaid indemnity in favor of the members of the Board of Managers shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interests of all the Unit Owners in the Common Elements. Every agreement made by the Board of Managers or by the managing agent or by the manager on behalf of the Condominium shall provide that the members of the Board of Managers, or the managing agent, or the manager, as the case may be, are acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

Section 16. **Executive Committee**. The Board of Managers may, by resolution duly adopted, appoint an Executive Committee to consist of three (3) or more members of the Board of Managers, at least one (1) of whom shall be a member designated by the Sponsor or Sponsor-designee so long as the Sponsor or Sponsor-designee has the right to designate a member of the Board. Such Executive Committee shall have and may exercise all the powers of the Board of Managers in the managing of the business and affairs of the Condominium during the intervals between the meetings of the Board of Managers insofar as may be permitted by law, except that the Executive Committee shall not have power (a) to determine the Common Charges and expenses required for the affairs of the Condominium, (b) to determine the Common Charges payable by the Unit Owners to meet the Common Charges and expenses of the Condominium, (c) to adopt or amend the Rules and Regulations covering the details of the operation and use of the Property or (d) to exercise any of the powers set forth in subdivisions (g), (h), (i) and (p) of Section 3 of Article II.

Section 17. **Other Committees**. The Board of Managers may by resolution create such other committees as it shall deem appropriate and such committees shall have such powers and authority as the Board of Managers shall vest therein. The members of any such committee, at least one (1) of whom shall be designated by the Sponsor or a Sponsor-designee, so long as the Sponsor or Sponsor-designee has the right to designate a member of the Board, shall be appointed by the President of the Condominium. The members of any such committee need not be a member of the Board of Managers, but must be eligible to be elected to the Board of Managers. Such committee shall not have power to do any act which the Executive Committee may not do under subsections (a)-(d) of Section 16 of Article II.

ARTICLE III

UNIT OWNERS

Section 1. **Annual Meetings**.

(a) Within thirty (30) days after the earlier of (i) the closing of title to Units whose aggregate Common Interest exceeds ninety (90%) percent of the Common Interest allocated to all the Units or (ii) two (2) years from the First Unit Closing, or such earlier time as Sponsor deems to be in the best interest of the parties the Sponsor shall call a special Unit Owners meeting for the purpose of electing a Board of Managers. At such meeting the First Board of Managers shall resign and a new Board shall be elected by the Unit Owners. Thereafter, annual meetings shall be held on or about the anniversary of such date each succeeding year. At such meetings, there shall be elected by ballot of the Unit Owners a Board of Managers in accordance with the requirements of Article II of these By-Laws. The Unit Owners may also transact such other business of the Condominium as may properly come before them.

(b) Sponsor's Right to Elect and/or Designate Members of the Board of Managers. So long as the Sponsor or a Sponsor-designee shall continue to own: (i) Units representing ten percent (10%) or more in Common Interest allocated to all the Units, the Sponsor or Sponsor-designee shall have the right to elect or designate at least three (3) of the five (5) members of the Board of Managers and in any event a majority of the Board of Managers for up to five (5) years subsequent to the First Unit Closing; or (ii) at least one (1) Unit but less than ten percent (10%) in Common Interest allocated to all the Units, or Units representing ten percent (10%) or more in Common Interest five (5) years or more subsequent to the First Unit Closing, the Sponsor or Sponsor-designee shall have the right to elect or designate at least two (2) of the five (5) members of the Board of Managers and in any event the right to elect or designate a number of members of the Board which equals one (1) fewer than a majority of the Board. Members of the Board of Managers shall serve for a term of one (1) year. The Unit Owners may transact such other business at such meetings as may properly come before them. Upon the earlier of (i) the closing of title to Units whose aggregate Common Interest exceeds ninety percent (90%) of the Common Interest allocated to all the Units, or (ii) five (5) years from the First Unit Closing, Sponsor, including any designee thereof, will relinquish control of the Board of Managers if it has such control (thus ending "Sponsor's Initial Control Period") and will not elect or designate a majority of its nominees for positions on the Board of Managers, even though the total percentage of Common Interest may otherwise enable it to do so.

(c) Subsequent to the expiration of Sponsor's Initial Control Period, all Board members, other than those members which the Sponsor or its designee have the right to elect or designate hereunder, must be owner-occupants of the Condominium who are not related to Sponsor or the principals of Sponsor. Notwithstanding anything herein to the contrary, such owner-occupancy requirement shall not apply to those Board Members designated by the Commercial Unit Owner. In the event that the number of owner-occupants of the Condominium is insufficient to establish a majority of the Board members, then, in such event, any owner-occupant shall be entitled to one (1) seat on the Board of Managers.

Section 2. **Place of Meetings**. Meetings of the Unit Owners shall be held at the principal office of the Condominium or at such other suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

Section 3. **Special Meetings**. It shall be the duty of the President to call a special meeting of the Unit Owners as directed by the Board of Managers or upon a petition signed by a majority of the Unit Owners as defined in Section 9 of this Article III having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. **Notice of Meetings**. It shall be the duty of the Secretary to mail a notice of each annual or special meeting of the Unit Owners, at least ten (10) but not more than thirty (30) days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record, at the building or at such other address as such Unit Owner shall have designated by notice in writing to the Secretary. If the purpose of any meeting shall be to act upon a proposed amendment to the Declaration or to these By-Laws, the notice of meeting shall be mailed at least ten (10) days prior to such meeting. The mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice.

Section 5. **Adjournment of Meetings**. If any meeting of Unit Owners cannot be held because a quorum has not attended, a majority of the Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 6. **Order of Business**. The order of business at all meetings of the Unit Owners shall be as follows:

a. Roll call;

b. Proof of notice of meeting;

c. Reading of minutes of preceding meeting;

d. Reports of officers;

e. Report of Board of Managers;

f. Reports of committees;

g. Election of inspectors of election (when so required);

h. Election of members of the Board of Managers (when so required);

i. Unfinished business;

j. New business.

Section 7. **Title to Units**. Title to Units may be taken in the name of an individual or in the names of two (2) or more persons, as tenants in common or as joint tenants or as tenants by the entirety or in the name of a corporation or limited liability company or partnership, or in the name of a fiduciary or trust, estate, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity permitted to own real property in the State of New York. The term "Unit Owner" as used in these By-Laws shall include any person, group of persons, association or entity taking title as set forth in this Section. The above shall not constitute consent or condonation of any activity not permitted under existing certificates of occupancy, zoning requirements or other applicable law or regulation.

Section 8. **Voting**. The Owner or Owners of each Unit, or some person designated by such Owner or Owners to act as proxy on his or their behalf and who need not be an Owner, shall be entitled to cast the votes appurtenant to such Unit at all meetings of Unit Owners. The designation of any such proxy shall be made in writing to the Secretary, and shall be revocable at any time by written notice to the Secretary by the Owner or Owners so designating. Any or all of such Owners may be present at any meeting of the Unit Owners. The Owners of each Unit (including the Sponsor or Sponsor-designee, if the Sponsor or its designee shall then own one (1) or more Units) shall be entitled to cast one (1) vote for each .0001% of interest in the Common Elements attributable to the Unit or Units owned by them on all matters put to a vote at all meetings of Unit Owners; except that, when voting for the election of members of the Board of Managers, each Unit Owner: (i) shall be entitled to one (1) vote for each .0001% of Common Interest attributable to his Unit per member to be elected, and (ii) shall not have the right to cumulate his votes in favor of any one or more members to be elected. If Units are owned by more than one (1) person as joint tenants, tenants by the entirety or as tenants in common or by a partnership, corporation, limited liability company, or other entity, the persons owning said Unit shall agree among themselves and cast the votes for their Unit. A fiduciary shall be the voting member with respect to any Unit in a fiduciary capacity. Any Unit or Units owned by the Board of Managers or its designee shall not be entitled to vote.

Section 9. **Majority of Unit Owners**. As used in these By-Laws the term "Majority of Unit Owners" shall mean those Unit Owners having greater than fifty percent (50%) of the total authorized votes of all Unit Owners present in person or by proxy and voting at any meeting of the Unit Owners, determined in accordance with the provisions of Section 8 of this Article III.

Section 10. **Quorum**. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a majority of Unit Owners shall constitute a quorum at all meetings of the Unit Owners.

Section 11. **Majority Vote**. The vote of a Majority of Unit Owners at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes except where, in the Declaration or these By-Laws or by law, a higher percentage vote is required.

Section 12. **Action Without Meeting**. Any action required or permitted to be taken by the Unit Owners may be taken without a meeting if the number of Unit Owners required by the

Declaration, these By-Laws or applicable law consent in writing to the adoption of a resolution authorizing such action and the writing or writings are filed with the records of the Condominium.

ARTICLE IV

OFFICERS

Section 1. **Designation**. The principal officers of the Condominium shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Managers. The Board of Managers may appoint an assistant treasurer, an assistant secretary, and such other officers as in its judgment may be necessary. The President and Vice President, but no other officers, need be members of the Board of Managers.

Section 2. **Election of Officers**. The officers of the Condominium shall be elected annually by the Board of Managers at the organization meeting of each new Board of Managers and shall hold office at the pleasure of the Board of Managers and until their successors are elected.

Section 3. **Removal of Officers**. Upon the affirmative vote of a majority of the members of the Board of Managers, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Managers, or at any special meeting of the Board of Managers called for such purpose.

Section 4. **President**. The President shall be the chief executive officer of the Condominium. He shall preside at all meetings of the Unit Owners and of the Board of Managers. He shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York, including but not limited to the power to appoint members of committees created by the Board of Managers from among the Unit Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium.

Section 5. **Vice President**. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Managers is to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Managers or by the President.

Section 6. **Secretary**. The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Board of Managers; he shall have charge of such books and papers as the Board of Managers may direct; and he shall in general perform all the duties incident to the office of secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 7. **Treasurer**. The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for keeping full and accurate financial records and books

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

Section 8. **Agreements, Contracts, Deeds, Checks, etc**. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any two (2) officers of the Condominium or by such other person or persons as may be designated by the Board of Managers.

Section 9. **Compensation of Officers**. No officer shall receive any compensation from the Condominium for acting as such.

Section 10. **Liability of Officers**. The officers of the Condominium shall have the same rights and liabilities as the members of the Board of Managers under Article II Section 15 of these By-Laws.

ARTICLE V

NOTICES

Section 1. **Definition**. Whenever, under the provisions of the Declaration or of these By-Laws, notice is required to be given to the Board of Managers, any manager, Unit Owner or mortgagee, it shall not be construed to mean personal notice; but such notice may be given in writing, by mail, by depositing the same in a post office or letter box, in a postpaid sealed wrapper, addressed to the Board of Managers, such manager or Unit Owner or mortgagee at such address as appears on the books of the Condominium. Members of the Board of Managers may be given notice in writing personally delivered to them.

Section 2. **Service of Notice Waiver**. Whenever any notice is required to be given under the provisions of the Declaration or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE VI

OPERATION OF THE PROPERTY

Section 1. **Determination of Common Expenses and Fixing of Common Charges**. The Board of Managers shall from time to time, at least annually, prepare a budget for the Condominium, determine the amount of the Common Charges payable by the Unit Owners to meet

the Common Expenses of the Condominium and allocate and assess such Common Charges among the Unit Owners according to their respective percentage of Common Interest or Contributing Share as the case may be. The Common Expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Managers pursuant to the provisions of Section 2 of this Article VI and the fees and disbursements of the Insurance Trustee, if any. Subject to the individual rights and obligations of the Commercial Unit Owner with regard to Shared Common Expenses and Residential/Commercial Common Expenses as defined hereinafter, the Common Expenses shall also include such amounts as the Board of Managers may deem proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Condominium for a general operating reserve, and for a reserve fund for replacements, to make up any deficit in the Common Expenses for any prior year. However, notwithstanding anything in the Condominium Declaration or By-Laws to the contrary, the Commercial Unit Owner will not be obligated to contribute towards any reserve fund for the repair, maintenance and/or replacement of the Residential Common Elements or Residential Limited Common Elements. The Common Expenses may also include such amounts as may be required for the purchase or lease by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, of any Unit whose owner has elected to sell or lease such Unit or of any Unit which is to be sold at a foreclosure or other judicial sale, together with such amounts as may be necessary to maintain such Unit(s).

The Board of Managers shall also, where necessary, impose an Assessment or additional Common Charge in order to meet any unanticipated Common Expense. All such Assessments or additional Common Charges shall be levied against all Unit Owners in proportion to their respective Common Interest or Contributing Share as the case may be. Assessments may be payable either in one lump sum or in installments, as the Board of Managers shall determine, provided, however, that the Board of Managers shall give each Unit Owner not less than fifteen (15) days written notice prior to the date upon which such Assessment, or the first installment thereof, shall be due and payable, which notice shall set forth, in reasonable detail, the nature and purposes thereof. The Board of Managers shall have all rights and remedies for the collection of Assessments as are provided herein for the collection of Common Charges, such Assessments constituting a Common Charge. However, notwithstanding anything in the Condominium Declaration or By-Laws to the contrary, the Commercial Unit Owner will not be obligated to contribute towards any Assessments for the repair, maintenance and/or replacement of the Residential Common Elements or Residential Limited Common Elements. The Board of Managers shall advise all Unit Owners, promptly, in writing, of the amount of Common Charges payable by each of them, respectively, as determined by the Board of Managers, as aforesaid, and shall furnish copies of each budget on which such charges are based, to all Unit Owners and to their mortgagees, if so required.

The Common Expenses of the Condominium have been classified as Shared Common Expenses, Commercial Common Expenses, or Residential Common Expenses, as all such terms are defined hereinbelow.

The Owners of all of the Units at the Condominium, collectively, shall be responsible for the payment of all shared expenses ("Shared Common Expenses") included in the following categories set forth in the "Schedule B, Projected Budget for First Year of Condominium Operation" in the Offering Plan: (i) electric (electricity consumption for the Building's mechanical equipment and in the Common Elements), (ii) Water Charges and Sewer Rent (water and sewer charges for the Building, prior to the Commercial Unit being sub-metered with respect to the same; subsequent to such sub-metering, the Commercial Unit Owner shall be solely responsible for all such sub-metered charges, and all other water and sewer charges, relating to the Residential Units and Common Elements, shall be a Residential Common Expense), (iii) in the Repairs and Maintenance category, (v) Service Contracts other than Elevator Maintenance (iv) Insurance, (vi) Management Fee, (vii) Legal and Audit Fees, (viii) Other Expenses, (ix) Contingency, and (x) Major Capital Improvement Replacement Reserve Fund; vault charges, if any; and any other expenses, whether in addition to or established in lieu of the foregoing expenses, fairly attributable to all of the Units at the Condominium, collectively, or as provided in the By-Laws. The Shared Common Expenses shall be deemed a part of the Common Expenses of the Condominium to be paid by all Unit Owners.

In the event of the sub-division of the Commercial Unit into two (2) or more Commercial Units, such Commercial Units shall be solely responsible for the payment of all expenses ("Commercial Common Expenses") arising from snow removal from the front of the Commercial Units, commercial garbage collection; the cost of utilities, including, but not limited to, electricity, water consumption in the Commercial Units but only to the extent that the Commercial Units are not separately metered and/or sub-metered with respect to those utilities; repairs, maintenance and replacement of the Commercial Common Elements; and any other expenses, whether in addition to or established in lieu of the foregoing expenses, which are not Shared Common Expenses, fairly attributable to the Commercial Units only, or as provided in the By-Laws. The Commercial Common Expenses shall be deemed a part of the Common Expenses of the Condominium to be paid by each Commercial Unit Owner. With respect to any expenses deemed to be Commercial Common Expenses in the Condominium Documents or Offering Plan, in the event there is just one (1) Commercial Unit, the Commercial Unit Owner shall be responsible for paying the full cost thereof.

The Owners of the Residential Units shall be solely responsible for the payment of all expenses ("Residential Common Expenses") included in the following categories set forth in the "Schedule B, Projected Budget for First Year of Condominium Operation" in the Offering Plan: (i) Payroll and Related Expenses, and (ii) Elevator Maintenance; as well as expenses arising from garbage collection for the Residential Units if not collected by the City of New York; and any other expenses, whether in addition to or established in lieu of the foregoing expenses, which are not Shared Common Expenses, fairly attributable to the Residential Units only, or as provided in the By-Laws. The Residential Common Expenses shall be deemed a part of the Common Expenses of the Condominium to be paid by all Residential Unit Owners.

Each Residential Unit Owner's proportionate share of the Common Charges shall be determined by first summing (i) the amount of the Shared Common Expenses allocated to the

Residential Units in the aggregate (in a proportion equal to the aggregate Percentage Common Interest of all Residential Units) and (ii) the amount of the Residential Common Expenses allocated to the Residential Units in the aggregate (i.e., 100% of the Residential Common Expenses), and then multiplying the foregoing sum by such Unit Owner's Percentage Contributing Share. Each Residential Unit's Percentage Contributing Share is calculated as the proportion such Residential Unit's Percentage Common Interest bears to the aggregate Percentage Common Interest of all of the Residential Units.

The Commercial Unit Owner's (and, in the event the Commercial Unit is subdivided into two (2) or more Commercial Units, each Commercial Unit Owner's) proportionate share of the Common Charges shall be determined by first summing (i) the amount of the Shared Common Expenses allocated to the Commercial Unit(s) in the aggregate (in a proportion equal to the aggregate Percentage Common Interest of all Commercial Units) and (ii) the amount of the Commercial Common Expenses allocated to the Commercial Unit(s) in the aggregate (i.e., 100% of the Commercial Common Expenses), and then multiplying the foregoing sum by such Unit Owner's Percentage Contributing Share. For so long as there is just one (1) Commercial Unit, the Commercial Unit's Percentage Contributing Share shall be one hundred percent (100%), but in the event the Commercial Unit is subdivided into two (2) or more Commercial Units, each Commercial Unit's Percentage Contributing Share shall be calculated as the proportion such Commercial Unit's Percentage Common Interest bears to the aggregate Percentage Common Interest of all of the Commercial Units.

Pursuant to RPL §339-m, common expenses and profits (except as to insurance) must be charged and distributed in accordance with the allocation of common interests, unless otherwise permitted as provided in that statute. RPL §339-m further provides that such common expenses and profits, if authorized by a condominium declaration and by-laws, may be specially allocated: (a) by the board of managers to non-residential units, and/or (b) based upon special or exclusive use or availability or exclusive control of particular units or common areas by particular unit owners. These By-Laws hereby authorize the special allocation of Common Expenses and assessment of Common Charges in accordance with either or both of the foregoing methods.

The payment of Common Expenses by the Commercial Unit Owner shall initially be based on the projections set forth in the foregoing budget, some of which may not be based on the individual Common Interest of the Commercial Unit. The payment of other Common Expenses by the Commercial Unit Owner may be specially allocated based upon projected usage by and applicability to the Commercial Unit and may not be simply based on the Common Interest of the Commercial Unit. Please see each specific budget item for the calculation of the allocation of the Common Expenses, including the Shared Common Expenses and, if applicable, Commercial Common Expenses, to the Commercial Unit Owner.

If in the future, there are any categories of expenses other than those provided for above for services or facilities used by the Commercial Unit, then the Commercial Unit Owner will pay its fair share of such expense. Except for those Shared Common Expenses set forth in the initial Budget for the First Year of Condominium operation which shall be paid for by the Commercial

Unit Owner based upon the Unit's percentage Common Interest, or Contributing Share, or any allocation specifically noted herein, as the case may be, if the Commercial Unit Owner uses or incurs a disproportionate portion of any subsequent Shared Common Expense relative to its Common Interest (whether too low or too high), then the Commercial Unit Owner shall be required to pay only its fair share of such subsequent expense.

In the event the Commercial Unit Owner and the Condominium cannot agree upon such "fair share" of a new expense or a Shared Common Expense, then same shall be determined by a licensed real estate broker selected by the Condominium and the Commercial Unit Owner. In the event the Condominium and Commercial Unit Owner cannot agree upon a real estate broker, or if the Condominium and the Commercial Unit Owner cannot agree on any decision or determination to be made in connection with the Shared Common Expense or a new expense to be paid by the Commercial Unit Owner, then, in such event, the Commercial Unit Owner and the Condominium, at the sole option of the Commercial Unit Owner only, shall be obligated to arbitrate, on an expedited basis, the dispute pursuant to the provisions of Article XV of the By-Laws of the Condominium. The decision of the arbitrator shall be final and binding. In the event that the Commercial Unit Owner elect not to arbitrate, the Commercial Unit Owner and the Board of Managers of the Condominium on behalf of all of the Residential Units Owners may exercise all remedies available to them in equity and at law.

The Condominium Board shall advise all Unit Owners in writing promptly after same are determined of the amount of Common Charges payable by each of them and, not later than ten (10) days next preceding the date upon which the first installment of newly determined Common Charges is due, shall furnish copies of the budget (in a reasonably itemized form) upon which such Common Charges are based to all Unit Owners and to their respective Permitted Mortgagees.

The Condominium Board may, at its sole discretion, from time to time increase or decrease the amount of Common Charges allocated to the Units and payable by the Unit Owners and may modify its prior determination of the Common Charges payable for such fiscal year or portion thereof; however, no such revised determination of Common Expenses shall have a retroactive effect on the amount of Common Charges payable by Unit Owners for any period prior to the date of such new determination.

Notwithstanding anything herein to the contrary, but subject to the dispute resolution procedures set forth in Article XV hereof and the payment, collection and enforcement provisions of these By-Laws in general: (i) the Commercial Unit Owner and the Residential Unit Owners, jointly, shall be solely responsible for the payment of the Shared Common Expenses as provided hereinabove; (ii) the Commercial Unit Owner, in the event there is just one (1) Commercial Unit, or, in the event the Commercial Unit is subdivided into two (2) or more Commercial Units, the Commercial Unit Owners, jointly, shall be solely responsible for the payment of the Commercial Common Expenses as provided hereinabove; and (iii) the Residential Unit Owners, jointly, shall be solely responsible for the payment of the Residential Common Expenses as provided hereinabove.

The Sponsor or Sponsor-designee shall be responsible for the Common Charges assessed against a Unit owned by it from the date of the First Unit Closing until such Unit is sold to a bona fide purchaser. Until title to all Units has been conveyed, the Sponsor as owner of any Unsold Units, may decide that Sponsor will, at Sponsor's sole option and discretion, pay in lieu of payment of each Unit's Common Charges, provided that such "in lieu" payments are less than the Common Charges then due, an amount which equals each Unit's proportionate share (based upon each Unit's Percentage Common Interest) of the total cost necessary to operate the Condominium with the services to be provided under the Offering Plan. In the event Sponsor elects to delay the collection of Common Charges and instead make "in lieu" payments, Sponsor shall indicate on the closing statement for each Purchaser that closes during the delay period that Common Charges have been waived (except with respect to the two months of Common Charges collected for contribution to the Working Capital Fund). Thereafter, Sponsor shall also disclose such fact in the post-closing amendment to the Offering Plan as a benefit to subsequent Purchasers. Such amendment shall also disclose the anticipated period of delay. Prior to commencing the collection of common charges, Sponsor will notify all Unit Owners by written notice of the expiration of the delay period. Notice shall be given to owners in writing at least thirty (30) days prior to the commencement of collection of Common Charges. During any such delay period, Sponsor shall: (i) timely pay all expenses of the Condominium out of the aggregate in lieu payments, including, but not limited to, insurance premiums; (ii) pay from Sponsor's funds any reserve fund payments required by Sponsor's lenders; and (iii) remain obligated to update the budget for the Condominium, as provided in the governing regulations. Additionally, Sponsor represents that upon commencement of the collection of Common Charges, there will not be an assessment for any item set forth in the approved Budget of the Condominium. Upon commencement of collection of Common Charges, Sponsor shall disclose such fact in the next substantive amendment to the Offering Plan as a benefit to subsequent Purchasers.

Section 2. **Insurance**. The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance: (a) fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring the Building containing the Units (including all of the Units and the fixtures initially installed therein by the Sponsor or by prior construction and any other property usual to the servicing and general occupancy, but not including furniture, furnishings, or other personal property supplied or installed by Unit Owners), together with all service machinery and equipment contained therein and covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees as their interests may appear, in an amount to be determined by the Board of Managers but in no event to be less than the greater of the agreed upon replacement cost of the Building, including the above noted items but exclusive of footings and foundations and without deduction for depreciation, as approved by a fire insurance company or a qualified insurance broker, or the amount of insurance necessary to avoid the effects of co-insurance; each of said policies shall contain a Condominium Property Endorsement and a New York standard mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee, if any, as herein provided; (b) worker's compensation insurance, if the Condominium has employees; (c) a fidelity bond or bonds, or a commercial crime

insurance policy in sufficient amounts, to fully protect the interest of the Condominium, shall be carried on each member of the Board of Managers, officers of the Condominium, managing agent and managers, including any person or persons handling or responsible for funds of the Condominium; (d) disability benefits insurance if the Condominium has employees; and (e) such other insurance, including, but not limited to, boiler and machinery insurance and elevator collision insurance, as the Board of Managers may determine. All policies of physical damage insurance shall provide that adjustment of loss shall be made by the Board of Managers (with the approval of the Insurance Trustee, if any, if more than $100,000.00), and that the total proceeds thereof, if $100,000.00 or less, shall be payable to the Board of Managers and if more than $100,000.00 shall be payable to the Insurance Trustee, if any. At the First Unit Closing, the fire insurance coverage of the Building shall be $8,000,000.00. Said coverage shall be maintained while Sponsor is in control of the Board of Managers.

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

In the event that the damage resulting from a fire or other casualty loss shall (a) render one (1) or more Units wholly or partially unusable for the purposes permitted herein and in the Declaration or (b) destroy the means of access to one or more Units, the installments of Common Charges otherwise payable by the owner of any Unit so affected thereby shall proportionately abate until such Unit shall again be rendered usable for such purposes and/or until the means of access thereto shall be restored, as the case may be. Notwithstanding the foregoing, however, if such casualty loss shall be caused by the act, the omission to act, or the negligence of the owner of a Unit so affected thereby, by a family member of such Unit Owner, or by a tenant or other occupant of such Unit, such installments of Common Charges shall abate only to the extent of any proceeds of rent insurance actually collected by the Board of Managers with respect to such Unit.

The Board of Managers shall also be required to obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Board of Managers may from time to time determine, covering each member of the Board of Managers, the managing agent, the manager and each Unit Owner, and covering all claims for bodily injury or property damage arising out of any occurrence in the Common Elements or the Units, except that such policy will not cover liability of a Unit Owner arising from occurrences within his own Unit. Such public liability coverage shall also cover cross-liability claims of one insured against another. Until the first meeting of the Board of Managers elected by the Unit Owners the public liability insurance will

be in a limit of at least $1,000,000.00 per occurrence and $2,000,000.00 in the aggregate covering all claims for bodily injury and property damage with respect to any one occurrence.

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

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

The insurance policy for the Condominium obtained by the Board of Managers should require the insurer to notify in writing the Board of Managers (or insurance trustee) and each first mortgage holder named in the mortgage clause at least ten (10) days before it cancels or substantially changes the Condominium's coverage.

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

Notwithstanding the foregoing or any other provisions of these By-Laws, any insurance maintained by the Board of Managers shall not obviate the obligations of the Unit Owners with respect to insurance, maintenance, and/or repair of their respective Units, and if applicable,

appurtenant Limited Common Elements (including, but not limited to, the obligations of Unit Owners with respect to fixtures initially installed in their respective Units by the Sponsor or by prior construction).

Section 3. **Repair or Reconstruction After Fire or Other Casualty**. In the event of damage to or destruction of the Building containing the Units as a result of fire or other casualty, unless seventy-five percent (75%) or more of the Building containing the Units is destroyed or substantially damaged and Unit Owners whose percentage of Common Interest totals seventy-five percent (75%) in the aggregate of the total Common Interest do not duly and promptly resolve to proceed with repair or restoration, the Board of Managers shall arrange for the prompt repair and restoration of the Building containing the Units (including any damaged Units, and any kitchen and bathroom fixtures and floor coverings initially installed therein by the Sponsor, but not including any wall, ceiling or floor decorations or coverings or other furniture, furnishings, fixtures or equipment installed in the Units by the Unit Owners), and the Board of Managers or the Insurance Trustee, if any, as the case may be, shall disburse the proceeds of all insurance policies in appropriate progress payments for distribution to the contractors engaged in such repairs and restoration. If the cost of such repair and restoration is in excess of the insurance proceeds, the Board of Managers shall levy a Special Assessment against all Unit Owners, for the amount of such deficiency in proportion to their respective Common Interests and all proceeds of such Special Assessment shall become part of the trust funds to be disbursed by the Insurance Trustee, if any, or the Board of Managers, as the case may be.

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

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

Managers. Wherever the words, "promptly resolve" are used it shall also mean not more than sixty days from the date of receipt of said insurance funds.

Section 4. **Payment of Common Charges**. All Unit Owners shall be obligated to pay the Common Charges, including Assessments assessed by the Board of Managers pursuant to the provisions of Section 1 of this Article VI at such time or times as the Board of Managers shall determine.

No Unit Owner shall be liable for the payment of any part of the Common Charges, including Assessments assessed against his Unit subsequent to a sale, transfer or other conveyance by him (made in accordance with the provisions of Section 1 of Article VIII of these By-Laws) of such Unit, together with the Appurtenant Interests, as defined in Section 1 of Article VIII hereof. In addition, any Unit Owner may, subject to the terms and conditions specified in these By-Laws, provided that his Unit is free and clear of liens and encumbrances, other than permissible mortgages and the statutory lien for unpaid Common Charges, convey his Unit, together with the "Appurtenant Interests" to the Board of Managers, or its designee, corporate or otherwise, on behalf of all other Unit Owners, and in such event be exempt from Common Charges thereafter assessed. A purchaser of a Unit shall be liable for the payment of Common Charges, including Assessments assessed and unpaid against such Unit prior to the acquisition by him of such Unit, except that a mortgagee or other purchaser of a Unit at a foreclosure sale of such Unit shall not be liable for and such Unit shall not be subject to a lien for the payment of Common Charges, including Assessments assessed prior to the foreclosure sale.

Section 5. **Collection of Common Charges and Assessments**. The Board of Managers shall assess Common Charges against the Unit Owners from time to time at least annually and shall take prompt action to collect any Common Charge due from any Unit Owner which remains unpaid for more than thirty (30) days from the due date for payment thereof. The Board of Managers shall also take prompt action to collect any Assessment due from any Unit Owner which remain unpaid for more than thirty (30) days from the due date thereof. Common Charges shall be paid by the fifth day of the month in which they are due or they shall be deemed to be late.

Pursuant to Real Property Law Section 339-kk, the Board of Managers has the right to collect rents directly from a "Non-Occupying Owner's rental tenant" ("Tenant"), if a Non-Occupying Unit Owner is not current on his or her Common Charges, Assessments or late fees, hereinafter ("Charges"). In order to collect rents directly from the Tenant, the Non-Occupying Unit Owner must fail to make the payment of Charges within sixty (60) days of the earliest expiration of any grace period. Prior to collecting the rents the Board shall provide written notice to the Tenant and the Non-Occupying Unit Owner providing that, commencing immediately and until such time as all payments for all Charges are made current, all rental payments are to be made directly to the Condominium at the address provided in the notice. Once all Charges are current the Board shall then within three (3) business days, provide notice to the Tenant and Unit Owner of such payment and that thereafter all future rental payments should be made to the Non-Occupying Unit Owner. Should a Unit Owner wish to contest the Board's claim to rental payments he or she shall be entitled to present his or her supporting facts at the next scheduled Board meeting (which must be

held within thirty (30) days of Board receiving notice of contest). The Board shall have the option to forgo collecting rents directly from the Tenant so long as a majority of the Board has been elected by and from among the Occupying Unit Owners.

Section 6. **Default in Payment of Common Charges or Assessments**. In the event of default by any Unit Owner in paying to the Board of Managers the Common Charges or any Assessment as determined by the Board of Managers, such Unit Owner shall be obligated to pay interest at the highest legal rate on such Common Charges or Assessments from the due date thereof, together with all expenses, including late fees charged by the Board of Managers and attorneys' fees incurred by the Board of Managers in any proceeding brought to collect such unpaid Common Charges, or Assessments. The Board of Managers shall have the right and duty to attempt to recover such Common Charges, or Assessments, together with interest thereon, and the expenses of the proceeding, including attorneys' fees, in an action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit granted by Section 339-z of the Real Property Law of the State of New York, in the manner provided in Section 339-aa thereof. A Unit Owner defaulting in payment of Common Charges, or Assessments shall not be permitted to vote at any regular or special meeting of Unit Owners.

Section 7. **Foreclosure of Liens for Unpaid Common Charges**. In any action brought by the Board of Managers to foreclose a lien on a Unit because of unpaid Common Charges, the Unit Owner shall be required to pay a reasonable rental for the use of his Unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of all Unit Owners, shall have power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage (but not to vote the votes appurtenant to), convey or otherwise deal with the same. A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing the same.

Section 8. **Statement of Common Charges and Assessments**. The Board of Managers, managing agent or manager shall promptly provide any Unit Owner so requesting the same in writing, with a written statement of all unpaid Common Charges, including Assessments, due from such Unit Owner.

Section 9. **Abatement and Enjoinment of Violations by Unit Owners**. The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board of Managers the right, in addition to any other right set forth in these By-Laws: (a) upon reasonable notice to the Unit Owner, to enter the Unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof (provided, however, that no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Property of the Condominium or for the safety of residents of the Condominium or other persons or required to avoid the suspension of any necessary service to the Condominium); or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such

breach; and (c) in any event charge the Unit Owner with the cost of reasonable legal and other fees and costs incurred in enjoining, abating or remedying such violation.

Section 10. **Maintenance and Repairs**.

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

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

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

c. Maintenance, repair and replacements in or to the Limited Common Elements as defined in the Declaration will be performed (i) by the Board of Managers as a Residential Common Expense, if such Limited Common Element is a Residential Common Element for the exclusive use of all of the Residential Unit Owners and whether or not it involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, the repair of any leaks, in the roofs of the Building or elsewhere, that are not caused by the acts or omissions of a Unit Owner, having direct and exclusive access thereto), or (ii) in the event the Commercial Unit is subdivided into two (2) or more Commercial Units, by the Board of

Managers as a Commercial Common Expense, if such Limited Common Element is a Commercial Common Element for the exclusive use of two (2) or more Commercial Unit Owners and whether or not that it involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, repairs that are not caused by the acts or omissions of a Commercial Unit Owner, having direct and exclusive access thereto), or (iii) by the individual Unit Owner, whether a Residential Unit Owner (involving a Residential Limited Common Element) or the Commercial Unit Owner, having direct and exclusive access thereto at his or their sole cost and expense, if involving nonstructural, ordinary maintenance, repairs or replacements, or (iv) by the Board of Managers at the sole cost and expense of the individual Unit Owner, whether a Residential Unit Owner (involving a Residential Limited Common Element) or the Commercial Unit Owner, having exclusive use of such Limited Common Element if involving structural or extraordinary maintenance, repairs or replacements, or (v) at the election of the Board of Managers, by the Board of Managers or the individual Unit Owner, but at the sole cost of such Unit Owner or Owners, where such maintenance, repair or replacements result from the Unit Owner's negligence, misuse or neglect.

d. Promptly upon obtaining knowledge thereof, each Unit Owner shall report in writing delivered by mail to the Board of Managers or to the Managing Agent any defect or need for repairs for which the Board of Managers is responsible pursuant to the terms hereof. All painting, decorating, maintenance, repairs and replacements performed hereunder or otherwise, whether by or at the behest of a Unit Owner or the Condominium Board, shall be performed in such a manner as shall (i) comply with all applicable law and building codes; (ii) shall not unreasonably disturb or interfere with any Unit Owners or tenants and occupants of any Units; and (iii) shall not affect the structural integrity of the Building.

e. Each Unit and all portions of the Common Elements shall be kept in first-class condition, order and repair (and free of snow, ice and accumulation of water with respect to any balcony, terrace, roof, or other part of the Property exposed to the elements) by the Unit Owner or the Board of Managers, whichever is responsible for the maintenance thereof as set forth herein. The cost of debris and snow removal from the sidewalks in front of the residential lobby and any common residential roof terrace areas shall be a Residential Common Expense and shall only be the responsibility of the Board of Managers; the Commercial Unit Owner shall only be responsible for the cost of removing debris and snow from the sidewalks directly in front of the entrances and from the entire sidewalk which is adjacent to the Commercial Unit, as well as for the maintenance and/or replacement of all plantings and/or shrubbery, including the planters in which they are

contained, located thereon; and such Unit Owner or the Board of Managers, as the case may be, shall promptly make or perform, or cause to be made or performed, all maintenance work (including, without limitation, painting, repairs and replacements) that is necessary in connection therewith. Notwithstanding anything herein to the contrary, the maintenance, repair and/or replacement of all sidewalks, plantings and/or shrubbery, including the planters in which they are contained, in front of any residential portions of the Building, including the main entrance thereto, shall be a Residential Common Expense. In addition, the public areas of the Building and those areas exposed to public view shall be kept in good appearance, in conformity with the dignity and character of the Building, by (i) the Board of Managers, with respect to such parts of the Building required to be maintained by it, and (ii) each Unit Owner, with respect to the interior and exterior surfaces of windows and shades, venetian or other blinds, drapes, curtains or other window decorations in or appurtenant to his Unit.

Section 11. **Restrictions on Use of Units**. In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of the Property shall be restricted to and shall be in accordance with the following provisions:

a. The Residential Units shall be used only for general residential use (Use Group 2), except that a Residential Unit Owner may use his Residential Unit for any home occupation use permitted under applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction. Such Residential Units may also be used as professional offices by a resident thereof provided such professional use does not violate any zoning law and ordinances and provided further, that the prior written consent of the Board of Managers to such professional use is obtained.

Notwithstanding the foregoing, the Sponsor or Sponsor-designee shall have the right, without charge, (i) to maintain general and sales offices in one or more Units or elsewhere on the Property, to use one or more Units as models and for other promotional purposes and to erect and maintain signs on the Property; (ii) to have its employees, contractors and sales agents present on the Property; (iii) to do all things necessary or appropriate, including the use of the Common Elements, to sell or lease Units and to comply with its obligations.

A Residential Unit may only be occupied by: (i) any individual who is a Residential Unit Owner or permitted lessee; (ii) any officer, director, shareholder or employee of any corporation which is a Residential Unit Owner or permitted lessee; (iii) any partner or employee of any partnership which is a Residential Unit Owner or permitted lessee; (iv) any member or

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

The following spaces are not intended for sleeping or living purposes, which uses are not permitted under, and could result in a violation issued pursuant to, the Building Code, which shall be the obligation of the offending individual Unit Owner to remove: (i) in Units 2, 5, 7 the recreation rooms; and (ii) in Unit PH, the mezzanine level.

The Commercial Unit may be used for any legal use permitted by the Zoning Resolution of the City of New York, as amended (the "Zoning Resolution"), or other applicable laws.

No sale, lease or sublease or use of all or any portion of the Commercial Unit shall be deemed to adversely affect the Residential Units. The Board of Managers does not have the right to approve or change the use of the Commercial Unit, or any part thereof, or to apply for or cause any amendment to the Building's certificate of occupancy to authorize a different use, except at the request or direction of Sponsor, a Sponsor-designee, or the Commercial Unit Owner, as applicable.

The residential common storage room which are located at the cellar levels of the Building, may only be used for storage which is accessory to the Residential Units' use, including the storage of personal effects of the Residential Unit Owner, provided that no stored article or material that shall pose a threat to the health or safety of the Unit Owners or other occupants or tenants of the Building or shall otherwise create a nuisance shall be permitted to be brought into or stored in said residential common storage room by any Residential Unit Owner.

b. The Common Elements shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to

the use and occupancy of Units. In addition, no furniture, doormats, packages, or objects of any kind shall be placed in the lobbies, public halls, public stairways, the elevators or any other part of the Common Elements (except for those areas designated as storage areas, if any) without the prior written consent of the Board of Managers. The lobbies, public halls, public stairways and elevators shall be used only for normal passage through them.

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

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

e. Nothing shall be done in any Unit or in, on, or to the Common Elements that will impair the structural integrity of the Property or that will structurally change the Building, except as is otherwise provided in the Declaration or in these By-Laws. In no event shall interior partitions contributing to the support of any Unit or the Common Elements be altered or removed.

f. With the exception of the Commercial Unit, no portion of a Unit or other Limited Common Elements appurtenant thereto (other than the entire Unit, including the Limited Common Elements appurtenant thereto) may be rented.

The terms of sub-paragraph (b) of this Section 11 shall not apply to Sponsor or its designee for so long as there are any Unsold Units. So long as Sponsor or its designee owns any Unit, Sponsor or its designee shall have the right, without charge or limitation, to: (i) erect and maintain signs of any size or content determined by Sponsor or such designee, on or about any portion of the Common Elements chosen by Sponsor or such designee, including, without limitation, on the exterior walls of the Building or adjacent to any entrance thereof; (ii) have its employees, contractors, subcontractors and sales agents present on the Property; and (iii) do all things necessary or appropriate, including the use of the Common Elements, to sell, lease, manage, or operate Unsold Units, to complete any work or repairs to the

Building expressly undertaken by Sponsor and to comply with Sponsor's obligations under the Offering Plan.

Section 12. **Additions, Alterations or Improvements by Board of Managers**. Subject to the provisions of Section 3 of Article II of these By-Laws, whenever in the judgment of the Board of Managers the Common Elements shall require additions, alterations or improvements (but not maintenance) costing in excess of $10,000.00, and the making of such additions, alterations or improvements shall have been approved by a majority of the Unit Owners, the Board of Managers shall proceed with such additions, alterations or improvements and shall assess all Unit Owners for the cost thereof as a Common Charge. Any additions, alterations or improvements costing $10,000.00 or less may be made by the Board of Managers without approval of the Unit Owners and the cost thereof shall constitute part of the Common Expenses.

Section 13. **Additions, Alterations or Improvements by Unit Owners**. Except as provided below, no Unit Owner shall make any structural addition, alteration or improvement in or to his Unit, or a structural or non-structural addition, alteration or improvement which affects the exterior of the Building or the value of other Units, without prior written consent thereto of the Board of Managers. The Board of Managers shall have the obligation to answer in writing any written request by a Unit Owner for approval of a proposed structural addition, alteration or improvement in such Unit Owner's Unit, within thirty (30) days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board of Managers to the proposed addition, alteration or improvement. Any application to any department of the City of New York or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any Unit shall be executed by the Board of Managers only, without however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom.

In the event the Board of Managers grants its consent, either affirmatively or by its inaction, to any structural addition, alteration or improvement to be made by a Unit Owner, the consent shall provide that any such work shall be at the Unit Owner's sole cost and expense, that work shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances, that all work shall be done by reputable contractors with adequate liability, property damage and worker's compensation insurance (certificate for which shall be delivered to the Board of Managers prior to the commencement of construction), that any additions, alterations or improvements, shall be maintained in their entirety by said Unit Owner who shall also be responsible for any repairs, including structural repairs, to such area in any event, and to the Unit and any Common Elements where such repairs become necessary due to additional stresses caused by the structural alteration, addition or improvement, or due to improper design or construction of the structural alteration, addition or improvement, and such approval shall further provide that the Unit Owner shall reimburse the Board of Managers any out-of-pocket expenses incurred by the Board of Managers in connection with the granting of such approval and in connection with any services provided to such alteration, addition or improvement; such expenses may include, but

shall not be limited to, any fees of an attorney and/or fees of an architect consulted in connection with any request by a Unit Owner for approval of such work.

The provisions of this Section 13 which require the consent of the Board of Managers in connection with a structural addition, alteration or improvement or a structural or non-structural addition, alteration or improvement which affects the exterior of the Building or the value of other Units shall not apply to Units owned by the Sponsor or its designee or the Commercial Unit Owner with respect to the Commercial Unit. Neither the Sponsor or its designee nor the Commercial Unit Owner with respect to the Commercial Unit shall need such consent. All other provisions of this Section 13 shall apply to all Units.

For example, with respect to any structural addition, alteration or improvement to a Sponsor-owned Unit or the Commercial Unit, such work shall be at the sole cost and expense of the Sponsor and/or its designee or the Commercial Unit Owner, and be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances. All work must be done by reputable contractors with adequate liability, property damage and workmen's compensation insurances (certificates for which shall be delivered to the Board of Managers prior to the commencement of construction). Any such additions, alterations or improvements, shall be maintained in their entirety by said Sponsor or its designee or the Commercial Unit Owner, who shall also be responsible for any repairs, including structural repairs, to such area in any event, and to the Unit and any Common Elements where such repairs become necessary, due to additional stresses caused by any structural alteration, addition or improvement, or due to improper design or construction of any structural alteration, addition or improvement. Additionally, the Sponsor and/or its designee or the Commercial Unit Owner shall reimburse the Board of Managers for any out-of-pocket expenses incurred by the Board of Managers in connection with any services provided to such alteration, addition or improvement.

Notwithstanding anything to the contrary contained in this Section 13, however, Sponsor, any Sponsor-designee, or any partner of any entity affiliated directly or indirectly with Sponsor or the Commercial Unit Owner shall have the right, pursuant to the terms of Paragraphs 8 and 17 of the Declaration, without the approval of the Board of Managers and without paying any cost or charge to the Board of Managers to (i) make any alterations, additions, improvements, or repairs in or to any Units owned by any of them whether structural or non-structural, interior or exterior, ordinary or extraordinary, and (ii) subdivide, combine and change the boundary walls of Units owned by any of them.

Non-structural alterations and improvements to Units that do not affect the exterior of the Building or the value of other Units may be made without the prior approval of the Board of Managers.

Notwithstanding anything to the contrary in this Section 13, no alteration shall be made by any Unit Owner which shall materially delay, prevent or adversely affect, or create a significant risk of materially delaying, preventing or adversely affecting, whether directly or indirectly, the issuance or reissuance of a temporary certificate of occupancy ("TCO") or permanent certificate of occupancy ("PCO") for any Unit or the Building. Prior to the issuance of the PCO for the

Building, any Unit Owner desiring to perform such alterations, in addition to satisfying any other requirements of these By-Laws with respect to such alterations, must also notify Sponsor or its designee, in writing of the scope of the proposed alterations and satisfy the requirements of Sponsor or its designee and obtain the consent of Sponsor or its designee, which consent shall be at the sole and absolute discretion of Sponsor or its designee. In furtherance thereof, a Unit Owner performing alterations, shall indemnify Sponsor or its designee for any cost, expense, claim or liability incurred or suffered by Sponsor or its designee as a result of any violation of Law or delay in obtaining a TCO or PCO caused by alterations made by such Unit Owner. Nevertheless, the obligation to obtain the PCO remains with Sponsor and its principals. In the event the alterations performed by a Unit Owner do adversely affect the issuance or validity of the certificate of occupancy, then upon the written request of Sponsor or its designee, the Unit Owner shall restore the Unit, at such Unit Owner's sole cost and expense, to its original condition. If such Unit Owner fails to commence diligently and continuously, restoring the Unit within fifteen (15) days of receipt of the written request, then the Sponsor or its designee, as the case may be, requesting such restoration shall be entitled to enter and restore the Unit at the expense of the Unit Owner and to exercise any other remedies provided in these By-Laws.

Section 14. **Use of Common Elements and Facilities**. A Unit Owner shall not place or cause to be placed in the public halls and stairways or other common areas or common facilities, any furniture, packages or objects of any kind. The lobbies, public halls and stairways or other common areas shall be used for no purpose other than for normal transit through them. The Sponsor and any Sponsor-designee shall have the right to use the Common Elements, without charge, for the purposes set forth in Section 11 of this Article VI and in conjunction with the Sponsor's or a Sponsor designee's exercise of the rights retained by Sponsor in the Condominium Declaration.

The Owner or Owners of any two (2) or more Units, which Units are the only Units serviced or benefitted by any General Common Elements or Limited Common Element adjacent or appurtenant to such Units (for example, the portion at the end of any hallway that is directly adjacent to any such Units located on opposite sides of such hallway will, with the consent of the Board of Managers (which consent will not be unreasonably withheld or delayed), have the right to use such General Common Elements or Limited Common Elements exclusively, as if it were a part of such Units (including the right, in the example of a portion of a hallway, to enclose such portion), and no amendment to the Declaration or reallocation of Common Interests will be made by reason thereof. In such an event, however, such Owner or Owners shall, at his or their sole cost and expense, both (i) operate, maintain and repair such General Common Element or Limited Common Element for so long as such Owner or Owners exercise such exclusive right of use and (ii) restore such General Common Element or Limited Common Element to its original condition, reasonable wear and tear excepted, after such Owner or Owners cease to exercise such exclusive right of use.

Further, the Board of Managers shall have the authority to promulgate additional rules regarding use of and access to the residential common storage area and the procedures for assigning the space in the residential common storage room.

The residential storage room is located on the cellar level of the Building and the Board cannot make any representation that the residential storage room will remain dry or will not experience any water infiltration and neither the Sponsor nor the Board will be responsible for any damage to items placed in the residential storage room. Residential Unit Owners who place items in the residential storage room do so at their own risk and Unit Owners are advised to consult with their insurance brokers regarding appropriate coverage for such stored items. Residential Unit Owners must comply with applicable Law regarding the residential storage room, which may be subject to periodic inspection by the Board of Managers, the police and fire departments of the City of New York and other governmental agencies having jurisdiction thereover.

Section 15. **Right of Access**. A Unit Owner shall grant a right of access to his Unit to the manager and/or the managing agent and/or any other person authorized by the Board of Managers, the manager or the managing agent, for the purpose of making inspections or for the purpose of correcting any condition originating in his Unit, and threatening another Unit or a Common Element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in his Unit or elsewhere in the Building, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. In the event of the exercise of the right of access provided in this Section 15, any costs for repairs shall be borne in accordance with the provisions of Section 10 of this Article VI.

Section 16. **Rules of Conduct**. Rules and regulations concerning the use of the Units and the Common Elements may be promulgated and amended by the Board of Managers. A majority vote of Unit Owners at a meeting may overrule the Board of Managers. Copies of such rules and regulations shall be furnished by the Board of Managers to each Unit Owner prior to the time when the same shall become effective. Initial rules and regulations, which shall be effective until amended by the Board of Managers, are annexed hereto and made a part hereof as Schedule A. Notwithstanding this provision, for as long as Sponsor or its designee remains the Owner of one (1) or more Units, the Rules and Regulations of the Condominium may not be amended or modified in any way so as to adversely affect Sponsor or its designee without Sponsor's prior written consent. Additionally, the Rules and Regulations of the Condominium may not be amended or modified in any way so as to adversely affect the Commercial Unit without the prior written consent of the Commercial Unit Owner affected.

Section 17. **Real Estate Taxes, Water Charges and Sewer Rents.** Water and sewerage services are provided for by the City of New York. The Units and the Common Elements shall be metered for water usage by one (1) or more common meters.

The Commercial Unit shall be sub-metered as to its respective water and sewer charges. In the event the Commercial Unit is not initially sub-metered for water consumption, the Commercial Unit Owner shall be responsible for installing a sub-meter prior to such Commercial Unit Owner or a commercial tenant occupying the space. Upon installation of such sub-meter, the Commercial Unit Owner shall be solely responsible for the cost of water consumption, together with any related

sewer charges, in the Commercial Unit. Subsequent to the time that the Commercial Unit is separately sub-metered, the cost of water consumption, together with any sewer charges, in the Residential Units and in the Common Elements, shall be a Residential Common Expense. However, in the event the Commercial Unit is not initially sub-metered for water consumption, the cost of water and sewer charges at the Building will be a Shared Common Expense until such sub-metering of the Commercial Unit occurs.

Any water and sewer bills shall be paid by the Board of Managers, except that any water and sewer bills with respect to the Commercial Unit shall be paid by the respective Commercial Unit Owner directly to the City of New York.

Any water and sewer bills received by a Residential Unit Owner shall immediately be rendered to the Board of Managers for payment. In no event shall the Board of Managers be responsible for loss of service to any Residential Unit, interest or penalties, due to a delay in paying such bills resulting from a Residential Unit Owner not tendering a bill. Any interest or penalties due for such late payments will be an additional assessment to be paid by the Residential Unit Owner who failed to timely tender any bill. In the event of a proposed sale of a Unit by the Owner thereof, the Board of Managers, on request of the selling Unit Owner, shall execute and deliver to the purchaser of such Unit or to the purchaser's title insurance company, a letter agreeing to pay all charges for water and sewer rents affecting the Unit as of the date of closing of title to such Unit promptly after such charges shall have been billed.

In the event Sponsor has elected, in its sole and absolute discretion, not to establish at the First Unit Closing the real estate tax escrow described in the "Real Estate Taxes" section of the Offering Plan, then until the Units are separately assessed for real estate tax purposes, the Board of Managers shall charge each Unit Owner, as a Common Charge, its respective pro rata share (on the basis of the percentage of Common Interest attributable to such Unit) of all real estate taxes with respect to the Property, and the Board of Managers shall in turn pay such taxes to the proper authorities of the City of New York, or instead directly to Sponsor if Sponsor has paid such taxes.

Section 18. **Electricity**. Electrical service to the Building will be provided by the public utility company serving the area. The electric service will be distributed throughout the Building to various loads and will be directly metered by the utility company. The electricity consumed by each individual Residential Unit and the Commercial Unit shall be separately and directly metered. Each Unit Owner shall be responsible for paying his or her own individual electric bill directly to the utility company. The electricity consumed in the Common Elements of the Building shall be separately metered by one (1) or more meters, with the cost of consumption measured thereby to be paid by the Board of Managers as a Shared Common Expense.

Section 19. **Review of Real Estate Tax Assessments**. It shall be the responsibility of the individual Unit Owners, at their sole cost and expense, to review the real estate tax assessments of their Units and, if they so desire, to take any steps necessary to review and/or challenge such assessments. Notwithstanding the foregoing, if proceedings are pending for the reduction of real estate taxes on the land and building for the tax year in which the First Unit Closing occurs, the Condominium will continue such proceedings with the attorney previously employed by the

Sponsor. Sponsor shall have the sole right to negotiate and settle all claims in connection with said proceedings. The cost of such proceedings, including legal fees, and (in the event taxes are reduced) any refund shall be apportioned between the Sponsor and the respective Unit Owners according to the ownership of the Property during respective portions of the tax year. Any refund attributed to a Unit, and all apportioned expenses incurred in connection with obtaining of such refund, shall belong to and be incurred by the Unit Owner receiving said refund. Any refund covering a period prior to the First Unit Closing and all expenses incurred in connection with the obtaining such refund, shall belong to and be incurred by the Sponsor alone.

Section 20. **Vault Charges.** All license fees and all periodic taxes and charges ("Vault Charges") for street vaults located in the Common Elements of the Building, if any, or other protrusions beyond the lot lines of the Building shall be paid by the Board of Managers as a Shared Common Expense. However, Vault Charges, if any, attributable to a Commercial Unit which has exclusive use of such vault area shall be paid by the Owner of such Commercial Unit. If an allocation of Vault Charges is necessary to determine those charges allocable to an individual Commercial Unit, such allocation shall be made on a square footage basis.

ARTICLE VII

MORTGAGES

Section 1. **Notice to Board of Managers**. A Unit Owner who mortgages his Unit shall notify the Board of Managers of the name and address of his mortgagee and shall file a conformed copy of the note and mortgage with the Board of Managers; the Board of Managers shall maintain such information in a book entitled "Mortgages of Units."

Section 2. **Notice of Unpaid Common Charges**. The Board of Managers, when so requested in writing by a mortgagee of a Unit, shall promptly notify any mortgagee of a Unit of such Unit Owner's default, including non-payment of Common Charges, in the obligations of such Unit Owner under the Declaration, By-Laws, Rules and Regulations, as the same are amended from time to time, or in any order of the Board of Managers issued with respect thereto.

Section 3. **Notice of Default**. The Board of Managers, when giving notice to a Unit Owner of a default in paying Common Charges or other default, shall send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has heretofore been furnished to the Board of Managers and shall accept cure of any default from each holder of a mortgage conveying a Unit in default.

Section 4. **Examination of Books**. Each Unit Owner and each mortgagee of a Unit shall be permitted to examine the books of account of the Condominium at reasonable times, on reasonable notice to the manager, managing agent or Board of Managers on business days.

Section 5. **Notice of Changes to Units and/or Common Elements**. The Board of Managers, when so requested in writing by a mortgagee of a Unit, shall promptly notify any mortgagee of a Unit of any proposed amendment to the Condominium Offering Plan, Declaration

and/or By-Laws effecting a change in (i) the size or location of any Unit or the exclusive easement rights, if any, appertaining thereto; (ii) any change in the percentage of Common Interest of a Unit or Common Charges payable by a Unit Owner to the Condominium; (iii) any change in the number of votes each Unit Owner shall be entitled to cast at a meeting of Unit Owners; and (iv) any change to the restrictions on use of the Units or Common Elements.

Section 6. **Notice of Termination of the Condominium**. The Board of Managers, when so requested in writing by a mortgagee of a Unit, shall promptly notify any mortgagee of a Unit of any proposed termination of the Condominium.

Section 7. **Notice of Condemnation or Casualty**. The Board of Managers, when so requested in writing by a mortgagee of a Unit, shall promptly notify any mortgagee of a Unit of any taking in condemnation or by eminent domain or any casualty loss of a material portion of the Common Elements or a portion of any Unit on which there is a first mortgage.

Section 8. **Notice of Insurance**. The Board of Managers, when so requested in writing by a mortgagee of a Unit, shall promptly notify any mortgagee of a Unit of any lapse, cancellation or material modification of any insurance policy maintained by the Condominium.

Whenever under the provisions of the Declaration or of these By-Laws, notice is required to be given to a mortgagee, there shall be implied mortgagee approval when a mortgagee fails to respond after sixty (60) days' written notice provided notice was delivered by certified or registered mail with a return receipt requested.

Section 9. **Consent of Mortgagee**. The right of a Unit Owner who mortgages his Unit is subject to (i) the consent of the mortgagee of any mortgage loan encumbering such Unit Owner's Unit and (ii) compliance by such Unit Owner with the requirements of mortgagee.

ARTICLE VIII

SALES, LEASES AND MORTGAGES OF UNITS

Section 1. **Sales and Leases**. No Unit Owner other than the Sponsor or a Sponsor-designee or the Commercial Unit Owner may sell or lease his Unit, or any interest therein except by complying with the provisions below. Sponsor or a Sponsor-designee or the Commercial Unit Owner need not comply with such provisions. Sponsor or a Sponsor-designee or the Commercial Unit Owner shall have the right, without the payment of any fees or charges to the Board of Managers or the Managing Agent, to sell its Unit(s) or lease its Unit(s), or, in the case of the Commercial Unit, lease any part thereof, without the Board of Managers having any right of first refusal to purchase or lease such Unit, and all sale and/or rental proceeds shall belong solely to such Sponsor or Sponsor-designee or the Commercial Unit Owner, as the case may be. However, any deed or lease made by a Sponsor or a Sponsor-designee or the Commercial Unit Owner with respect to a Unit as grantor or lessor, in the Building, shall provide that acceptance thereof by the

grantee or lessee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as same may be amended from time to time.

Except as provided immediately above, any Unit Owner who receives a bona fide offer for the sale of his Unit together with: (i) the undivided interest of the Common Elements and any Limited Common Elements appurtenant thereto; (ii) the interest of such Unit Owner in any Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, or the proceeds of the sale or lease thereof, if any; (iii) the interest of such Unit Owner in any other assets of the Condominium, as defined in the Declaration, (hereinafter collectively called the "Appurtenant Interests"); or a bona fide offer for a lease of his Unit; (hereinafter called an "Outside Offer"), which he intends to accept, shall give notice by certified or registered mail to the Board of Managers of such offer and of such intention, the name and address of the proposed purchaser or lessee, the terms of the proposed transaction and such other information as the Board of Managers may reasonably require, and shall offer to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, to the Board of Managers, or its designee, corporate or otherwise, on behalf of the Owners of all other Units, on the same terms and conditions as contained in such Outside Offer. The giving of such notice shall constitute a warranty and representation by the Unit Owner who has received such offer, to the Board of Managers on behalf of the other Unit Owners, that such Unit Owner believes the Outside Offer to be bona fide in all respects. Within twenty (20) days after receipt of such notice, the Board of Managers may elect, by notice given within five (5) days after making such election, and in any event, within said twenty (20) day period, to such Unit Owner, by certified or registered mail, to purchase such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise), on behalf of all other Unit Owners, on the same terms and conditions as contained in the Outside Offer and as stated in the notice from the offering Unit Owner.

In the event the Board of Managers shall elect to purchase such Unit, together with the Appurtenant Interests, or to lease such Unit, or to cause the same to be purchased or leased by its designee, corporate or otherwise, title shall close or a lease shall be executed at the office of the attorneys for the Condominium in accordance with the terms of such offer but in no event less than forty-five (45) days after the giving of notice by the Board of Managers of its election to accept such offer. At the closing, the Unit Owner, if such Unit, together with the Appurtenant Interests, is to be sold, shall convey the same to the Board of Managers, or to its designee, on behalf of all other Unit Owners, by deed in the form required by Section 339-o of the Real Property Law of the State of New York, with all transfer stamps affixed, and shall pay all other taxes arising out of such sale. In the event such Unit is to be leased, the offering Unit Owner shall execute and deliver to the Board of Managers, or to its designee, a lease between the offering Unit Owner, as landlord, and the Board of Managers, or its designee, as tenant, covering such Unit, for the rental and term contained in such Outside Offer.

In the event the Board of Managers or its designee fail to notify the offering Unit Owner of its decision to accept such offer within twenty (20) days after receipt of notice as aforesaid or notify the offering Unit Owner within said period of its decision not to accept such offer, the

offering Unit Owner shall be free to contract to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be, within thirty (30) days after the expiration of the twenty (20) day period in which the Board of Managers or its designee might have accepted such offer, to the Outside Offeror, on the terms and conditions set forth in the notice from the offering Unit Owner to the Board of Managers of such Outside Offer. Any such deed to any Outside Offeror shall provide that acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as the same may be amended from time to time. Any such lease shall be consistent with these By-Laws and shall provide that it may not be modified, amended, extended or assigned, without the prior consent in writing of the Board of Managers, and that the tenant shall not sublet the demised premises, or any part thereof, without the prior consent in writing of the Board of Managers, and that the Board of Managers shall have power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of default by the tenant in the performance of such lease. Except as hereinbefore set forth, the form of any such lease for Units shall be the then current form of lease recommended by Julius Blumberg, Inc., or The Real Estate Board of New York, Inc., with such modifications as shall be approved in writing by the Board of Managers. In the event the offering Unit Owner shall not, within such thirty (30) day period, contract to sell such Unit together with the Appurtenant Interests, or to lease such Unit, as the case may be, to the Outside Offeror on the terms and conditions contained in the Outside Offer, or if the Unit Owner shall so contract to sell or lease his Unit within such thirty (30) day period, but such sale or lease shall not be consummated pursuant to the terms of such contract, then should such offering Unit Owner thereafter elect to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be, to the same or another Outside Offeror on the same or other terms and conditions, the offering Unit Owner shall be required to again comply with all of the terms and provisions of this Section 1 of this Article VIII.

With the exception of the Commercial Unit, no portion of a Unit other than the entire Unit may be leased.

Any purported sale or lease of a Unit in violation of this section shall be voidable at the election of the Board of Managers.

Further, prior to and for eighteen (18) months subsequent to, the First Unit Closing, a Purchaser, Unit Owner, shall not advertise or otherwise offer, promote or publicize the availability of his or her respective Residential Unit for sale, or resell such Unit ("Restriction on Resale"). This provision is to survive closing of title to the Unit, and is not applicable to the Commercial Unit. However, such Restriction on Resale shall expire, and shall no longer be applicable to: (i) any Residential Unit once Sponsor has sold all of its Unsold Residential Units. Any purported sale or lease of a Unit in violation of this provision shall be voidable at the election of the Sponsor or its designee, as the case may be.

The right of first refusal contained in Article VIII hereof will not pertain to and will not adversely affect the rights of a mortgagee or its assignee: (a) to foreclose or take title (by itself or in an affiliate) to a condominium Unit pursuant to the remedies in the mortgage; (b) to accept a

deed or assignment in lieu of foreclosure (to itself or an affiliate) in the event of a default by mortgagor; (c) to sell or lease a Unit acquired by the mortgagee, its affiliate or assignee; or (d) in connection with a foreclosure sale transaction.

Section 2. **Consent of Unit Owners to Purchase or Lease of Units by Board of Managers**. The Board of Managers shall not exercise any option hereinabove set forth to purchase or lease any Unit without the prior approval of a majority of the Unit Owners.

Section 3. **No Severance of Ownership**. No Unit Owner shall execute any deed, mortgage, or other instrument conveying or mortgaging title to his Unit without including therein the Appurtenant Interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, or other instrument purporting to affect one (1) or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit to which such interest or interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the Appurtenant Interests of all Units.

Section 4. **Release by Board of Managers of Right of First Refusal**. The right of first refusal contained in Section 1 of this Article VIII may be released or waived by the Board of Managers, in which event the Unit, together with the Appurtenant Interests, may be sold, conveyed, or leased, free and clear of the provisions of such section.

Section 5. **Certificate of Termination of Right of First Refusal**. A certificate, executed and acknowledged by the Secretary of the Condominium, stating that the provisions of Section 1 of this Article VIII have been met by a Unit Owner, or have been duly waived by the Board of Managers and the rights of the Board of Managers thereunder have terminated, shall be conclusive upon the Board of Managers in favor of all persons who rely thereon in good faith. Such certificates shall be furnished to any Unit Owner who has in fact complied with the provisions of Section 1 of this Article VIII or in respect to whom the provisions of such section have been waived, upon request.

Section 6. **Financing of Purchase of Units by Board of Managers**. Acquisition or lease of Units by the Board of Managers, or its designee, on behalf of all Unit Owners, may be made from the working capital and Common Charges in the possession of the Board of Managers, or, if such funds are insufficient, the Board of Managers may levy a Special Assessment against each Unit Owner, other than the offering Unit Owner, in proportion to his ownership in the Common Elements, as a Common Charge, which Assessment shall be enforceable in the same manner as provided in Sections 6 and 7 of Article VI, or, the Board of Managers, in its discretion, may borrow money to finance the acquisition or lease of such Unit, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the Unit, together with the Appurtenant Interests, so to be acquired by the Board of Managers. Notwithstanding the above, no Assessment may be levied under this Section 6 against any mortgagee who has acquired title to a Unit, whether by foreclosure or deed in lieu thereof.

Section 7. **Exceptions**. The provisions of Section 1 of this Article VIII shall not apply with respect to the right of first refusal pertaining to any sale or conveyance or lease by a Unit Owner of his or her Unit, together with the Appurtenant Interests, to his or her spouse or to any of his or her children or to his or her parent or parents or to his or her brothers or sisters, or any one (1) or more of them, or to any Unit owned by the Sponsor or a Sponsor-designee or a Commercial Unit Owner, or to the acquisition or sale of any Unit, together with the Appurtenant Interests, by a mortgagee herein authorized who shall acquire title to such Unit by foreclosure or by deed in lieu of foreclosure. However, the provisions of this section shall apply with respect to any purchaser of a Unit from a mortgagee.

Section 8. **Gifts and Devises, etc**. Any Unit Owner shall be free to convey or transfer his Unit by gift or to devise his Unit by will, or to pass the same by intestacy, without restriction.

Section 9. **Waiver of Right of Partition with Respect to Such Units as are Acquired by the Board of Managers or its Designee, on Behalf of All Unit Owners as Tenants in Common**. In the event that a Unit shall be acquired by the Board of Managers, or its designee, on behalf of all Unit Owners as tenants in common, all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Unit.

Section 10. **Payment of Common Charges and Assessments**. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his Unit unless and until he shall have paid in full to the Board of Managers all unpaid Common Charges and Assessments theretofore assessed by the Board of Managers against his Unit and until he shall have satisfied all unpaid liens against such Unit, except permitted mortgages.

Section 11. **Mortgage of Units**. No Residential Unit Owner shall mortgage his Unit, except by a first and/or second mortgage made to a bank, trust, trust company, insurance company, federal savings and loan association, pension fund or other institutional lender or a purchase money mortgage made to the Sponsor, Sponsor-designee, or to the seller of the Unit. Any such mortgage shall be substantially in the form on file with the Board of Managers, except for such changes or additions as may be required in order to permit the particular institutional lender to make the mortgage loan, or to the extent permitted by the Board of Managers. A mortgage encumbering a Residential Unit may be made to a reputable private lender, other than a lender as above described, provided the same is approved in writing by either the Sponsor, prior to the Sponsor's relinquishing control of the Board of Managers, or the Board of Managers, subsequent to the release of control by the Sponsor. Such approval shall be in the sole and absolute discretion of Sponsor or the Board of Managers as the case may be. Prior to or simultaneously with the closing of any mortgage, the Unit Owner must satisfy all arrearages for unpaid Common Charges or Assessments and discharge any liens therefor. Sponsor, Sponsor's-designee or the Commercial Unit Owner may encumber his Unit with a mortgage or mortgages without being subject to the aforementioned restrictions.

Section 12. **Fees and Charges**. The Board of Managers shall have the right to require the Residential Unit Owner who is selling or is a prospective lessor to pay a fee to the Board of Managers and/or the Managing Agent to cover reasonable legal and other expenses of the Board of Managers and the Managing Agent in connection with the sale or lease of a Residential Unit

pursuant to the provisions of this Article VIII except such charges and fees shall not apply to a sale or lease of any Unit by Sponsor, any Sponsor-designee or any partner of any entity affiliated directly or indirectly with Sponsor, or the Commercial Unit Owner. Any other fees in connection with the sale or lease of a Residential Unit may only be enacted by action of Unit Owners, except any such fee shall not apply to a sale or lease of any Unit by Sponsor, any Sponsor-designee or any partner of any entity affiliated directly or indirectly with Sponsor, or the Commercial Unit Owner.

ARTICLE IX

CERTAIN REMEDIES

Section 1. **Self Help**. If any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on his or her part to be observed or performed, including, without limitation, any breach of his obligation to paint, decorate, maintain, repair, or replace his or her Unit or its appurtenant Limited Common Elements pursuant to the terms of Article VI hereof, and shall fail to cure such violation or breach within five (5) days after receipt of written notice of the same from the Board of Managers, the Managing Agent, or any manager (or, with respect to any violation or breach of the same not reasonably susceptible to cure within such period, to commence such cure within such five (5) day period and, thereafter, to prosecute such cure with due diligence to completion), the Board of Managers shall have the right to enter such Unit Owner's Unit and/or its appurtenant Limited Common Elements and summarily to abate, remove, or cure such violation or breach without thereby being deemed guilty or liable in any manner of trespass. In addition, in the event that the Board of Managers shall determine that the abatement, removal, or cure of any such violation or breach is immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals or is required to avoid the suspension of any necessary service in the Building, the Board of Managers may take such action immediately, without prior notice and without allowing the said Unit Owner any period of time within which to cure or to commence to cure such violation or breach.

Section 2. **Abatement and Enjoinment**.

a. In the event that any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on his part to be observed or performed, the Board of Managers shall have the right to enjoin, abate, or remedy the continuance or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity.

b. The violation or breach of any of the terms of the Condominium Documents with respect to any of the rights, easements, privileges, or licenses granted to Sponsor or its designee shall give to Sponsor or such designee the right to enjoin, abate, or remedy the continuation or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity.

Section 3. **Remedies Cumulative**. The remedies specifically granted to the Board of Managers or to the Sponsor or its designee in this Article IX or elsewhere in the Condominium Documents shall be cumulative, shall be in addition to all other remedies obtainable at law or in equity and may be exercised at one (1) time or at different times, concurrently or in any order, in the sole discretion of the Board of Managers or Sponsor or such designee, as the case may be. Further, the exercise of any remedy shall not operate as a waiver, or preclude the exercise, of any other remedy.

Section 4. **Costs and Expenses**. All sums of money expended, and all costs and expenses incurred, including, but not limited to, reasonable attorneys' fees, by (i) the Board of Managers in connection with the abatement, enjoinment, removal, or cure of any violation, breach, or default committed by a Unit Owner pursuant to the terms of Section 1 or paragraph (a) of Section 2 hereof or (ii) Sponsor in connection with any abatement, enjoinment, or remedy of any violation or breach of the Condominium Documents pursuant to the terms of paragraph (b) of Section 2 hereof, shall be immediately payable by such Unit Owner to the Board of Managers in the event set forth in subparagraph (i) hereof or by the offering party (i.e., the Board of Managers or the Unit Owner) to Sponsor, in the event set forth in subparagraph (ii) hereof, which amount shall, in either event, bear interest (to be computed from the date expended) at the rate of two percent (2%) per month, but in no event in excess of the maximum rate chargeable to such Unit Owner pursuant to Law. All sums payable by a Unit Owner to the Board of Managers pursuant to the terms of this Section 4 shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

ARTICLE X

CONDEMNATION

Section 1. **Condemnation**. In the event of a taking in condemnation or by eminent domain of part or all of the Common Elements, the award made for such taking shall be payable to the Board of Managers, if such award amounts to $100,000.00 or less, and to the Insurance Trustee, if any, if such award amounts to more than $100,000.00. If seventy-five percent (75%) or more of the Unit Owners duly and promptly approve the repair and restoration of such Common Elements, the Board of Managers or the Insurance Trustee, if any, as the case may be, shall arrange for the repair and restoration of such Common Elements, and the Board of Managers or the Insurance Trustee, if any, as the case may be, shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event that seventy-five percent (75%) or more of the Unit Owners do not duly and promptly approve the repair and restoration of such Common Element, the Board of Managers shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds where there is no repair or restoration of the damage, as provided in Section 3 of Article VI of these By-Laws. As used in this Section, the words "promptly approve" shall mean not more than sixty (60) days from the date of such taking.

If a portion of any Unit shall be taken in condemnation or by eminent domain and the Condominium shall not be terminated, the Common Interest appurtenant to such Unit shall be

adjusted in the proportion that the total floor area of such Unit and its appurtenant Limited Common Elements after such taking bears to the total floor area of such Unit and its appurtenant Limited Common Elements prior to such taking. The Board of Managers shall promptly prepare and record an amendment to the Declaration reflecting the new Common Interest appurtenant to such Unit, which amendment shall be executed by the owner of such Unit together with the holders of record of any liens thereon (or, in lieu of execution by such Unit Owner and lienors, the same may execute a consent to such amendment in recordable form). Following the taking of a portion of a Unit and the recording of the aforementioned amendment to the Declaration, the votes appurtenant to such Unit shall be based upon the new Common Interest of such Unit, and, in the event of a taking of an entire Unit, the right to vote appurtenant to such Unit shall wholly terminate. In either event, the Common Interests of the other or remaining Units shall be adjusted accordingly and reflected in an amendment to the Declaration duly executed and acknowledged by the Board of Managers and the owners of, together with the holders of record of all liens upon, all of the other or remaining Units.

ARTICLE XI

RECORDS

Section 1. **Records and Audits**. The Board of Managers or the managing agent shall keep detailed records of the actions of the Board of Managers and the managing agent, minutes of the meetings of the Board of Managers, minutes of the meetings of the Unit Owners, and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each Unit which, among other things, shall contain the amount of each assessment of Common Charges against such Unit, the date when due, the amounts paid thereon, and the balance remaining unpaid. In addition, it is the obligation of the Board of Managers of the Condominium to give to all Unit Owners annually, the following:

(a) The financial statement of the Condominium prepared by a certified public accountant or, public accountant by March 15th of each calendar year for the prior fiscal year;

(b) Prior notice of the annual Unit Owner’s meeting;

(c) A copy of the proposed annual budget, if any, of the Condominium, within ten (10) days prior to the date set for adoption thereof by the Board of Managers.

ARTICLE XII

MISCELLANEOUS

Section 1. **Invalidity**. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

Section 2. **Captions**. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws, or the intent of any provision thereof.

Section 3. **Gender**. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 4. **Waiver**. No restriction, condition, obligation, or provision contained in these By-Laws, shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 5. **Insurance Trustee**. The Insurance Trustee, if selected, shall be a bank, trust company or savings and loan association in the State of New York, designated by the Board of Managers (with the approval of each of the holders of three (3) or more Residential Unit or Commercial Unit first mortgages). In the event that the Insurance Trustee shall resign, the new Insurance Trustee shall also be a bank, trust company or savings and loan association in the State of New York, designated by the Board of Managers (with the approval of each of the holders of three (3) or more Residential Unit or Commercial Unit first mortgages). The Board of Managers shall pay the fees and disbursements of any Insurance Trustee and such fees and disbursements shall constitute a Shared Common Expense of the Condominium.

Section 6. **Definition of "Mortgagee"**. As used in these By-Laws, the term "mortgagee" or "holder of a first mortgage" shall include the holder of any construction loan mortgage which shall be a lien on a unit.

Section 7. **Non-Disturbance Agreement**. At the request of the Commercial Unit Owner, the Board shall execute and deliver to any tenant of such Commercial Unit Owner an agreement providing in substance that so long as any lease pursuant to which such tenant occupies space in the Building is in full force and effect and there is no default by said tenant thereunder after notice and the expiration of any applicable grace period, and provided said tenant attorns to and recognizes the Board (or any successor thereto) as tenant's landlord pursuant to its lease (and executes and delivers any instrument which the Board or its successor may reasonably request to evidence such attornment), that the rights of tenant under its lease and the possession of tenant shall not be affected or disturbed and said lease shall not terminate as a result of any foreclosure or other action pursuant to the Declaration and By-Laws to obtain possession of the Commercial Unit by the Board.

Section 8. **"Lot Line Windows"**.

(a) There are lot line windows (each a "Lot Line Window" and collectively the "Lot Line Windows") at the east façade of the Building from the second through the ninth floor mezzanine, affecting Unit 2 (in the kitchen area and its adjacent stairs area, in a bedroom, and in a bathroom and its adjacent stairs area), Unit 5 (in a bedroom, in a bathroom and its adjacent stairs area, in the recreation room and its adjacent closet, and in the kitchen area and its adjacent stairs

area), Unit 7 (in the master bedroom, in a bedroom, in the stairs areas, in two bathrooms and its adjacent closet, in the recreation room, in the kitchen and in the living room) and in Unit PH (in the master bedroom, a bedroom, in stairs areas, in two bathrooms and its adjacent closet area, in the living room, in the dining room, in the kitchen and the mezzanine level). There are lot line windows at the west façade of the Building from the eighth floor through the ninth floor mezzanine floor, affecting Unit PH (in a bedroom, in the living room, and dining room). The Lot Line Windows do not provide the legal light and air required for residential occupancy. Legal light and air which is required for the issuance of the certificate of occupancy for the Building is being provided by the windows on the north and/or south façades at the aforementioned affected Units. The Lot Line Windows provide supplementary light and air only. As Lot Line Windows, the view from such windows may be obstructed or completely blocked in the future if a new or enlarged building or structure is constructed on the adjoining property opposite the applicable lot line. It is the opinion of Sponsor's architect that in the event adjacent construction obstructs or completely blocks the Lot Line Windows, which are shatter resistant and sprinkler protected, the Lot Line Windows will not need to be sealed. The subsequent obstruction or sealing of these Lot Line Windows will not affect the validity of the certificate of occupancy.

In the event the Board of Managers determines that, pursuant to applicable Law or guidelines from governmental authorities, including but not limited to DOB, it would be necessary or advisable to seal any Lot Line Windows subsequent to construction that obstructs or completely blocks the same, all construction to enclose the windows shall be performed by the Board of Managers of the Condominium. The cost and expense of such construction shall be the sole responsibility of the Unit Owner or Owners affected and such cost and expense shall be charged to the individual Unit Owners affected as a Special Assessment.

(b) The Sponsor, if applicable, or the Board of Managers, their agents, contractors and employees, will have the right to enter any Unit(s) necessary to effect the enclosure of such Lot Line Windows, should same be determined as provided above. The Unit side of the enclosure will be finished with the same material originally used therein, if available, or if not available, then with such other finish material as will nearly as possible resemble such original material. Decoration of the affected area on the Unit side of the enclosure will also be the responsibility of the Unit Owner, at his or her sole expense.

ARTICLE XIII

AMENDMENTS TO THE BY-LAWS

Section 1. **Amendment to By-Laws**. These By-Laws may be modified or amended by the vote of sixty-seven percent (67%) in number and in Common Interest of all Unit Owners at a meeting of Unit Owners duly held for such purpose. However, for as long as Sponsor or its designee remains the Owner of one (1) or more Units, these By-Laws, including the Rules and Regulations of the Condominium attached hereto, may not be amended or modified in any way so as to adversely affect Sponsor or its designee, in the sole discretion of Sponsor or its designee, as the case may be, without the prior written consent of Sponsor or its designee. Additionally, the By-Laws, including the Rules and Regulations of the Condominium may not be amended or

modified in any way so as to adversely affect (i) the Commercial Unit or the Commercial Unit Owner without the prior written consent of the Commercial Unit Owner, or (ii) the lien of any mortgage without the prior written consent of the mortgagee.

Notwithstanding anything contained herein, Sponsor hereby reserves itself and its designee(s) the right to amend these By-Laws at any time without the requirements of a vote and without the approval or consent of the Board of Managers, any Unit Owners or mortgagees of any Unit Owners for the sole purpose of conforming the By-Laws to the requirements of applicable state and local condominium laws and/or the legal requirements of the Department of Housing and Urban Development of the United States of America ("HUD"), including, but not limited to, HUD Revised Legal Policy which is attached as appendix 24 of the HUD Handbook 4265.1, as same may be amended from time to time, or any other governmental authority or agency to qualify the Condominium for any applicable Unit financing, including, but not limited to, financing of the Federal Housing Authority of the United States of America ("FHA") and/or Fannie Mae financing.

ARTICLE XIV

CONFLICTS

Section 1. **Conflicts**. These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Law of the State of New York. In case any of these By-Laws conflict with the provisions of said statute or of the Declaration, the provisions of said statute or of the Declaration, as the case may be, shall control.

ARTICLE XV

ARBITRATION

Section 1. **Procedure**. Any matter required or permitted to be determined by arbitration pursuant to the terms of the Condominium Documents shall be submitted for resolution by a single arbitrator in a preceding held in the City of New York in accordance with the then existing rules of the American Arbitration Association or any successor organization thereto. In the event that the American Arbitration Association shall not then be in existence and has no successor organization, any such arbitration shall be held in the City of New York before one (1) arbitrator appointed, upon the application of any party, by any Justice of the highest court of appellate jurisdiction then located in the City of New York. The decision of the arbitrator so chosen shall be given within ten (10) days after his selection or appointment. Any arbitrator appointed or selected in connection with any arbitration to be conducted hereunder shall be a member of a law firm having at least five (5) members whose principal office is located in the City of New York.

Section 2. **Variation by Agreement**. The parties to any dispute required or permitted to be resolved by arbitration pursuant to the terms of the Condominium Documents may, by written agreement, vary any of the terms of Section 1 hereof with respect to the arbitration of such dispute

or may agree to resolve their dispute in any manner, including, without limitation, the manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as "New York Simplified Procedure for Court Determination of Disputes".

Section 3. **Binding Effect**. The decision in any arbitration conducted pursuant to the terms of Sections 1 and 2 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction.

Section 4. **Costs and Expenses**. The fees, costs and expenses of the arbitrator shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of his counsel and expert witnesses.

SCHEDULE A

ADDENDUM TO THE BY-LAWS OF THE CONDOMINIUM OF THE PREMISES KNOWN AS ACACIA 118 CONDOMINIUM 118 EAST 1ST STREET NEW YORK, NEW YORK 10009

RULES AND REGULATIONS

1. The Residential Units shall be used only for general residential use (Use Group 2), except that a Residential Unit Owner may use his Residential Unit for any home occupation use permitted under applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction. Such Residential Units may also be used as professional offices by a resident thereof provided such professional use does not violate any zoning law and ordinances and provided further, that the prior written consent of the Board of Managers to such professional use is obtained. In the event that any Residential Unit shall be used for home occupation or professional purposes in conformity with the Declaration and the By-Laws, no patients, clients, or other invitees shall be permitted to wait in any public hallway. No illuminated or other sign may be used in connection with the aforementioned use, excepting only a professional sign, non-illuminated, not larger than the size permitted by the Board of Managers.

Notwithstanding the foregoing, the Sponsor or Sponsor-designee shall have the right, without charge, (i) to maintain general and sales offices in one or more Units or elsewhere on the Property, to use one or more Units as models and for other promotional purposes and to erect and maintain signs on the Property; (ii) to have its employees, contractors and sales agents present on the Property; (iii) to do all things necessary or appropriate, including the use of the Common Elements, to sell or lease Units and to comply with its obligations.

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

providing for short-term, fractional or shared use and/or ownership of such Unit; and (vii) family members, domestic employees and/or non-paying guests of the foregoing.

The following spaces are not intended for sleeping or living purposes, which uses are not permitted under, and could result in a violation issued pursuant to, the Building Code, which shall be the obligation of the offending individual Unit Owner to remove: (i) in Units 2, 5, 7 the recreation rooms; and (ii) in Unit PH, the mezzanine level.

The Commercial Unit may be used for any legal use permitted by the Zoning Resolution of the City of New York, as amended (the "Zoning Resolution"), or other applicable laws.

No sale, lease or sublease or use of all or any portion of the Commercial Unit shall be deemed to adversely affect the Residential Units. The Board of Managers does not have the right to approve or change the use of the Commercial Unit, or any part thereof, or to apply for or cause any amendment to the Building's certificate of occupancy to authorize a different use, except at the request or direction of Sponsor, a Sponsor-designee, or the Commercial Unit Owner, as applicable.

The Commercial Unit Owner, and any tenant or tenants of the Commercial Unit pursuant to the terms of any lease pertaining thereto, shall have the right, without charge or limitation, and without the consent of the Board of Managers to install, repair, replace and maintain either within or in the immediate location of the Commercial Unit at the first floor level and on the sidewalk adjacent to the Commercial Unit's entrance or entrances, a sign or signs, which may be illuminated, including neon, flags, banners, lettering, fixtures or decorations of any size, material or content, for advertising or identification purposes. Additionally, the Commercial Unit Owner, and any tenant or tenants of the Commercial Unit pursuant to the terms of any lease pertaining thereto, shall have the right, without charge or limitation and without the consent of the Board of Managers to install, or erect, repair, replace and maintain in the immediate location of the Commercial Unit at the first floor level, but not to interfere with the entrance of any other Unit or to the Building, a canopy and/or awning for advertising or identification purposes or an automatic teller machine ("ATM") to be used in conjunction with the use of the Commercial Unit. The Commercial Unit Owner and any tenant of space in the Commercial Unit shall comply with all of the laws, orders, rules and regulations of the governmental authorities having jurisdiction thereof, including zoning laws, building codes and as required by insurance underwriters. The Commercial Unit Owner or its tenant shall obtain and pay for all permits required for such signs, canopies, awnings, or ATM and/or any necessary renewal fees related thereto.

The residential storage room, which is located cellar level of the Building, may only be used for storage which is accessory to the Residential Units' use, including the storage of personal effects of the Residential Unit Owner, provided that no stored article or material that shall pose a threat to the health or safety of the Unit Owners or other occupants or tenants of the Building or shall otherwise create a nuisance shall be permitted to be brought into or stored in said residential storage room by any Unit Owner.

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

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

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

5. In order to promote a consistent appearance of the Building from the outside, each Residential Unit Owner will be required to install and maintain window treatments having a neutral-colored backing on windows which face First Street. Such window treatments and backings must conform to specifications, including as to color, established from time to time by the Board of Managers. No window decorations shall be used in or about any Residential Unit, except such as shall have been approved in writing by the Board of Managers or the Managing Agent, which approval shall not be unreasonably withheld or delayed. In no event, however, shall any exterior glass surfaces of any windows at the Property, excluding the glass surfaces of any windows in the Commercial Unit, be colored or painted.

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

Managers in writing when a child or children under the age of eleven (11) years lives or resides (even temporarily) in the Unit. In addition, the Residential Unit Owner shall install at the Residential Unit Owner's own expense, the required window guards, as previously approved by the Board of Managers, in all windows of the Unit and shall not remove them until permitted by applicable law and in any event, without the full knowledge of the Board of Managers.

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

8. No plantings shall be permitted on any exterior surface of the Building adjacent to a Unit without the prior written consent of the Board of Managers.

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

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

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

12. Except as provided above, no sign, notice, lettering, or advertisement shall be inscribed or exposed on or at any window, door, or other part of the Building, except such as shall have been

approved in writing by the Board of Managers, nor shall anything be projected out of any window of the Building without similar approval.

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

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

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

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

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

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

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

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

21. No Unit Owner shall interfere in any manner with any portion of the lighting apparatus which is part of the Common Elements and not part of the Unit Owner's Unit, except that the Owner of the Commercial Unit may install and use extra equipment in the risers and conduits servicing the Building so long as such Unit Owner reimburses the Board of Managers for the actual costs attributable to such installation and use.

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

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

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

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

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

27. Certain parts of the Common Elements are intended for use for the purpose of affording pedestrian movement within the Condominium and of providing access to the Units. No part of the Common Elements shall be obstructed as to interfere with its use for the purposes hereinabove recited; nor shall any part of the Common Elements be used for general storage purposes except for the residential storage room, and maintenance storage, unless 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, except if a use of any Commercial Unit shall increase the rate of hazard and liability insurance for such area and improvements situated thereon, the Owner of such Commercial Unit shall pay the increase.

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

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

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

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

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

33. The agents of the Board of Managers or the Managing Agent, and any contractor or workman authorized by the Board of Managers or the Managing Agent, may enter any room or Unit at any reasonable hour of the day, on at least one (1) day's prior notice to the Unit Owner, for the purpose of inspecting such Unit for the presence of any vermin, insects, or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects, or other pests; however, such entry, inspection and extermination shall be done in

a reasonable manner so as not to unreasonably interfere with the use of such Unit for its permitted purposes.

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

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

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

37. The use of the (i) residential storage room at the cellar level of the Building by any of the Residential Unit Owners shall be subject to any and all restrictions and/or regulations established by the Board of Managers in its sole discretion. Further, the Board of Managers reserves the right, in its sole discretion, to establish usage fees for certain Building amenities, including, but not limited to, the residential storage room; however, such usage fees shall be based upon the cost of maintenance and operation of the applicable areas.

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

39. Unit Owners will faithfully observe the following procedures with respect to the use of the compactor: (1) wrap dust, floor and powdered waste in compact packages before depositing the same; (b) thoroughly drain and wrap in paper all garbage before depositing the same; (c) refrain from forcing large bundles into the chute; (d) crush into tight bundles all loose papers before placing the same in the hopper door; (e) deposit all bundles of waste into the hopper; and (f) refrain from depositing waste of an explosive nature therein.

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

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

42. No person may carry or smoke any kind of lighted pipe, cigar, cigarette, tobacco, cannabis, or any other lighted smoking apparatus, equipment or product, including but not limited to electronic cigarettes (collectively, “Smoking Apparatus”), in any area of the Building, whether indoor or outdoor, at any time. For clarification of doubt, smoking shall be prohibited in all common areas of the Building as well as in all Units and Limited Common Elements appurtenant thereto, including any private terrace and/or balcony. In addition, no person may smoke or otherwise burn any Smoking Apparatus within twenty-five (25) feet of any outside entrance to the Condominium or within twenty-five (25) feet of any outdoor air intake or operable window opening into the common areas or any of the Units.

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

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

PUNCHLIST INSPECTION STATEMENT

Date: _____

Acacia 118, LLC
111 John Street, Suite 200
New York, New York 10038

RE: Acacia 118 Condominium
Unit #____: 118 East 1st Street
New York, NY 10009

Gentlemen:

As a result of my/our final inspection, please be advised that the following items need either completion, adjustment or repair:

ITEM

1. _____
2. _____
3. _____
4. _____
5. _____

I/we understand that certain items, as set forth in the Offering Plan, are not the responsibility of Sponsor. I/we also understand that to prevent pilferage certain items such as medicine cabinet doors, shower heads, toilet seats and bifold door knobs,

_____
_____
_____
_____
will be installed just prior to my/our date of moving.

_____ Purchaser's signature

_____ Purchaser's signature

_____
Seller's Representative

ESTIMATE OF POST-CONSTRUCTION ASSESSMENT

Real Estate Tax Estimate
for
118 East 1st Street
Manhattan, New York

Prepared for:
Acacia 118, LLC
57 Prince Street, Apt 5
New York, N.Y. 10012

August 4, 2021

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

July 1, 2021

Acacia 118, LLC
57 Prince Street, Apt 5
New York, N.Y. 10012

Attention: Ms. Cindy Wu

Re: 118 East 1st Street
New York, New York

I, JEROME MAZURSKY, CERTIFY:

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

THAT I have been retained by the sponsor, to estimate for inclusion in an Offering Plan to be submitted to the Attorney General, the assessed valuation and real estate taxes of the above-captioned property after completion of construction of a 9-story condominium;

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

THAT I have consulted with personnel in the Property Division of the Department of Finance regarding the current practice in assessing newly constructed residential condominiums assessed in Tax Class 2C. Specifically, discussions centered around appropriate land and building factors and income projections for properties similar to the subject in type and location.

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

I have discovered the following:

1) The subject property is located at 118 East 1st Street in the East Village section of the borough of Manhattan. The sponsor is in the process of constructing a 9-story condominium containing four (4) residential units and one (1) commercial unit.

The site has 20' frontage on the northerly side of East 1st Street and extends 105' in depth. It is rectangularly-shaped and contains approximately 2,100 square feet of ground area. The property is currently identified on the city's tax records as Block 429 Lot 43.

2) After completion of construction, the units will contain the following gross square foot areas and uses:

UNIT	AREA	USE
C	1,946	Commercial Unit
2	2,871	3BR, 3Baths, Study, Apartment w/Terrace
5	2,872	3BR, 3Baths, Study, Apartment w/Balcony
7	2,879	3BR, 3Baths, Study, Apartment w/Balcony
9	3,150	3BR, 3Baths Apartment w/Terrace

3) The property is assessed in Tax Class 4 for the 2021/22 tax year. Class 4 is comprised of vacant land and most uses other than residential. After completion of construction and the establishment of a primarily residential condominium, all of the units will be assessed in Tax Class 2C under the classification system adopted by the State Legislature in its revision of the Real Property Tax Law (Section 305, Article 1802, and Section 581, applicable to the assessment of cooperative apartments and condominiums.)

Tax Class 2C is comprised of primarily residential cooperatives or condominiums with no more than ten units. The City's assessment ratio policy for Tax Class 2C, is to assess at 45% of market value based upon the value as an income-producing property. Increased values, other than for physical changes, are limited to 8% per year or 30% over a five-year period. Increases for physical changes are limited to 15% of renovation costs.

3) continued

The 2020/21 Class 4 tax rate is $10.694 per $100. The 2020/21 Class 2C tax rate is $12.267 per $100. I estimate the tax rate after completion of construction at $12.55 per $100 for Tax Class 2C in tax years 2021/22 and 2022/23.

4) The recent history of assessed valuation of 118 East 1st Street is as follows:

2020/21	Land	Total
Actual:	$ 673,200	$ 673,200
Transitional:	$ 421,546	$ 421,546
Market Value:	$ 1,496,000	$1,496,000

2021/22	Land	Total
Actual:	$ 768,150	$ 768,150
Transitional:	$ 545,618	$ 545,618
Market Value:	$ 1,707,000	$1,707,000

5) After construction is completed, I estimate the assessed values as follows:

2022/23	Land	Total
Actual:	$750,000	$ 2,000,000
Market Value:		$ 4,450,000

6) Using the percentages of common interest as shown in Schedule A of the Offering Plan, I have estimated that the residential units will be assessed at 86.09% and the retail unit at 13.91% of the total assessed valuation. After conversion to condominium, in the tax year July 1, 2022 through June 30, 2023, the tax liability for the residential units is estimated at $216,086 and the tax liability for the retail unit is estimated at $34,914. The calculations are as follows:

ESTIMATED TAX IN FIRST YEAR OF OPERATION

Residential Units

July 1, 2022 - June 30, 2023

($ 2,000,000 [1] x .8609 [2]) x .1255 [3] = $216,086

Retail Unit

July 1, 2022 - June 30, 2023

($ 2,000,000 [1] x .1391 [2]) x .1255 [3] = $34,914

6) continued

Each unit will be given a separate tax lot number. Individual tax liability may be estimated by apportioning the total assessed valuation of the residential units among the residential unit owners in accordance with their percentages of common interest as indicated in the Offering Plan.

7) The co-op/condominium real estate tax abatement law that has had a favorable effect on the real estate tax burden of residential co-op and condominium unit owners was extended by the State Legislature. The Legislature indicated its intention in passing this law was to address the disparity between the tax burden of one to three family homeowners and that of residential co- op and condominium unit owners. Effective July 1, 2020 only "qualified properties" will be eligible for the abatement. A "qualified property" is defined in Section 267-a of the RTPL as (i) a property with an average unit AV of less than or equal to $60,000; or (ii) a property in which all building service employees employed or to be employed at the property receive the applicable prevailing wage for the duration of the tax abatement. Owners of residential condominium units must also meet certain requirements of the New York City Department of Finance rules and regulations in order to be entitled to the Cooperative and Condominium Property Tax Abatement. Unit owners (i) must have purchased the unit on or before January 5th to qualify for the abatement for the upcoming tax year, (ii) cannot own more than 3 residential units in the building, and (iii) must occupy one of the units as their primary residence. Units owned by Sponsor or its successors do not qualify for the abatement. Units owned by a business designation (LLC) are not eligible for the abatement. If the abatement is granted to this condominium and unit owners qualify for the abatement, the law may allow up to a 17.5% abatement of the real estate tax bill. Excluded from receiving the abatement benefits are co-ops and condominiums that receive tax exemption benefits.

8) This estimate of the assessed valuation has been prepared for inclusion in the Offering Plan, and I consent to its use for this purpose. Although the aforesaid estimate of the Actual Assessed Valuation is a good-faith estimate, it is not possible to estimate same with any degree of certainty. Assessed valuations, when actually made, may be lesser or greater based on our interpretation of the administrative code and the applicable rules and regulations of the City of New York. Although I believe my opinions are well-founded, they are not intended, and should not be construed as warranties as to future assessed valuations of the property under discussion.

8) continued

In no event will this firm, the Sponsor, the Sponsor's counsel or any other person be liable if the assessed valuation, when actually made, is lesser or greater than that estimated above, or if the administrative code and the applicable rules and regulations of the City of New York are changed in the future, or if the facts as represented prove to be untrue.

Jerome Mazursky, MAI, CAE

FOOTNOTES:

1. Estimated 2022/23 Assessed Value.
2. Estimated percentage of value for this type of space.
3. Estimated Class 2C Tax Rate

The Mazursky Group, Inc., 42 Broadway, Suite 1744, New York, NY 10004 (212) 344-8586

**CERTIFICATION BY SPONSOR AND PRINCIPALS
PURSUANT TO SEC. 20.4(b)
OF THE REGULATIONS ISSUED
PURSUANT TO GENERAL BUSINESS LAW,
ARTICLE 23-A, AS AMENDED**

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

Re: 118 East 1st Street
Premises: 118 East 1st Street
New York, NY 10009

The undersigned certify as follows:

We are the Sponsor and the principal(s) of Acacia 118, LLC the Sponsor of the condominium Offering Plan for the captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20 and such other laws and regulations as may be applicable.

We have read the entire Offering Plan. We have investigated the facts set forth in the Offering Plan and the underlying facts. We have exercised due diligence to form a basis for making this certification. We jointly and severally certify that the Offering Plan does, and that all documents submitted hereafter by us which amend or supplement the Offering Plan will:

(1) set forth the detailed terms of the transaction and be complete, current and accurate;

(2) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(3) not omit any material fact;

(4) not contain any untrue statement of a material fact;

(5) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

(6) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(7) not contain any representation or statement which is false, where we:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representations or statement made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

I declare under penalty of perjury under the laws of the State of New York and the United States of America that the foregoing is true and correct. Executed on February 16 2022 by:

Warren Freyer

SPONSOR:

Acacia 118, LLC

By: _____
Warren Freyer, Authorized Signatory

PRINCIPALS OF SPONSOR:

_____
Warren Freyer

CERTIFICATION OF SPONSOR'S ARCHITECT PURSUANT TO SEC 20.4(c) OF PART 20 OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED

New York State Department of Law
28 Liberty Street, 21st Floor
New York, NY 10005
Att.: Real Estate Financing Bureau

Re: 118 East 1st Street Condominium
Premises: 118 East 1st Street
New York, NY 10009

The Sponsor of the Offering Plan to convert the captioned Property to condominium ownership retained our firm, Barton Designworks Architecture, P.C., to prepare a report describing the construction of the Property (the "Report"). On February 18, 2022 we visually inspected the property, and we subsequently examined the building plans and specifications that were prepared by Freyer Collaborative Architects, PLLC, dated 30 October 2020 and prepared the Report dated January 11, 2022, a copy of which is intended to be incorporated into the Offering Plan so that prospective purchasers may rely on the Report. We are registered architects in the State of New York.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 20 insofar as they are applicable to this Report.

We 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. We 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 that we examined;

(ii) in our 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 as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that we examined;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment, or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) does not contain any representation or statement which is false, where 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.

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 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.

Barton Designworks Architecture, P.C

By: _____ 2/18/22

JACKSON BARTON, Principal

Sworn to before me this
18th day of February, ~~2021~~2022

_____
Notary Public

TAMISHA J MARTIN
Notary Public - State of New York
NO. 01MA6062380
Qualified in Kings County
My Commission Expires 8/6/2025

REGISTERED ARCHITECT
JACK BARTON SILVERSTEIN
026504
STATE OF NEW YORK

Seal

CERTIFICATION BY EXPERT
ON ADEQUACY OF BUDGET
PURSUANT TO SECTION 23.4(d)
OF THE REGULATIONS ISSUED PURSUANT
TO GENERAL BUSINESS LAW ARTICLE 23A, AS AMENDED

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

Re: Re: 118 East 1st Street
Premises: 118 East 1st Street
New York, NY 10009

The undersigned certifies as follows:

The sponsor of the condominium Offering Plan for the captioned property retained our firm, Pollock Realty, to review Schedules B and B-1 containing projections of income and expenses for the first year of condominium operation.

Our firm, or the principals thereof, have been in the real estate management business for a period in excess of thirty (30) years. We currently manage, and in the past have managed, residential brownstone and conventional elevator and non-elevator apartment buildings which are either operated in the cooperative or condominium form of ownership or as rental properties. We also manage commercial property. Some of the properties that we manage or have managed are as follows:

1. 96 South Elliott Place, Brooklyn, NY 11217
2. 99 South Elliott Place, Brooklyn, NY 11217

3. 9 Great Jones Street, NY 10012
4. 171 Spring Street, NY 10012
1. S. 19 Bond Street, NY 10012
5. 129 Grand Street, NY 10012
6. Buttermilk Fall Inn & Spa, Milton, NY 12547

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to Schedules B and B-1.

We have reviewed the Schedule and investigated the facts set forth in the Schedule and the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings.

We certify that the projections in Schedules B and B-1 appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

We certify that the Schedule:

(a) sets forth in detail the projected income and expenses for the first year of condominium operation;

(b) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

(c) does not omit any material fact;

(d) does not contain any untrue statement of a material fact;

(e) does not contain any fraud, deception, concealment, or suppression;

(f) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(g) does not contain any representation or statement which is false, where We:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by the sponsor. We understand that a copy of this certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

I declare under penalty of perjury under the laws of the State of New York and the United States of America that the foregoing is true and correct. Executed on 02/17/2022 by:

Pollock Realty



Name: Robert Pollock
Title: President

CERTIFICATION BY EXPERT
ON ADEQUACY OF COMMON CHARGES
PAYABLE BY THE COMMERCIAL UNIT OWNER
PURSUANT TO SECTION 20.4(e) OF PART 20 OF
THE REGULATIONS ISSUED PURSUANT TO
GENERAL BUSINESS LAW ARTICLE 23A, AS AMENDED

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

Re: Re: 118 East 1st Street
Premises: 118 East 1st Street
New York, NY 10009

The undersigned certifies as follows:

The Sponsor of the condominium offering plan (the "Offering Plan") for the captioned property retained our firm, Pollock Realty, to review Schedule B, which includes projections of common charges payable by the owner of the commercial unit ("Commercial Unit").

Our experience in this field includes management of the operation of comparable condominium and cooperative and rental properties in the City of New York for over 30 years. Pollock Realty is a licensed real estate brokerage and management firm actively involved in the management of over 100 cooperative, condominium, and rental properties, many of which contain a commercial component.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to the Commercial Unit listed in Schedule B.

We have reviewed Schedule B as it impacts upon the Commercial Unit and investigated the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential and commercial buildings, including residential buildings which contain commercial space.

We certify that the projections in Schedule B for common charges payable by the owner of the Commercial Unit appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributable to such Commercial Unit for the projected first year of condominium operation, and that the allocation of common charges attributable to the Commercial Unit also reflects special or exclusive use or availability or exclusive control of particular common areas.

We certify that the estimates in Schedule B for the common charges payable by the owner of the Commercial Unit:

(i) set forth in detail the projected common charges for the Commercial Unit for the first year of condominium operation;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the common charges payable by the owner of the Commercial Unit;

(iii) do not omit any material fact;

(iv) do not contain any untrue statement of a material fact;

(v) do not contain any fraud, deception, concealment, or suppression;

(vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) do not contain any representation or statement which is false, where we:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

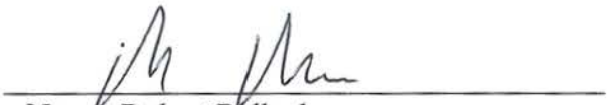
(d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by the Sponsor. We understand that a copy of this certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the common charges attributable to the Commercial Unit for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

I declare under penalty of perjury under the laws of the State of New York and the United States of America that the foregoing is true and correct. Executed on 2/17/2022 by:

Pollock Realty



Name: Robert Pollock
Title: President