CONDOMINIUM OFFERING PLAN

524 HALSEY CONDOMINIUM

524 Halsey Street
Brooklyn, New York 11233

COUNTY OF KINGS

Residential Units Offering	$44,303,000.00
Total Amount of Offering	$44,303,000.00

(Thirty-two (32) Residential Units offered for sale.)

Sponsor:

524 HALSEY LLC

80 4th Street
Brooklyn, NY 11231

Selling Agent:

DOUGLAS ELLIMAN REAL ESTATE

111 5th Avenue
New York, New York 10003

Date of Acceptance for Filing: _____. The Term of the Initial Offer is from _____ and will end on _____, unless extended by amendment.

SEE PAGE iii FOR SPECIAL RISKS TO PURCHASERS

BECAUSE SPONSOR IS RETAINING THE UNCONDITIONAL RIGHT TO RENT RATHER THAN SELL RESIDENTIAL UNITS AFTER CONSUMMATION OF THIS 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. PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE BOARD OF MANAGERS UNDER THE TERMS OF THIS PLAN. (SEE SPECIAL RISKS SECTION OF THE PLAN.)

THIS OFFERING PLAN IS THE 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.

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SPECIAL RISKS

TERMS USED IN THIS SECTION AND OTHER SECTIONS OF THIS PLAN ARE DEFINED IN THE "DEFINITIONS" SECTION OF THIS PLAN.

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

1. The Sponsor intends to sell the Units offered pursuant to this Plan and will endeavor in good faith to sell all Units in a reasonably timely manner rather than rent. Sponsor reserves the unconditional right to rent the Residential Units offered pursuant to this Plan after consummation of this Plan. Because the Sponsor is not limiting the conditions under which it will rent rather than sell Units, there is no commitment to sell more units than the fifteen percent (15%) necessary (i.e., 5 Residential Units) to declare the Plan effective and owner-occupants may never gain effective control and management of the Condominium. If the Sponsor makes a bulk sale of all or some of its Unsold Units, meaning a sale in bulk to a transferee successor sponsor, then the transferee successor sponsor is bound by Sponsor's representations regarding its commitment to sell, and its reservation of the right to rent, the Units as specified herein. The validity of the Plan's effectiveness shall not be impaired or affected if one or more Purchasers counted for purposes of declaring the Plan effective do not close title. However, if all Purchase Agreements are rescinded or terminated prior to the date of the first Unit closing, the Sponsor shall re-declare the Plan effective, regardless of whether the Declaration has been recorded in the Office of the City Register. See the sections of the Plan entitled "Introduction," "Effective Date" and "Rights and Obligations of the Sponsor."

2. No bond or other security is provided to secure the obligations of the Sponsor under the Plan, including the obligation to complete the construction work described in this Plan. See the section of this Plan entitled "Rights and Obligations of Sponsor."

3. The Sponsor has commenced the construction described in this Plan with its own funds. Such funds are anticipated and expected, but not guaranteed, to be sufficient to complete the construction described in this Plan. If Sponsor obtains construction financing for the Property, Sponsor will amend this Plan to disclose the relevant terms of such financing, including any sales and rental requirements or restrictions imposed by the construction lender. If unforeseen circumstances arise, however, the Sponsor will make commercially reasonable efforts, but ultimately may not be able to complete the construction described in this Plan. If Sponsor is unable to complete construction, the Sponsor may abandon this Plan or provide financially responsible entities or individuals who will assume the status and all of the obligations of the Sponsor under this Plan, in either case in accordance with applicable legal requirements. If this Plan is abandoned, all Purchase Agreements will be terminated and all Down Payments will be promptly returned to Purchasers. However,

all Purchase Agreements will remain in full force and effect if a financially response successor sponsor is provided. See the section of this Plan entitled "Rights and Obligations of Sponsor."

4. Under the By-Laws, as set forth in Part II of this Plan, until the first meeting of Unit Owners, the Board of Managers will consist of three (3) members designated by the Sponsor. Within ninety (90) days after the first Closing of title to a Unit, the Sponsor will call the first meeting of Unit Owners, at which meeting the Unit Owners shall elect three (3) members, subject to Sponsor's right to designate members. The Sponsor shall have the right to designate two members of the Board until the earlier of: (1) five years after the Closing of the first Unit or (2) the time the Sponsor holds less than fifty percent (50%) of the Common Interests. After Sponsor's initial voting control period, there is no requirement that a majority of the Board of Managers be composed of owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals. Therefore, owner-occupants and non-resident owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed. The Sponsor may not exercise veto power over expenses described in "Schedule B – Projected Budget for First Year of Condominium Operations," or over expenses required to comply with applicable laws or regulations, or to remedy any notice of violation, or to remedy any work order by an insurer. The Sponsor may exercise veto power over expenses other than those described in the preceding sentence until five (5) years after the Closing of the first Unit or until the Unsold Units constitute less than twenty five (25%) percent of the Common Interest, whichever is sooner.See the sections of this Plan entitled "Control by the Sponsor" and "Board of Managers."

5. Down Payments will be placed in an escrow account of the Sponsor's attorney at Bank of America. Deposits in excess of $250,000 will not be federally insured in excess of $250,000. Purchasers with bank accounts at Bank of America should note that other Purchaser funds held with Bank of America may factor into such $250,000 insurance limit. See the section of this Plan entitled "Procedure to Purchase."

   In the event that Purchaser defaults under a Purchase Agreement, and fails to cure any such default within thirty (30) days of Sponsor's delivery of a notice of such default, Sponsor may, at its option, either (i) cancel such Purchase Agreement and retain all sums deposited by Purchaser thereunder, including any money paid on account of changes to the plans for the Unit requested by Purchaser, together with any interest earned thereon, if any, or (ii) bring an action against Purchaser for specific performance, in which event Purchaser could be compelled to close title to the Unit. TIME IS OF THE ESSENCE for Purchaser to cure any default.

6. In New York, the seller of real property is statutorily obligated to pay and responsible for the payment of the New York State Real Estate Transfer Tax and the New York City Real Property Transfer Tax, and the buyer of real property is statutorily obligated to pay the Mansion Tax and Supplemental Tax, if applicable. However, in sales of condominium units by a sponsor, it is customary for buyers to pay these transfer taxes. Purchasers are advised that under this Plan, the Sponsor is imposing on Purchasers Sponsor's statutory

obligation to pay these transfer taxes and, pursuant to the Purchase Agreement, Purchasers are obligated to pay these transfer taxes.

The Purchaser is responsible for the payment of the New York State Real Estate Transfer Tax, which currently is 0.4% of the purchase price for Residential Units costing less than $3,000,000 and 0.65% of the purchase price for Residential Units costing $3,000,000 or more, and for an additional tax commonly known as "Mansion Tax," which is currently 1% of the purchase price for Residential Units costing $1,000,000 or more, and for a "Supplemental Tax" for Residential Units, as follows:

Residential Unit Price	Supplemental Tax (% of Price)
$2,000,000 – $2,999,999	0.25%
$3,000,000 - $4,999,999	0.5%
$5,000,000 – $9,999,999	1.25%
$10,000,000 - $14,999,999	2.25%
$15,000,000 - $19,999,999	2.5%
$20,000,000 - $24,999,999	2.7%
$25,000,000 or more	2.9%

The Purchaser is also responsible for the New York City Real Property Transfer Tax, which is currently equal to one percent (1%) of the purchase price for Residential Units costing $500,000 or less and one and four hundred twenty five one thousandths percent (1.425%) for Residential Units costing more than $500,000. When calculating the taxes, taxes paid by Purchasers, except the Mansion Tax and Supplemental Tax, are added to the purchase price for recalculating the New York City Real Property Transfer Tax, but only the New York City Real Property Tax is added to the purchase price for recalculating the New York State Real Estate Tax and the Mansion and Supplemental Taxes.

In addition to transfer taxes and the Mansion Tax and Supplemental Tax, Purchasers will also be obligated to pay at Closing any new or supplement tax, or any increase to or modification of existing taxes or rates, on the transfer of condominium units enacted after the date of this Plan (any such tax, an "Additional Tax"), regardless of whether such Additional Tax is by law the primary obligation of the seller or purchaser. Sponsor will amend the Plan to disclose the enactment of any Additional Tax. However, Purchasers will be required to pay such Additional Tax at Closing regardless of whether the Plan amendment disclosing the Additional Tax has been accepted for filing by the date on which the Purchase Agreement is fully executed. The enactment of an Additional Tax and any amendment to the Plan to disclose the same shall not give right to any right of rescission or recourse of any kind.

See the section of the Plan entitled "Closing Costs and Adjustments."

7. Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a final certificate of occupancy ("FCO") covering the entire buildings 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 FCOs are issued by the New York City Department of Buildings ("DOB"). In the absence of a FCO or TCO, it is unlawful to occupy a Unit and will be difficult or impossible to obtain financing, buy insurance or sell or refinance a Unit. A TCO is intended to indicate that the Property is safe for occupancy, and that it conforms substantially to the DOB approved plans and specifications and to the requirements of all applicable laws, rules and regulations for the uses and occupancies specified in the TCO, but means that not all of the construction or renovation work and/or inspections have been performed, or that not all of the required documents for an FCO have been submitted to DOB. No change of use or occupancy shall be made unless a new certificate of occupancy is issued. All TCOs have an expiration date. A TCO typically expires ninety (90) days after the date of issuance, and a TCO may expire for reasons outside the Sponsor's control. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance or sell or refinance the Unit. In New York City, it is common for sponsors to commence unit closings when one, some or all units are covered by a TCO rather than a FCO. The Sponsor anticipates this scenario may occur. Sponsor and its principals will undertake the responsibility for obtaining and extending each TCO received for the Building prior to expiration thereof and ultimately for obtaining a FCO covering the Building within two years from the date of the issuance of the first TCO for the Building. As descrived in greater detail in this Plan, the Sponsor will also maintain sufficient funds in escrow to cover the anticipated costs of obtaining a FCO. However, the Sponsor and its principals make no representation or guarantee that DOB will issue the FCO within such two-year periods. Furthermore, because Sponsor and the Condominium's By Laws may permit Unit Owners to undertake renovations to individual Units prior to the procurement of a FCO, such renovations may cause additional delays in the issuance of a FCO, including a delay beyond two (2) years from the date of issuance of the first TCO. NOTWITHSTANDING THE FOREGOING, SPONSOR AND ITS PRINCIPALS ARE OBLIGATED TO PROCURE THE FCO FOR THE BUILDING AND SHALL EXERCISE THEIR BEST EFFORTS TO OBTAIN THE SAME WITHIN SUCH TWO-YEAR PERIOD WHILE KEEPING THE TCO CURRENT. Unit Owners and the Board of Managers shall be obligated to cooperate with and refrain from obstructing the Sponsor in these undertakings. Purchasers are advised to visit the DOB website for further recommendations when purchasing a Unit without an FCO having been issued. A Factsheet on certificates of occupancy is available on the DOB website at:https://www1.nyc.gov/site/buildings/property-or-business-owner/certificate-of-occupancy.page Additionally, Purchasers are advised that because open building permits for Unit Owner alterations may impact the ability to obtain the FCO, Sponsor or the Board may, in order to obtain the FCO or any other reason, impose temporary restrictions or prohibitions on Unit alterations by Unit Owners. See the section of this Plan entitled "Rights and Obligations of the Sponsor."

8. The Sponsor anticipates that construction of the Building will be completed by July 1, 2023. Any material delays in the anticipated construction completion date will be disclosed in an amendment to this Plan. Construction is a complicated process requiring the coordination of numerous tasks and the balancing of complex mechanical and

architectural systems. No assurance can be given with regard to the accuracy of any projected completion dates set forth herein. During the first year of Condominium operation, construction workers and related personnel may be at the Property from time to time to make adjustments and to perform various tasks related to the completion of construction. Various systems, including, but not limited to, water supply, electricity, air conditioning, elevators, heating and ventilation may require up to a year after the first Unit Closing to complete and may need to be shut down temporarily. Various other adjustments to windows, elevators and other systems may require up to eighteen (18) months after the first Closing to be completed. The Sponsor may not complete the decoration of the corridors in the Building, including, but not limited to, installing light fixtures, hanging wall coverings or laying carpeting until, that particular floor is fully occupied by Unit Owners. However, the Sponsor does not anticipate that any such incomplete items or amenities will have an impact on the budget for the Condominium. Notwithstanding the foregoing, the Building and Units will be constructed in accordance with all applicable zoning and building laws, codes, regulations and all other applicable requirements. See the section of this Plan entitled "Rights and Obligations of the Sponsor."

9. The Sponsor will not apply for real property tax benefits for the Building or Units, and no representation is made as to the Building's or a Unit's eligibility to receive any such real property tax benefits. See the sections of this Plan entitled "Real Estate Taxes and Taxes on the Condominium" and "Schedule A – Schedule of Purchase Prices and Other Financial Details."

10. At the request of a Purchaser, the Sponsor may, in its sole discretion, agree to perform modifications, upgrades or specialized work in a Unit, or to combine one or more Units into a single Unit, all subject to any Legal Requirements, including obtaining a certificate of occupancy covering the combined Unit and disclosing any such modifications and/or combinations in an amendment to the Plan. Such work shall be performed upon terms and conditions determined by the Sponsor and the Purchaser. In connection with the combination of one or more Units into a single Unit, the first installment of the Down Payment payable by the Purchaser shall equal twenty percent (20%) of the total Purchase Price of the combined Units; in all other cases, a sum equal to the cost of such modifications or special work shall be paid to the Sponsor prior to any obligation on the Sponsor's part to perform such work. Such sum will be placed in the Escrow Account initially together with the Down Payment. However, Purchasers should note that such funds may be released from the Escrow Account by the Escrow Agent so long as Sponsor uses the funds for such upgrades, modifications or special work. As a result, except as set forth below, in the event a Purchaser is entitled to rescind its Purchase Agreement or in the event the Sponsor is unable to close title to the Unit with Purchaser for any reason, and even if this Plan is not consummated, the Purchaser will not receive a refund of any funds used for such requested modifications or specialized work but shall receive a refund of any unused funds. Notwithstanding the foregoing, Purchasers will receive a full refund of funds for such modifications or special work in the event the Sponsor abandons the Plan prior to declaring the Plan effective. See the section of this Plan entitled "Changes in Prices and Units."

11. Risk of loss for fire or other casualty remains with the Sponsor until legal title to the Unit has been conveyed to the Purchaser, unless the Purchaser enters into an Interim Lease or otherwise takes possession of the Unit. The Building will be covered by a fire and casualty insurance policy in an amount expected to be adequate to rebuild the Building's structure (but not portions of the interior of Units that are the responsibility of Unit Owners to insure) if totally destroyed by fire or other insured peril. Purchasers are advised to obtain insurance against loss for fire or other casualty for items not covered by the insurance described above, effective upon his, her or its taking title to or possession of a Unit. Specifically, Unit Owners, as well as Purchasers who take possession prior to the Closing, are urged to obtain insurance for the contents of their Units, their personal possessions, replacements, additions, upgraded fixtures and improvements to the Units and liability coverage for occurrences within their Units. A Purchaser who occupies a Residential Unit prior to the closing pursuant to an Interim Lease, or otherwise takes possession of a Unit prior to Closing, may not be able to obtain insurance for all risks of damage to the Unit and therefore assumes the risk of losses not covered by insurance. See the section of this Plan entitled "Procedure to Purchase."

12. Areas in Schedule A are not based on measurements from the interior surfaces of interior walls of rooms and are significantly greater than the usable floor area of the Units. All measurements are approximate, within reasonable tolerances. A Residential Unit's square footage is calculated from the exterior face of exterior walls (perimeter and mechanical pipes are not deducted) to the centerline of partitions between Units, and to the exterior face of partitions separating the unit from any common areas, stairs, elevators & other mechanical equipment spaces or any Common Elements. However, any Common Elements located within a Unit shall not be considered a part of the Unit. No Unit shall include any Common Element. See the section in Part I of this Plan entitled "Offering Prices and Related Information, Schedule A," as well as the Description of Property and Specifications or Building Conditions and the Declaration, copies of which are included in Part II of this Plan.

13. If a Purchaser defaults under a Purchase Agreement, <u>time is of the essence</u> with respect to the time within which the Purchaser must cure the default, as provided in the Purchase Agreement. This means that time limits within which the Purchaser must cure the default will be strictly observed and extensions will not be granted. In addition, if a Purchaser defaults under a Purchase Agreement, Seller may send notice to Purchaser of Sponsor's intention to cancel the Purchase Agreement, and if Sponsor chooses to cancel the Purchase Agreement, Sponsor must give such written notice of cancellation and default at least thirty (30) days before forfeiture of the Down Payment may be declared. The Sponsor's attorney shall impose a fee of $500 for such notice of default, which will be paid by Purchaser. See the section of Part I of this Plan entitled "Procedure to Purchase," as well as the Purchase Agreement, a copy of which is included in Part II of this Plan.

14. Although a Purchaser may obtain financing from a lending institution or any other source, his, her or its obligation to purchase a Unit pursuant to his, her or its Purchase Agreement is not contingent on obtaining financing for such purchase. Any Purchaser who executes

a Purchase Agreement and does not obtain financing may lose his or her deposit if he or she is unable to otherwise raise the monies necessary to pay the balance of the purchase price at the closing of title.

Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on purchase financing. Such restrictions may include requiring that a certain percentage of Units be sold before a lender will consider making a loan. Thus, it may be possible for a Purchaser to experience difficulty in obtaining a loan in the Building if the Sponsor has not sold a substantial percentage of the Units, which in some cases may be as high as 70%. Moreover, some lenders will not provide financing if an investor, other than the Sponsor, owns 10% or more of the Units. It may also 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. Prospective purchasers who require financing for the purchase of a Unit are advised to consult with a lending institution before executing a Purchase Agreement. No representation is made by the Sponsor, its principals or any other agents of the Sponsor as to the availability or cost of such financing. See the section of this Plan entitled "Procedure to Purchase."

15. The Purchase Agreement provides that prior to the Closing, the Purchaser shall not offer the Unit or the Purchase Agreement for sale or rental, engage any selling agent or broker, list the Unit or the Purchase Agreement with any selling agent or broker, link or make reference to or otherwise use any marketing material used by the Sponsor or its representatives, for the purpose of offering the Unit or the Purchase Agreement for sale or rental without the prior, written consent of the Sponsor. Failure by Purchaser to abide by the restrictions contained in the Purchase Agreement shall constitute a default thereunder. See the Purchase Agreement in Part II of this Plan, as well as the section in Part I entitled "Terms of Sale."

16. Each Unit Owner must notify the Board of Managers (and the Managing Agent, if any) in writing when a child or children under the age of eleven (11) years lives or resides (even temporarily) in the Residential Unit. Each Unit Owner shall install, at such Unit Owner's expense, the required window guards in all windows of the Residential Unit. The Unit Owner must maintain all window guards installed in the Residential Unit and shall not remove the same until permitted by applicable law and in any event, without full knowledge of the Board of Managers (and the Managing Agent, if applicable). See the Rules and Regulations contained in the By Laws in Part II of this Plan.

17. The Sponsor anticipates that the first Closing of a Unit will occur on July 1, 2023. Except as otherwise set forth below, if the first Unit Closing does not occur within twelve months following July 1, 2023, Purchasers will be offered the right to rescind their Purchase Agreements. If this Plan is amended to provide for a later projected date for the first Unit closing, Purchasers will be offered the right to rescind their Purchase Agreements if the first Unit closing occurs more than twelve months following such amended, later date. Purchasers should note that even if the first Unit closing occurs on or before July 1, 2023 (or such other date projected as the date of commencement of Condominium operations at the time the Purchase Agreement was entered into) or within the twelve month period

thereafter, not only may the closing of subsequent Units be substantially delayed beyond such dates if a TCO has not been issued for such units or for the floor on which such Units are located, but the Sponsor may also schedule the closings of title to other Units significantly later than such projected date. In such cases, provided the Sponsor is diligently pursuing completion of construction and the issuance of a certificate of occupancy and is otherwise in compliance with its obligations under the Plan, the Purchaser will not be entitled to terminate the Purchase Agreement (unless the Purchase Agreement contains an outside closing date and the Closing to the Unit does not occur by such outside closing date), or to a right of rescission or to make claims against the Sponsor for damages or losses as a result of such delays and will not be excused from paying the full purchase price for the Unit. PROSPECTIVE PURCHASERS SHOULD THEREFORE CONSIDER CAREFULLY THE POSSIBILITY O FSUCH DELAYS AND SUCH RISKS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT. See the section entitled "Procedure to Purchase" in Part I.

18. At the first Unit Closing, the Sponsor shall, without any representation or warranty by, or recourse against, the Sponsor, assign to the Board of Managers any assignable manufacturers' warranties with respect to the Sponsor-installed equipment in or serving the Building. At the Closing of a Unit, the Sponsor shall, without any representation or warranty by, or recourse against, the Sponsor, assign to the Purchaser any assignable manufacturers' warranties with respect to the equipment and appliances in the Unit. See the Description of Property and Specifications in Part II of this Plan.

19. A Purchaser will pay the closing costs and expenses referred to in the section of this Plan (as same may be amended to date) entitled "Closing Costs and Adjustments," which include, without limitation, the following fees of the Sponsor's attorney: $2,500 for preparation of legal documents and for coordinating the Closing; an additional $300 attendance fee if, at Purchaser's request and Sponsor's consent, the Closing occurs outside of the Sponsor's attorney's office or other office designated by the Sponsor but in the City of New York or $500 if in Westchester, Nassau or Suffolk Counties, or an amount determined by the Sponsor's attorney if elsewhere; an additional $300 fee if the Closing is adjourned at the Purchaser's request on less than forty-eight (48) hours notice (nothing herein shall give a Purchaser a right to adjourn a Closing); an additional $500 fee if notice of default is issued, unless the Closing does not occur because of a default by the Sponsor or the Sponsor's inability to close; and an additional $500 fee if the Purchaser assigns his, her or its Purchase Agreement. See the section of this Plan entitled "Closing Costs and Adjustments."

20. At Closing, each Purchaser will contribute three months' Common Charges to the Condominium's working capital fund. No representation is made that the working capital fund will be, or is intended to be, adequate to cover expenses for the first or any subsequent year of Condominium operations, including, without limitation, the cost of any necessary repairs or replacements. If additional funds are required over and above the working capital fund, it may be necessary to increase the Common Charges or to assess Unit Owners. Neither the Department of Law nor any other governmental agency has passed

upon the adequacy of the working capital fund. See the section of this Plan entitled "Working Capital Fund and Closing Adjustments with the Condominium Board."

21. The Sponsor has budgeted for a yearly contribution to a reserve fund in the amount set forth in Schedule B. It is anticipated, but not guaranteed, that the budgeted yearly reserve fund will be sufficient to pay for major capital repairs or replacement items that may be needed within the first five years of Condominium operations. However, no warranty or representation as to the need for, or timing of, future capital improvements is made to Unit Owners or the Board of Managers.See the section in Part I of this Plan entitled "Reserve Fund."

22. The Board of Managers does not have the right to approve or disapprove Purchasers. There is no limit on the number of Unit Owners who may purchase for investment rather than for personal occupancy. Therefore, there may always be a substantial percentage of Unit Owners who are non-residents and owner-occupants may never gain effective control and management of the Board of Managers or the Condominium. See the By Laws included in Part II of this Plan.

23. Each Unit Owner shall be responsible for maintaining, repairing and replacing the Limited Common Elements appurtenant to his Unit. See the section of this Plan entitled "Rights and Obligations of Unit Owners and the Board of Managers" and the Declaration of Condominium.

24. The Financial Crimes Enforcement Network ("FinCEN") has issued a Geographic Targeting Order ("GTO") requiring U.S. title insurance companies to identify and report to FinCEN the natural persons behind certain companies purchasing certain residential real property in New York City without lender financing. For as long as the GTO remains in effect, U.S. title insurance companies must report to FinCEN the personal identity of purchasers in residential real estate transactions occurring on or after November 17, 2018 in which:

    a. The purchaser is a legal entity as defined in the GTO;

    b. The purchaser buys residential real property located in the Boroughs of Bronx, Brooklyn, Queens, Manhattan and Staten Island;

    c. The total purchase price is for $300,000 or more;

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

    e. The purchase is made, at least in part, using currency (including, without limitation, virtual currency) or a cashiers check, certified check, traveler's check, personal check, business check, money order in any form or a funds transfer.

See the section of this Plan entitled "Procedure to Purchase."

25. The Purchase Agreement provides that the Purchaser shall have the one time right to adjourn the Closing Date for up to fifteen (15) days after the scheduled Closing Date (to a date that shall be acceptable to Sponsor) on five (5) days written notice to Sponsor, provided however, that Purchaser shall pay to Sponsor at Closing an adjournment fee equal to 0.04% of the Total 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 as a reimbursement of Sponsor's higher carrying costs for the Unit by virtue of the delay. In addition, the Closing apportionments described in the Plan will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual Closing occurs. The fees described in this paragraph shall also apply during any default-curing period. See the Purchase Agreement included in Part II of this Plan.

26. Wood flooring in a Residential Unit should be maintained in accordance with the manufacturer's and the National Wood Flooring Association's recommendations and specifications. The Sponsor will provide each Purchaser at the Closing with such manufacturer's recommendations and specifications. For more information on proper care for wood flooring, Purchasers can visit the website of the National Wood Flooring Association at http://www.nwfa.org. See the "Procedure to Purchase" section in Part I of this Plan.

27. The By Laws provide that any controversy between Unit Owners or any claim by a Unit Owner against the Condominium or another Unit Owner arising out of or in relation to the Declaration, By-Laws or Rules and Regulations of the Condominium shall be settled by arbitration in accordance with the Rules of the American Arbitration Association, and judgment upon the award rendered by the Arbitration may be entered in any court having jurisdiction thereof. The arbitrator must be an independent third party unrelated to any party of the dispute. See the By Laws included in Part II of this Plan.

28. The Purchase Agreement provides that Purchaser waives trial by jury in any action, proceeding, or counterclaim involving any matter arising out of, or 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. See the Purchase Agreement included in Part II of this Plan.

29. On December 22, 2017 the Tax Cuts and Jobs Act (the "2017 Act") was signed into law. The 2017 Act made changes to the Internal Revenue Code of 1986, as amended (the "Code") that are generally effective for individual taxpayers for the period January 1, 2018 through December 31, 2025, at which point the relevant Code provisions in effect prior to 2018 become effective again. The 2017 Act made changes to the pre-2018 Code provisions relating to tax and interest deduction for home ownership. In general, under the new Tax Cuts and Jobs Act, the owner of a residential condominium unit may deduct interest paid on his or her mortgage indebtedness on a mortgage of $750,000 or less, as well as up to $10,000 in the aggregate of the real estate taxes assessed and paid on his or

her interest in the property and the state and local taxes paid to the taxing authorities. See the Opinion Letter included in Part I of this Plan.

30. If there is any "floor area" (as defined in the Zoning Resolution of the City of New York (the "Zoning Resolution")) pertaining to the Property and not used in the Building as constructed or as a result of a future rezoning of the area on which the Property is located (the "Excess Floor Area"), the Sponsor or its designee, on behalf of itself, and acting as attorney-in-fact for the Board of Managers and each of the Unit Owners, may execute and deliver such documents and take such other actions as are appropriate to transfer, sell or permit the use of the Excess Floor Area, at any adjoining lot where the use of the Excess Floor Area is permitted pursuant to the Zoning Resolution, including, without limitation, executing and delivering on behalf of itself, the Board of Managers and each of the Unit Owners one or more declarations of zoning restrictions, zoning lot development agreements, and waiver of parties in interest. If the Excess Floor Area is used on adjoining properties, it may result in the vertical or horizontal expansion of such adjoining properties and, therefore, it may alter the views from and light into the Building. The Sponsor will not use the Excess Floor Area to expand the Building. Solely the Sponsor, and not the Board of Managers or any of the Unit Owners, has any interest in the Excess Floor Area or any proceeds from the transfer or sale or use thereof. Therefore, unless development rights are separately acquired on behalf of the Condominium or a Unit Owner, any future expansion of the Building by the Board of Managers or of a Unit by a Unit Owner as may otherwise be permitted pursuant to applicable Legal Requirements may not be possible or may be limited. The power of attorney granted to the Sponsor or its designee in this paragraph is irrevocable and coupled with an interest. See the "Reservation of Development Rights" section in Part I of this Plan and the Declaration in Part II of this Plan.

31. Local Law 147 ("LL 147") was signed into law on August 28, 2017 and went into effect on August 28, 2018. Pursuant to LL 147, the Condominium must contain a written smoking policy for the Property that addresses smoking in Units, Common Elements and Limited Common Elements and that applies to all Unit Owners, occupants of the Units and persons on the Property.

In accordance with LL 147, the Condominium's smoking policy, set forth as a Rule and Regulation of the Condominium and which shall be included in all Purchase Agreements and Interim Leases, is the following:

"Except as expressly permitted pursuant to this Rule and Regulation, smoking is not allowed in (a) any indoor Common Element or Limited Common Element, including, but not limited to, indoor corridors, rooms, hallways, stairs, stairways, storage areas and lobbies, and (b) in any outdoor Common Elements (other than Limited Common Elements), including, but not limited to, any common rooftops, patios, yards, parking areas, pool areas, porches and courtyards. Notwithstanding the foregoing, smoking is permitted inside of Units and in any outdoor Limited Common Elements appurtenant to a Unit, including, but not limited to, yards, terraces, decks and balconies appurtenant to a Unit. For purposes of this Rule and Regulation, (i) "smoking" shall mean inhaling,

exhaling, burning or carrying any lighted or heated cigar, cigarette, electronic cigarette, little cigar, pipe, water pipe or hookah, herbal cigarette, non-tobacco smoking product (e.g., marijuana or non-tobacco shisha), or any similar form of lighted object or device designed for people to use to inhale smoke, and (ii) "electronic cigarette (e-cigarette) shall mean a device that heats a liquid, gel, herb or other substance and produces vapor for the user or people to inhale."

The Condominium's smoking policy is contained in the By Laws, Purchase Agreement and Interim Lease forms included in Part II of this Plan.

32. The Purchase Agreement provides that if Purchaser is a foreign government, a resident representative of a foreign government or such other person or entity otherwise entitled to diplomatic or sovereign immunity, that the Purchaser designates a duly authorized and lawful agent to receive process for and on behalf of Purchaser in any state or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with the Purchase Agreement or the Condominium Documents. Furthermore, if Purchaser is a foreign mission, as such term is defined under the Foreign Missions Act, 22 U.S.C. section 4305, Purchaser shall notify the United States Department of State prior to purchasing a Unit and provide a copy of such notice to Sponsor. Sponsor shall not be bound under the Purchase Agreement unless and until the earlier to occur of: (i) a notification of approval is received from the United States Department of State; or (ii) sixty (60) days after Purchaser's notice is received by the United States Department of State. See the form of Purchase Agreement in Part II of this Plan.

33. Until there are no Unsold Units, Sponsor and its designee(s) shall have the right to use, without charge, portions of the Building's Common Elements for exhibitions, events and promotions. See the section in Part I of this Plan entitled "Description of Property and Improvements."

34. Sponsor reserves the right to delay and waive the collection of Common Charges from Purchasers for a period of time prior to full occupancy of the Building (the "Waiver Period"). During the Waiver Period, Sponsor shall be solely responsible for the timely payment of, and will timely pay, all expenses to operate the Building based on the actual costs of operating the Building, including, without limitation, insurance premiums and reserve fund payments, instead of on the estimates set forth in Schedule B. Such expenses, however, shall not include individual Unit Owner expenses such as, but not limited to, real estate taxes and utility charges consumed within the Units. Therefore, during the Waiver Period, Schedule B will not be in effect and the level of services to the Building described in the Notes to Schedule B will not be fully in effect. In all instances, however, including during the Waiver Period, Unit Owners will remain responsible for the payment of real estate taxes applicable to and utility charges consumed within their Units, regardless of whether the Units have been separately assessed. Sponsor will terminate the Waiver Period upon thirty (30) days' prior written notice to Unit Owners, after which the Schedule B and all Building services disclosed in the Notes to Schedule B will be in effect and the collection and payment of Common Charges will commence.

Upon commencement of collection of Common Charges, there will not be an assessment for any item in the approved budget for the Condominium. Regardless of the Waiver Period, Sponsor shall remain obligated to update the Condominium's budget as required by the Department of Law's governing regulations.

If Sponsor electes to delay and waive the collection of Common Charges, Sponsor will disclose the implementation of the Waiver Period in a closing notice to Purchasers and in the post closing amendment to this Plan, and will file a subsequent amendment to the Plan disclosing the expiration of the Waiver Period. See the section in Part I of this Plan entitled "Rights and Obligations of Unit Owners and the Board of Managers."

35. If the Building is occupied prior to issuance of the Final Certificate of Occupancy, a tenant protection plan will be distributed to each occupant who will be occupying any Unit during construction, in accordance with the New York City Building Code, Section 28-104.8.4. See the Section in Part I of this Plan entitled "Rights and Obligations of the Sponsor."

36. Local Law 11/98, which requires that the exterior walls of buildings that are six stories or more be inspected every five (5) years after completion of construction, is not applicable to this Building because the Building is less than six stories. See the section in Part I of this Plan entitled "Description of Property."

37. At Sponsor's election, a Purchaser may rent a Residential Unit pursuant to an Interim Lease for the contracted-for Unit prior to the Closing and prior to or after consummation of this Plan, in the form included in Part II of this Plan. It will be a default under the Interim Lease if the Purchaser-occupant fails to comply with all of the Purchaser's obligations under the Purchase Agreement. It will be a default under the Purchase Agreement if the Purchaser-occupant fails to comply with all of the Purchaser-occupant's obligations under the Interim Lease, which default will permit the Sponsor to cancel the Purchase Agreement. See the section in Part I of this Plan entitled "Interim Leases."

38. A Unit Owner may sell or lease his, her or its Residential Unit Unit subject only to the right of first refusal exercisable by the Board of Managers, and may mortgage his, her or its Unit, without restriction, with a lender. See Articles VI and VII of the "By Laws" in Part II of this Plan.

39. Immediately prior to the first Unit Closing or as soon thereafter as necessary information is available, the Sponsor shall apportion certain typical real estate closing items with the Board of Managers as of midnight of the day immediately preceding such Closing. If the result of the closing adjustments is a net credit in favor of the Condominium, the Sponsor shall make a contribution to the working capital fund in the amount of such net credit. If, however, the result of the closing adjustments is a net credit in favor of the Sponsor, same will be paid to the Sponsor by the Board in twelve (12) equal consecutive monthly installments pursuant to the terms of twelve (12) negotiable serial promissory notes to be executed by the Board at the first Closing. The first of these serial promissory notes will mature two (2) months after the date upon which the first Closing takes place and the

balance will mature monthly thereafter. Each serial promissory note will contain a provision allowing the Sponsor to accelerate the note's maturity date in the event of a default under any other serial promissory note, in which case interest shall be due and payable on the compound sum of the lesser of 16% per annum or the highest rate permitted by law, such interest to accrue from the date payment was initially due until payment of said sum plus all such interest is made in full.. The Board of Managers will be entitled to prepay each serial promissory note, in full only, at any time and without penalty. Payments of the serial promissory notes may be withdrawn from the Working Capital Fund. In the event the Working Capital Fund is insufficient to fully pay off the serial promissory notes, payment of the balance of the same shall be a Common Expense that will increase the Common Charges. The Sponsor will disclose any such closing adjustments made as of and in the post-closing amendment to this Plan. See the section of this Plan titled "Closing Adjustments with the Condominium Board."

40. Each Purchaser shall execute and deliver to the Sponsor at the Closing the Power of Attorney included in Part II of this Plan at the Closing. Failure to do so will be a default under the Purchase Agreement. See the section of this Plan titled "Procedure to Purchase."

41. Article 36-B of the New York General Business Law (the Housing Merchant Implied Warranty Law) applies to this offering because the Building contains less than five stories. The law provides for a housing merchant implied warranty of materials and workmanship in the contract of sale for certain newly constructed homes. However, the Sponsor will give each Purchaser instead a limited warranty covering materials and workmanship within the Unit provided by the Sponsor, if any. The form of limited warranty is included in Part II of this Plan and prospective Purchasers are advised to review it carefully. Generally, the limited warranty limits the Sponsor's total liability under the warranty to seventy-five percent (75%) of the Unit's purchase price and covers (a) defective workmanship, materials and design for one year from the Unit's Closing, (b) defective installation of the plumbing, electrical, heating, cooling and ventilation systems for two years from the first Unit Closing and (c) major structural defects for six years from the first Unit Closing. The limited warranty provides specific steps that a Purchaser must follow in order to be covered for defects that are evident at the time of Closing and defects that appear later. The limited warranty is permitted under the provisions of the Housing Merchant Implied Warranty Law. All Units, Common Elements and Limited Common Elements offered pursuant to this Plan are sold as described in this Plan. Neither the Sponsor nor any agent or employee of the Sponsor hereunder makes any warranty whatsoever regarding materials, workmanship or any other aspect of the Units, Common Elements, Limited Common Elements or any portion thereof except for the limited warranty included in Part II of this Plan. Regardless of any limitations in the warranty or in this Plan, Sponsor is obligated to construct or renovate the Building in accordance with all applicable codes, filed plans and specifications, and locally accepted building practices for items which are not covered by codes, and any conflict between the disclaimers and Sponsor's obligations to construct the Building in accordance with all applicable codes, filed plans and specifications shall be resolved in favor of the latter. See the Rights and Obligations of the Sponsor sections in Part I of this Plan.

42. No material change in a Unit's size or layout may be made unless an affected Purchaser consents if a Purchase Agreement has been executed and delivered to the Sponsor for that Unit and the Purchaser is not in default. No material change in size of the Units will be made without an amendment to the Plan. A decrease in a Unit's area of 5% or less will not affect a Purchaser's obligations under the Purchase Agreement unless such decrease is determined to be a material change. There is a rebuttable presumption that an area that is diminished by 5% or less is not material. See the "Notes to Schedule A" in Part I.

43. The tax projections set forth on Schedule A include only the projection of real estate taxes payable by each Unit Owner during the projected first year of Condominium operations, which include and are based on an assessment of the Building before construction is complete and, therefore, Purchasers are advised that the real estate taxes projected on Schedule A for the projected first year of Condominium operations may increase materially when the Building is reassessed after construction is complete. See Footnote 6 to Schedule A for more information regarding the projected assessed valuation after completion of construction. Therefore, Schedule A also contains projections for the second year of Condominium operations because it is the first tax year for which taxes are anticipated to be fully (rather than partially) assessed, resulting in significantly higher projected real estate taxes. The projections are based on reasonable, expert assumptions made by a third party expert. But only the New York City tax authorities and other applicable authorities will determine the actual real estate taxes payable by the Units after filing of the tax lots. Therefore, Unit Owners may pay significantly different real estate taxes than those set forth on Schedule A. See "Schedule A" and the "Notes to Schedule A" in Part I of this Plan.

44. At the time a Purchase Agreement is executed, a Purchaser will be required to make an initial Down Payment in an amount equal to ten (10%) percent of the purchase price. In the event that Purchaser defaults under a Purchase Agreement, and fails to cure any such default within thirty (30) days of Sponsor's delivery of a notice of such default, Sponsor may, at its option, either (i) cancel such Purchase Agreement and retain all sums deposited by Purchaser thereunder, including any money paid on account of changes to the plans for the Unit requested by Purchaser, together with any interest earned thereon, if any, or (ii) bring an action against Purchaser for specific performance, in which event Purchaser could be compelled to close title to the Unit. TIME IS OF THE ESSENCE for Purchaser to cure any default.

If a Purchaser fails to close title to a Unit through no fault of Sponsor on the originally scheduled Closing Date, and Sponsor elects not to cancel Purchaser's Purchase Agreement, then (a) the closing adjustments to be made at the Closing will be made as of midnight of the day preceding the originally scheduled Closing Date and (b) Purchaser will be required to pay to Sponsor an amount equal to 0.04% percent of the purchase price of the Unit for each day the Closing is adjourned.

The Purchase Agreement also provides that, provided Sponsor is the prevailing party, a Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in defending Sponsor's rights under the Purchase Agreement, or, in the event

Purchaser defaults under the Purchase Agreement beyond any applicable grace period, in cancelling the Purchase Agreement or otherwise enforcing Purchaser's obligations thereunder. THE PURCHASE AGREEMENT ALSO PROVIDES THAT EXCEPT AS PROHIBITED BY LAW, THE PARTIES WAIVE TRIAL BY JURY IN ANY LITIGATION ARISING OUT OF, OR IN CONNECTION WITH, OR RELATING TO, THE PLAN, THE PURCHASE AGREEMENT, OR THE RELATIONSHIP CREATED HEREBY.

See the "Purchase Agreement" in Part II.

45. Purchasers of Residential Units 101, 102, 103, 105, 106, 108, 109, TH1 and TH2 should note that portions of such Units are located in the Building's cellar, and such portions of the Units may not be used as bedrooms or living rooms or contain full bathrooms, all of which would be violations under the NYC Building Code. Such portions of the Units are also more susceptible to dampness and have less light and air than ordinary living space. See the "Description of Property" in Part I and the Floor Plans in Part II of this Plan.

46. Each Unit Owner shall be responsible for maintaining, repairing and replacing the Limited Common Elements appurtenant to its Unit. See the sections of this Plan entitled "Description of Property," "Notes to Schedule A," "Rights and Obligations of Unit Owners and the Board of Managers" and the Declaration of Condominium.

47. The original buildings that form part of the Property were built prior to 1932. To the best of Sponsor's knowledge, belief and information, although the Sponsor has removed, or primed and painted, all interior gypsum walls, there could be lead-based paint on the walls and ceilings throughout the Building because buildings built prior to 1979 may contain lead-based paint and buildings built prior to 1960 are presumed to contain lead-based paint. The ingestion of lead-based paint poses serious health risks, especially in children. Purchasers are advised to familiarize themselves with NYC Local Law 1 of 2004, a copy of which is included in Part II of this Plan. Purchasers for investment are advised that there are certain occupancy and turnover requirements contained therein. Purchasers for their own occupancy, particularly those with children, are additionally advised to consult with a professional to determine the existence of, and appropriate remediation for, lead-based paint. The Purchase Agreement provides a Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards and further provides a Purchaser with sufficient opportunity to conduct a lead-based paint assessment. The Purchaser is required to execute and deliver to Seller the Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards simultaneously with the Purchase Agreement. Furthermore, Part II of this Plan contains a pamphlet entitled "Protecting Your Family from Lead in Your Home." See the sections of this Plan entitled "Description of Property and Improvements" in Part I and the "Purchase Agreement," "NYC Local Law 1 of 2004" and "Protecting Your Family from Lead in Your Home" sections in Part II.

48. The interior winder stairs in Units 101, 102, 103, 105, 106, 108 and 109 are not egress stairs and do not have to comply with Section 1009.4.2, Exception 7 of the NYC Building Code, which dictates egress stair requirements. The winder stair tread is less than 6" deep,

which may pose a stumbling and falling hazard at the narrowest end of the tread. See the "Description of Property and Specifications" and "Floor Plans" in Part II of this Plan.

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DEFINITIONS

Definitions of some important terms used in this Plan are set forth below. These definitions are for explanatory purposes and should be read in conjunction with technical definitions appearing in the Declaration, By-Laws and Condominium Act, all defined below.

1. Board of Managers - The governing body of the Condominium, which will conduct Condominium affairs and supervise the operation of the Property. Also referred to as the "Board."

2. Building – The building erected now or later on the Land.

3. By-Laws - The by-laws for the governance of the Condominium. A copy of the By-Laws is included in Part II of this Plan.

4. Closing - The time, place and procedure of transfer of title of a Unit from the Sponsor to a Purchaser in exchange for payment of the purchase price pursuant to a fully executed Purchase Agreement.

5. Common Charges - Each Unit's proportionate share of the Common Expenses, determined by multiplying the Common Expenses by the Unit's Common Interest.

6. Common Elements - The portions of the Property other than Units, including without limitation, the Land, lobbies, corridors, hallways, stairs, stairways, roofs and other portions of the Building set aside for common use and Limited Common Elements.

7. Common Expenses - Operating and other expenses of the Condominium as determined by the Board of Managers.

8. Common Interest - The proportionate undivided interest, in fee simple absolute, expressed as a numerical percentage, in the Common Elements, appurtenant to each Unit. The aggregate Common Interest for all Units is 100%. The percentage of Common Interest of a Unit is the basis for determination, among other things, of the following rights and duties of the Unit Owner:

   a. Voting power;

   b. Share of Common Expenses;

   c. Share of any distribution upon termination of Condominium ownership.

10. Condominium - The Units and Common Elements constitute the Condominium to be located at 524 Halsey Street, Brooklyn, New York and to be known as "524 Halsey Condominium."

11. Condominium Act - Article 9-B of the Real Property Law of the State of New York, as amended.

12. Declaration - The document by which the Property is submitted to the provisions of the Condominium Act, as such document may from time-to-time be amended, consistent with law, the provisions of the Declaration and the By-Laws. The Declaration will be recorded in the Office of the City Register, Borough of Brooklyn. A copy of the Declaration is included in Part II of this Plan.

13. Department of Law - The New York State Department of Law, also known as the Attorney General's office.

14. Down Payment - The payment made pursuant to a Purchase Agreement by a Purchaser to the Sponsor at the time a Purchase Agreement is signed.

15. Equal or Better – Shall mean comparable or better quality, as recognized by industry standards for the equipment's or material's performance, efficiency, longevity and classifications, as applicable.

16. Escrow Account - The bank account into which the Escrow Agent will place Down Payments and other funds received under a Purchase Agreement prior to Closing.

17. Escrow Agent - The attorney for the Sponsor, Marcus Attorneys PLLC, which will hold funds paid by a Purchaser under a Purchase Agreement until the Closing or termination of a Purchase Agreement and disposition of such funds as described in the Purchase Agreement and the section of this Plan entitled "Procedure to Purchase."

18. Exhibits - Those documents that are part of this Plan and are intended to provide additional information to the Purchaser and/or clarify the Plan. The Exhibits include Parts A, B, C and D submitted to the Department of Law by the Sponsor pursuant to the regulations of the Department of Law.

19. Final Inspection Sheet – A statement in which the Sponsor and a Purchaser agree as to the incomplete work of a material nature which the Sponsor must perform or complete in, or to, said Purchaser's Unit.

20. Floor Plans - The floor plans for the Building to be filed with the Declaration in the Office of the City Register, Borough of Brooklyn and available at the office of the Sponsor's attorney.

21. Interim Lease - A lease between the Sponsor and a Purchaser to permit occupancy of a Unit prior to the Closing.

22. Land – The parcel of land upon which the Building is situated and known as 524 Halsey Street, Brooklyn, New York, as more fully described in the Declaration.

23. Legal Requirements - The requirements and limitations of laws, ordinances, rules, regulations, guidelines and determinations of any government, governmental authority or quasi-governmental authorities and agencies, case law and all judicial rulings, judgments and orders, the requirements of insurers, insurance underwriting agencies, agreements, instruments and insurance policies, and of mortgages and the holders of mortgages on the Property or any part thereof binding on the Board of Managers or affecting the Condominium, the Declaration, the By-Laws or the Rules and Regulations, and of the By-Laws, the Declaration and the Rules and Regulations.

24. Limited Common Element - A Common Element appurtenant to a particular Unit or Units, the use of which is restricted to the owner(s) of such Unit or Units. The respective responsibilities of such Unit Owners and the Board of Managers for repair and maintenance of Limited Common Elements are set forth in the Declaration and By-Laws.

25. Plan - This offering plan describing the sale of Units at 524 Halsey Street, Brooklyn, New York, including the Exhibits.

26. Property - The Land and the Building.

27. Purchase Agreement - The written agreement for the sale-purchase of a Unit between a Purchaser and the Sponsor. The Purchase Agreement is described in the section of this Plan entitled "Procedure to Purchase" and a form is included in Part II of this Plan.

28. Purchaser - A person, persons or an entity that has or have entered into a Purchase Agreement.

29. Residential Units – Units 101 through 109, 201 through 209, 301 through 308, PH1 through PH4, and TH1 through TH2, as described on the Floor Plans.

30. Rules and Regulations – The rules and regulations of the Condominium, initially as included in Part II of this Plan and as modified from time to time in accordance with the By-Laws.

31. Selling Agent - Douglas Elliman Real Estate, a real estate brokerage firm retained by the Sponsor to market the Units. It can be reached at 111 5th Avenue, New York, New York 10003. The Selling Agent and its personnel may not bind the Sponsor or make any representation on behalf of the Sponsor.

32. Sponsor – 524 Halsey LLC, the company making the offering described in this Plan. 524 Halsey LLC has its office at 80 4th Street, Brooklyn, New York. It is formed under the laws of the State of New York.

33. Unit - A particular space described as a "unit" on the Floor Plans, together with an undivided percentage interest in the Common Elements and appurtenant rights.

34. Unit Owner - The person, persons or entity owning a Unit in fee simple absolute.

35. Unsold Unit - A Unit owned, at the time in question, by the Sponsor or its designee or successor who or which does not occupy the Unit for his, her, its or their own use.

36. Working Capital Fund - A fund created for working capital, making repairs or for such other appropriate purposes permitted under the By-Laws as will be determined by the Board of Managers. At Closing, each Purchaser will contribute three months' Common Charges to the fund. See the section of this Plan entitled "Working Capital Fund And Closing Adjustments With The Condominium Board."

INTRODUCTION

524 Halsey LLC ("Sponsor") presents this offering plan ("Plan") to describe the submission to condominium ownership of the Land and the Building known as 524 Halsey Street, Brooklyn, New York and all appurtenances thereto and the sale of Units in the Condominium. The Condominium will be known as "524 Halsey Condominium." The Condominium will contain a total of thirty-two (32) Residential Units, all of which are vacant and offered for sale.

The Sponsor invites all prospective Purchasers to read this Plan in order to properly and thoroughly evaluate the offering made by the Sponsor. The purpose of this Plan is to set forth all the material terms of the offer to sell Units in order to allow prospective Purchasers to make informed decisions regarding their purchase of Units. The terms of this Plan may be changed from time to time by amendments accepted for filing by the Department of Law. Amendments will be distributed to Purchasers and Unit Owners and any other person entitled to receive a copy of an amendment pursuant to 13 N.Y.C.R.R. §20.1(d) and §20.3(d)(1).

The Condominium is subject to, and complies with, the Condominium Act. The Property will be submitted to provisions of the Condominium Act by the Sponsor's recording the Declaration in the Office of City Register, Borough of Brooklyn. From the date of recording the Declaration, the Sponsor will be the owner of each of the Units until each is sold and conveyed. The Sponsor may not, under law, offer Units for sale unless and until an offering plan has been accepted for filing by the Department of Law.

The Sponsor of this Plan is 524 Halsey LLC, which acquired the Property on March 21, 2018. The Sponsor will newly construct the Building, which will consist of a cellar, four floors and thirty-two (32) Residential Units. The Property will also include terraces, yards, areaways, skylights and condensers as Limited Common Elements. Please refer to Note 8 to Schedule A, below and to the Declaration in Part II for a more detailed description of the Limited Common Elements.

The Sponsor intends to sell all the Units offered pursuant to this Plan and will endeavor in good faith to sell the Units in a reasonably timely manner rather than rent. Sponsor reserves the unconditional right to rent the Residential Units offered pursuant to this Plan after consummation of this Plan. Because the Sponsor is not limiting the conditions under which it will rent rather than sell Units, there is no commitment to sell more units than the fifteen percent (15%) necessary (i.e., 5 Residential Units) to declare the plan effective and owner-occupants may never gain effective control and management of the Condominium. If the Sponsor makes a bulk sale of all or some of its Unsold Units, meaning a sale in bulk to a transferee successor sponsor, then the transferee successor sponsor is bound by Sponsor's representations regarding its commitment to sell, and its reservation of the right to rent, the Units as specified herein. The validity of the Plan's effectiveness shall not be impaired or affected if one or more Purchasers counted for purposes of declaring the Plan effective does or do not close title. However, if all

Purchase Agreements are rescinded or terminated prior to the date of the first Unit closing, the Sponsor shall re-declare the Plan effective, regardless of whether the Declaration has been recorded in the Office of the City Register.

Although a Purchaser may obtain financing from a lending institution or any other source, his, her or its obligation to purchase a Unit pursuant to his, her or its Purchase Agreement is not contingent on obtaining financing for such purchase. Any Purchaser who executes a Purchase Agreement and does not obtain financing may lose his or her deposit if he or she is unable to otherwise raise the monies necessary to pay the balance of the purchase price at the closing of title. Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on purchase financing. Such restrictions may include requiring that a certain percentage of Units be sold before a lender will consider making a loan. Thus, it may be possible for a Purchaser to experience difficulty in obtaining a loan in the Building if the Sponsor has not sold a substantial percentage of the Units, which in some cases may be as high as 70%. Moreover, some lenders will not provide financing if an investor, other than the Sponsor, owns 10% or more of the Units. It may also 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. Prospective purchasers who require financing for the purchase of a Unit are advised to consult with a lending institution before executing a Purchase Agreement. No representation is made by the Sponsor, its principals or any other agents of the Sponsor as to the availability or cost of such financing.

The Sponsor has commenced the construction described in this Plan with its own funds. Such funds are anticipated and expected, but not guaranteed, to be sufficient to complete the construction described in this Plan. If Sponsor obtains construction financing for the Property, Sponsor will amend this Plan to disclose the relevant terms of such financing, including any sales and rental requirements or restrictions imposed by the construction lender. If unforeseen circumstances arise, however, the Sponsor will make commercially reasonable efforts, but ultimately may not be able to complete the construction described in this Plan. If Sponsor is unable to complete construction, the Sponsor may abandon this Plan or provide financially responsible entities or individuals who will assume the status and all of the obligations of the Sponsor under this Plan, in either case in accordance with applicable legal requirements. If this Plan is abandoned, all Purchase Agreements will be terminated and all Down Payments will be promptly returned to Purchasers. However, all Purchase Agreements will remain in full force and effect if a financially response successor sponsor is provided. This Plan may be abandoned by the Sponsor, at its sole and unrestricted option, at any time before it is declared effective by an amendment together with form RS-3 filed at the Department of Law, but it may not be abandoned once it has been declared effective for any reason other than those set forth in the "Effective Date" section of this Plan.

The Board of Managers does not have the right to approve or disapprove Purchasers. There is no limit on the number of Unit Owners who may purchase for investment rather than for personal occupancy. Therefore, there may always be a substantial percentage of Unit Owners

who are non-residents and owner-occupants may never gain effective control and management of the Board of Managers or the Condominium.

This Plan as currently constituted calls for thirty-two (32) Residential Units, as well as the Common Elements. Improvements being made to the Building by the Sponsor are described in the section of Part II of this Plan entitled "Description of Property and Specifications or Building Condition."

The initial purchase price for each Unit, the percentage of Common Interest allocated to each Unit, the estimated annual Common Charges and other financial information are listed below in "Schedule A – Schedule of Purchase Prices and Other Financial Details for Each Unit." **THE PRICES CONTAINED IN THIS PLAN HAVE BEEN SET BY THE SPONSOR WITHOUT ARMS LENGTH NEGOTIATION AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.**

Each Residential Unit will be provided with, and each Unit's purchase price includes, the equipment, appliances and fixtures described in the Description of Property and Specification included in Part II of this Plan, subject to Equal or Better substitutions.

No binding obligation will arise between a Purchaser and the Sponsor unless and until a Purchase Agreement, executed by both a Purchaser and the Sponsor, has been exchanged and Sponsor has collected the Down Payment. The submission of a Purchase Agreement for a Unit by the Sponsor to a prospective Purchaser or receipt by the Sponsor of a Purchase Agreement from a prospective Purchaser does not mean that the Sponsor has approved the prospective Purchaser to purchase a Unit.

Within fifteen (15) days after a prospective Purchaser delivers an executed Purchase Agreement, together with the Down Payment, the Sponsor must either accept the Purchase Agreement and return a fully executed counterpart to the Purchaser, or reject the Purchase Agreement and, within such fifteen (15) days, refund the Down Payment. If the Sponsor fails to do either within fifteen (15) days, Purchaser's offer shall be deemed rejected and the Down Payment refunded within ten (10) days following such rejection, unless Purchaser agrees, in writing, to have his, her or its offer extended. The Purchaser will have ten (10) days from the end of the fifteen (15) day period to exercise the right to extend his, her or its offer. If the Sponsor accepts the extended offer and Purchase Agreement, the Down Payment will be placed promptly in a segregated special attorney's escrow account, described below. If the Sponsor rejects the extended offer and the Purchase Agreement, the Down Payment will be refunded within ten (10) days following such rejection.

As set forth in the Reservation of Development Rights section in Part I of this Plan, if there is any "floor area" (as defined in the Zoning Resolution of the City of New York (the "Zoning Resolution")) pertaining to the Property and not used in the Building as the Building

exists on the date it is completed or as a result of a future rezoning of the area on which the Property is located (the "Excess Floor Area"), the Sponsor or its designee, on behalf of itself, and acting as attorney-in-fact for the Board of Managers and each of the Unit Owners, may execute and deliver such documents and take such other actions as are appropriate to transfer, sell or permit the use of the Excess Floor Area, at any adjoining lot where the use of the Excess Floor Area is permitted pursuant to the Zoning Resolution, including, without limitation, executing and delivering on behalf of itself, the Board of Managers and each of the Unit Owners one or more declarations of zoning restrictions, zoning lot development agreements, and waiver of parties in interest. If the Excess Floor Area is used on adjoining properties, it may result in the vertical or horizontal expansion of such adjoining properties and, therefore, it may alter the views from and light into the Building. The Sponsor does not anticipate that there will be any Excess Floor Area upon completion of the Building. The Sponsor will not use the Excess Floor Area to expand the Building. Solely the Sponsor, and not the Board of Managers or any of the Unit Owners, has any interest in the Excess Floor Area or any proceeds from the transfer or sale or use thereof. Therefore, unless development rights are separately acquired on behalf of the Condominium or a Unit Owner, any future expansion of the Building by the Board of Managers or of a Unit by a Unit Owner as may otherwise be permitted pursuant to applicable Legal Requirements may not be possible or may be limited. The power of attorney granted to the Sponsor or its designee in this paragraph is irrevocable and coupled with an interest.

Features of Condominium Ownership

The Purchaser of a Residential Unit will own his, her or its Unit in a manner similar in many respects to the ownership of a one-family home. He, she or it will own the Unit outright, will be entitled to the exclusive possession of the Unit and also will own an undivided fee interest in, and will have the right to use, the Common Elements in common with all other Unit Owners. He, she or it also will have the exclusive or shared right to use any Limited Common Elements appurtenant to his, her or its Unit, as such Limited Common elements are described and set forth in Schedule A, the Notes to Schedule A and the Declaration.

A Unit Owner will be required to pay Common Charges in accordance with the Declaration, By-Laws and Sections 339-i, 339-m and other applicable provisions of the Condominium Act, proportionate to his, her or its respective interest in the Common Elements, for the operation and maintenance of the Property. The Condominium budget and Common Charges may include a line item for contingencies, replacements and/or repairs in such amount as the Board of Managers shall decide is in the best interest of the Condominium. The Board of Managers will determine the Common Charges. See "Schedule B – Projected Budget for First Year of Condominium Operations." A Unit Owner may use the Unit for any legal purpose, subject to Legal Requirements. Prospective Purchasers should note the use restrictions contained in the Declaration and the By-Laws and described in the section of this Plan entitled "Rights and Obligations of the Unit Owners and the Board of Managers." Each Unit Owner must comply with the Declaration, the By-Laws and the Rules and Regulations and may lose the right to vote

annually for the Board of Managers and be subject to other sanctions if not in compliance with all of the foregoing.

Pursuant to Articles VI and VII of the By Laws, a Unit Owner may sell or lease his, her or its Unit subject only to the right of first refusal exercisable by the Board of Managers, and may mortgage his, her or its Unit, without restriction, with a lender.

Each Unit Owner will be taxed separately for real estate tax purposes and may obtain a mortgage loan on his, her or its Unit and make the mortgage loan payment directly to the mortgage lender. The Unit will not be affected by any other Unit Owner's separate obligation for such other Unit Owner's mortgage loan or real estate taxes. Each Unit Owner will be further responsible for utility charges consumed in his, her or its Unit.

At the Closing of a Unit, the Purchaser will be required to make a contribution equal to three months of Common Charges to the Working Capital Fund as described in the section of this Plan entitled "Working Capital Fund and Closing Adjustments with the Condominium Board" below.

Each Unit Owner will be responsible for the cost of interior maintenance and repair of his, her or its Unit, and for the cost of all decoration of the interior of the Unit beyond that set forth in the "Description of Property and Specifications or Building Conditions" in Part II of this Plan. Each Unit Owner will be responsible for the cost of his, her or its own liability insurance to cover occurrences within the Unit as well as for casualty insurance to cover losses to his, her or its personal possessions and improvements in the Unit. A more detailed description of the rights and obligations of Unit Owners is contained in the Declaration and By-Laws of the Condominium. These documents appear in Part II of this Plan.

The Board of Managers will conduct the affairs of the Condominium and supervise the operation of the Property. Unit Owners have the right to vote for members of the Board of Managers.

Any controversy between Unit Owners or any claim by a Unit Owner against the Condominium or another Unit Owner arising out of or in relation to the Declaration, By-Laws or Rules and Regulations of the Condominium shall be settled by arbitration in accordance with the Rules of the American Arbitration Association and in accordance with Article IX, Section 10 of the By-Laws.

During the period that the Sponsor controls the Board, the Sponsor has a fiduciary duty to and agrees that it will enforce its obligations under the Plan and as required by law. The obligations of the Sponsor hereunder shall be enforceable by the Board of Managers on behalf of Unit Owners. Except as expressly provided herein to the contrary, the obligations of the Sponsor shall be enforceable by individual Unit Owners only if either (i) the Board fails to take reasonable action to enforce such obligations within ninety (90) days following the giving of notice of a claim

by a Unit Owner to the Board or (ii) the applicable statute of limitations with respect to any claim by a Unit Owner which would otherwise be enforceable by the Board will expire during the aforesaid ninety (90) day period (in either of which events the Unit Owner may bring an action in the nature of a derivative action against the Board of Managers). However, with regard to the Sponsor's obligations pertaining to the Common Elements, nothing herein shall prevent an individual Unit Owner from bringing an action in his, her or its own capacity against the Sponsor after the aforesaid ninety (90) day period has expired and the Board of Managers has failed to take reasonable action to enforce such obligations within the aforesaid ninety (90) day period.

Under the By-Laws, as set forth in Part II of this Plan, until the first meeting of Unit Owners, the Board of Managers will consist of three (3) members designated by the Sponsor. Within ninety (90) days after the first Closing of title to a Unit, the Sponsor will call the first meeting of Unit Owners, at which meeting the Unit Owners shall elect three (3) members, subject to Sponsor's right to designate members. The Sponsor shall have the right to designate two members of the Board until the earlier of: (1) five years after the Closing of the first Unit or (2) the time the Sponsor holds less than fifty percent (50%) of the Common Interests. After Sponsor's initial voting control period, there is no requirement that a majority of the Board of Managers be composed of owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals.

* * * *

In the opinion of the counsel for the Sponsor, each Unit Owner may be entitled to certain deductions for income tax purposes. See the section of this Plan entitled "Opinion of Counsel."

When notice is required pursuant to the regulations of the Department of Law as described in Part I of this Plan, it shall be effective as follows: service 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. Purchasers should note that documents contained in Part II of this Plan may contain different notice provisions in which case such different provision shall apply.

The Sponsor has the right to reject any prospective Purchaser without cause or explanation, provided that such rejection is not based on sex, sexual orientation, race, creed, color, national origin, ancestry, age, disability, marital status or other ground proscribed by law. Units may be offered only to individuals over the age of eighteen (18) and to corporations and other entities that may legally own real property in the State of New York.

A form of the Purchase Agreement is reproduced in Part II of this Plan.

This Plan consists of Parts I and II, including all schedules, as well as Parts A, B, C and D of the Exhibits submitted to the Department of Law. This Plan constitutes the entire offer of the Sponsor and contains all of the material terms of the transaction. Part I sets forth a general description of the offering and the Condominium. Part II of this Plan contains the basic documents

necessary to create the Condominium and otherwise effectuate this Plan. Also included in Part II are a detailed physical description of the Property and certifications as to certain matters discussed in this Plan. All documents referred to in this Plan are important and should be read carefully by prospective Purchasers. Prospective Purchasers should consult an attorney before purchasing a Unit and provide him or her with a copy of this Plan. Copies of this Plan, all documents referred to herein and all Exhibits submitted to the Department of Law in connection with the filing of this Plan, will be available for inspection by prospective Purchasers and their attorneys without charge at the office of the Sponsor's attorney during normal business hours. Copies will also be available for photocopying at a reasonable charge. In addition, copies of this Plan and all Exhibits will be available for inspections without charge and copying at a reasonable fee at the Department of Law.

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.

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

Located in the Bedford-Stuyvesant neighborhood of Brooklyn, the Property is located at 524 Halsey Street, between Lewis and Stuyvesant Avenues.

The Sponsor will newly construct the Building, which will contain a cellar, four floors and thirty-two (32) Residential Units. The Property will also include following Limited Common Elements:

Yards

Units 101, 102, 103, 104 and 105 shall each have a yard as a Limited Common Element, as shown on the Floor Plans. A Unit Owner may use the yard appurtenant to his, her or its Unit only in compliance with all Legal Requirements. The owners of such Units and their successors and assigns shall be responsible for the maintenance, repair and replacement of any paving, landscaping, drainage, fences, enclosures, walls, railings or other elements of their yards, other than the Building walls, appurtenant to their Unit, as required by Legal Requirements. The Board of Managers shall be responsible for maintenance, repair and replacement of the Building's exterior walls and other elements of the Building, except that in all events the Unit Owner shall be responsible for any maintenance, repair and replacement of any portion of the yard or Building's exterior walls or other elements of the Building, if necessitated by damage caused by the Unit Owner or the Unit Owner's invitees, tenants, employees, agents or contractors. The Board of Managers and its agents, employees and contractors may have access to all areas of the yards in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take. In the event such Board actions require removal or disruption of any

element of the yards, it shall be the responsibility of the Board of Managers to replace such element. The owners of such Units may not perform construction in their yards unless the owners comply with all Legal Requirements and obtain the prior approval of the Board of Managers.

Terraces

Units 307, 308, PH1, PH2, PH3, PH4, TH1 and H2 shall each have at least one terrace as a Limited Common Element, as shown on the Floor Plans. The owners of such Units and their successors and assigns shall be responsible for maintenance, repair and replacement of their terrace, including the terrace's surface, but the Board of Managers shall make any structural repairs to the terraces, including the railings, if any, that are required, except that in all events the Unit Owner shall be responsible for any maintenance, repair and replacement of any portion of their terrace if necessitated by damage caused by the Unit Owner or the Unit Owner's invitees, tenants, employees, agents or contractors. The Board of Managers and its agents, employees and contractors may have access to the terraces in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take. In the event Board repairs require removal or disruption of any elements of the terraces, it shall be the responsibility of the Board of Managers to replace such elements. The owners of such Units may not perform construction in their terraces unless the owners comply with all Legal Requirements and obtain the written approval of the Board of Managers.

Areaways

Units 101, 102, 103 and 105 shall each have an areaway as a Limited Common Element, as shown on the Floor Plans. The owners of such Units and their successors and assigns shall be responsible for maintenance, repair and replacement of their areaways, including their surfaces, but the Board of Managers shall make any structural repairs to the areaways that are required, except that in all events the Unit Owner shall be responsible for any maintenance, repair and replacement of any portion of the areaways if necessitated by damage caused by the Unit Owner or the Unit Owner's invitees, tenants, employees, agents or contractors. The Board of Managers and its agents, employees and contractors may have access to the areaways in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take. In the event repairs by the Board of Managers require removal or disruption of any elements of the areaways, it shall be the responsibility of the Board of Managers to replace such elements. The owners of such Units may not perform construction in their areaways unless the owners comply with all Legal Requirements and obtain the written approval of the Board of Managers.

Mechanical Equipment

Each Residential Unit shall have as a Limited Common Element at least one condenser unit. The Unit Owners shall have the right to place, inspect, maintain, repair and replace their condenser and other condenser equipment serving their respective Units. A Unit Owner, and his, her or its agents and contractors shall have a right of access over and through any areas where the

condenser units are located for such purposes. A Unit Owner shall be responsible for the maintenance, repair and replacement of the condenser and condenser equipment servicing his, her or its Unit (including equipment located outside the Unit and all piping and wiring associated with the Condenser), as required. The Board of Managers shall be responsible for maintenance, repair and replacement of all common areas, and all elements thereof, except that in all events a Unit Owner shall be responsible for the cost and expense of any maintenance, repair and replacement of any portion of common areas or elements thereof if necessitated by the negligence, misuse or neglect of a Unit Owner or an occupant of a Unit or a Unit Owner's employees, invitees, agents, guests or contractors. In the event any common areas or elements thereof require removal or disruption of any condenser unit or associated piping or wiring, or element thereof, it shall be the responsibility of the Board of Managers to replace or repair same. In any event, the Board of Managers and its agents, employees and contractors may have access to all common areas of the Building in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take.

Skylights

Units TH1 and TH2 shall each have two skylights as Limited Common Elements, as shown on the Floor Plans. The owners of such Units may use their skylights only in compliance with all Legal Requirements and shall be responsible for maintenance, repair and replacement of their skylights. The Board of Managers and its agents, employees and contractors may have access to all roofs or terraces where the skylights are located in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take. In the event that any such Board action requires removal or disruption of all or any elements of the skylights, it shall be the responsibility of the Board of Managers to replace such elements.

The Building and Units will be constructed in accordance with all applicable zoning and building laws and all other applicable requirements.

Each Unit will be provided with, and each Unit’s purchase price includes, the equipment, appliances and fixtures described in the Description of Property and Specification included in Part II of this Plan, subject to Equal or Better substitutions.

Until there are no Unsold Units, Sponsor and its designee(s) shall have the right to use, without charge, portions of the Building’s Common Elements for exhibitions, events and promotions.

Purchasers of Residential Units 101, 102, 103, 105, 106, 108, 109, TH1 and TH2 should note that portions of such Units are located in the Building’s cellar, and such portions of the Units may not be used as bedrooms or living rooms or contain full bathrooms, all of which would be violations under the NYC Building Code. Such portions of the Units are also more susceptible to dampness and have less light and air than ordinary living space.

The original buildings that form part of the Property were built prior to 1932. To the best of Sponsor's knowledge, belief and information, although the Sponsor has removed, or primed and painted, all interior gypsum walls, there could be lead-based paint on the walls and ceilings throughout the Building because buildings built prior to 1979 may contain lead-based paint and buildings built prior to 1960 are presumed to contain lead-based paint. The ingestion of lead-based paint poses serious health risks, especially in children. Purchasers are advised to familiarize themselves with NYC Local Law 1 of 2004, a copy of which is included in Part II of this Plan. Purchasers for investment are advised that there are certain occupancy and turnover requirements contained therein. Purchasers for their own occupancy, particularly those with children, are additionally advised to consult with a professional to determine the existence of, and appropriate remediation for, lead-based paint. The Purchase Agreement provides a Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards and further provides a Purchaser with sufficient opportunity to conduct a lead-based paint assessment. The Purchaser is required to execute and deliver to Seller the Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards simultaneously with the Purchase Agreement. Furthermore, Part II of this Plan contains a pamphlet entitled "Protecting Your Family from Lead in Your Home."

The Sponsor anticipates that construction will be substantially completed on or about July 1, 2023, though the Sponsor does not warrant or guarantee any occupancy dates for the Building. In Part II of this Plan is a detailed description of the Property and the construction work.

LOCATION AND AREA INFORMATION

Bedford-Stuyvesant, also known as "Bed-Stuy," is one of Brooklyn's oldest communities and originally consisted of two neighborhoods. Bedford, which was primarily a working class neighborhood, and Stuyvesant, mostly affluent, officially became known as Bedford-Stuyvesant in 1931. Bed-Stuy is bordered on the west by Classon Avenue, on the east by Saratoga Avenue, on the north by Flushing Avenue and on the south by Atlantic Avenue. Bed-Stuy is replete with brownstones, cultural institutions and historic churches, and it is home to the Bedford-Stuyvesant Restoration Corporation, the nation's first non-profit community development corporation.

The Property is located near the Interfaith Medical Center. Nearby schools include Brooklyn Brownstone School, PS 262, Middle School 35 and Bedford Stuyvesant Collegiate Charter School, among others.

Accessible transportation are the A and C subway lines, as well as extensive bus routes.

Neither the Sponsor nor a principal of the Sponsor owns any property, has an option or right to acquire any property, has any plans to develop any property or is aware of any development project that is adjacent to or directly across from the Property. If either the Sponsor or a principal of the Sponsor acquires or gets an option or right to acquire any such adjacent property or becomes aware of any adjacent development project, this Plan will be amended within thirty (30) days of becoming aware of any such occurrence.

Services: Police, fire, water, sanitation, and road maintenance services are all provided by the City of New York. Snow removal of the local streets is provided by the City of New York. Snow removal of the sidewalks adjacent to or upon the Property is the Condominium's responsibility.

Zoning: The Property is located within an R6B zoning district, which permits residential and community facility uses as of right.

SCHEDULE A

OFFERING PRICES AND RELATED INFORMATION
FOR EACH UNIT FOR THE FIRST YEAR OF CONDOMINIUM OPERATIONS
FROM JULY 1, 2023 TO JUNE 30, 2024

524 Halsey Condominium
524 Halsey Street
Brooklyn, New York

Unit (Use)	Location*	Bedrooms /Baths (1)	Approx. area sq. ft. (2)	Approx. Ltd. Common Element sq. ft. (8)**	Offering Price (3)	Common Interest (4)	Est. Common Charges monthly/annually (5)		Est. Real Estate Taxes monthly/annually First Year (6) ***		Est. Real Estate Taxes monthly/annually Second Year (6) ***		Est. monthly carrying cost (7)	Est. Annual Carrying Costs (7)
101 (Residential)	Cellar, 1st Floor	2/2.5	2,401	Yard: 743 Areaway: 183	$1,995,000	6.18%	$1,582.75	$18,993.06	$1,335.92	$16,030.98	$1,851.93	$22,223.16	$2,918.67	35,024.04
102 (Residential)	Cellar, 1st Floor	2/2.5	2,346	Yard: 736 Areaway: 175	$1,975,000	6.01%	$1,539.22	$18,470.59	$1,299.17	$15,590.00	$1,800.99	$21,611.84	$2,838.38	34,060.59
103 (Residential)	Cellar, 1st Floor	2/2.5	2,259	Yard: 469 Areaway: 142	$1,965,000	5.29%	$1,354.82	$16,257.81	$1,143.53	$13,722.31	$1,585.23	$19,022.73	$2,498.34	29,980.12
104 (Residential)	1st Floor	2/1	942	Yard: 529	$975,000	2.79%	$714.54	$8,574.53	$603.11	$7,237.29	$836.07	$10,032.78	$1,317.65	15,811.82
105 (Residential)	Cellar, 1st Floor	3/2.5	2,132	Yard: 828 Areaway: 304	$2,045,000	5.94%	$1,521.29	$18,255.46	$1,284.03	$15,408.42	$1,780.01	$21,360.12	$2,805.32	33,663.88
106 (Residential)	Cellar, 1st Floor	1/1.5	1,499		$1,150,000	2.64%	$676.13	$8,113.54	$570.68	$6,848.19	$791.12	$9,493.39	$1,246.81	14,961.72
107 (Residential)	1st Floor	2/2	1,133		$965,000	2.00%	$512.22	$6,146.62	$432.34	$5,188.02	$599.33	$7,191.96	$944.55	11,334.64
108 (Residential)	Cellar, 1st Floor	1/1.5	1,547		$1,100,000	2.75%	$704.30	$8,451.60	$594.46	$7,133.53	$824.08	$9,888.95	$1,298.76	15,585.13
109 (Residential)	Cellar, 1st Floor	1/1.5	1,378		$899,000	2.47%	$632.59	$7,591.08	$533.93	$6,407.20	$740.17	$8,882.07	$1,166.52	13,998.28
201 (Residential)	2nd Floor	2/2	1,327		$1,350,000	2.45%	$627.47	$7,529.61	$529.61	$6,355.32	$734.18	$8,810.15	$1,157.08	13,884.93
202 (Residential)	2nd Floor	2/2	1,200		$1,250,000	2.20%	$563.44	$6,761.28	$475.57	$5,706.82	$659.26	$7,911.16	$1,039.01	12,468.10
203 (Residential)	2nd Floor	2/2	1,210		$1,295,000	2.21%	$566.00	$6,792.02	$477.73	$5,732.76	$662.26	$7,947.12	$1,043.73	12,524.78
204 (Residential)	2nd Floor	2/1	1,011		$1,110,000	1.85%	$473.80	$5,685.62	$399.91	$4,798.92	$554.38	$6,652.56	$873.71	10,484.54

205 (Residential)	2nd Floor	3/2	1,194		$1,399,000	2.30%	$589.05	$7,068.61	$497.19	$5,966.22	$689.23	$8,270.75	$1,086.24	13,034.84
206 (Residential)	2nd Floor	2/2	1,212		$1,200,000	2.13%	$545.51	$6,546.15	$460.44	$5,525.24	$638.29	$7,659.44	$1,005.95	12,071.39
207 (Residential)	2nd Floor	2/2	1,133		$1,199,000	2.00%	$512.22	$6,146.62	$432.34	$5,188.02	$599.33	$7,191.96	$944.55	11,334.64
208 (Residential)	2nd Floor	2/2	1,113		$1,160,000	1.98%	$507.10	$6,085.15	$428.01	$5,136.14	$593.34	$7,120.04	$935.11	11,221.29
209 (Residential)	2nd Floor	1/1	636		$675,000	1.13%	$289.40	$3,472.84	$244.27	$2,931.23	$338.62	$4,063.46	$533.67	6,404.07
301 (Residential)	3rd Floor	2/2	1,327		$1,299,000	2.45%	$627.47	$7,529.61	$529.61	$6,355.32	$734.18	$8,810.15	$1,157.08	13,884.93
302 (Residential)	3rd Floor	2/2	1,200		$1,250,000	2.20%	$563.44	$6,761.28	$475.57	$5,706.82	$659.26	$7,911.16	$1,039.01	12,468.10
303 (Residential)	3rd Floor	2/2	1,210		$1,245,000	2.21%	$566.00	$6,792.02	$477.73	$5,732.76	$662.26	$7,947.12	$1,043.73	12,524.78
304 (Residential)	3rd Floor	2/1	1,011		$1,050,000	1.85%	$473.80	$5,685.62	$399.91	$4,798.92	$554.38	$6,652.56	$873.71	10,484.54
305 (Residential)	3rd Floor	3/2	1,194		$1,399,000	2.30%	$589.05	$7,068.61	$497.19	$5,966.22	$689.23	$8,270.75	$1,086.24	13,034.84
306 (Residential)	3rd Floor	2/2	1,206		$1,199,000	2.11%	$540.39	$6,484.68	$456.11	$5,473.36	$632.29	$7,587.52	$996.50	11,958.05
307 (Residential)	3rd Floor, Bulkhead	2/2	1,206	Terrace: 427	$1,299,000	2.89%	$740.16	$8,881.87	$624.72	$7,496.69	$866.03	$10,392.38	$1,364.88	16,378.55
308 (Residential)	3rd Floor, Bulkhead	2/2	1,445	Terrace: 564	$1,499,000	3.58%	$916.87	$11,002.45	$773.88	$9,286.56	$1,072.80	$12,873.61	$1,690.75	20,289.01
PH1 (Residential)	4th Floor	1/1	640	Terrace: 693	$1,199,000	2.45%	$627.47	$7,529.61	$529.61	$6,355.32	$734.18	$8,810.15	$1,157.08	13,884.93
PH2 (Residential)	4th Floor	2/2	1,040	Terraces: 583	$1,275,000	2.95%	$755.52	$9,066.26	$637.69	$7,652.33	$884.01	$10,608.14	$1,393.22	16,718.59
PH3 (Residential)	4th Floor	2/2	1,134	Terrace: 517	$1,285,000	3.02%	$773.45	$9,281.40	$652.83	$7,833.91	$904.99	$10,859.86	$1,426.28	17,115.31
PH4 (Residential)	4th Floor	3/2	1,317	Terraces: 667	$1,499,000	3.74%	$957.85	$11,494.18	$808.47	$9,701.60	$1,120.75	$13,448.97	$1,766.31	21,195.78
TH1 (Residential)	Cellar, 1st Floor, 2nd Floor, 3rd Floor, 4th Floor	3/3.5	3,317	Terrace: 753	$2,699,000	7.35%	$1,882.40	$22,588.83	$1,588.83	$19,065.97	$2,202.54	$26,430.45	$3,471.23	41,654.80

TH2 (Residential)	Cellar, 1st Floor, 2nd Floor, 3rd Floor, 4th Floor	3/2 + 2 half baths	2,858	Terrace: 804	$2,399,000	6.58%	$1,685.20	$20,222.38	$1,422.38	$17,068.59	$1,971.80	$23,661.55	$3,107.58	37,290.97
Total			**45,778**	**9,117**	**$ 44,303,000.00**	**100.00%**	**$ 25,610.92**	**$307,331.00**	**$ 21,616.75**	**$259,401.00**	**$ 29,966.50**	**$ 359,598.00**	**$ 47,227.67**	**$ 566,732.00**

*Portions of Units 101, 102, 103, 105, 106, 108, 109, TH1 and TH2 are locted at the cellar level. Purchasers should note that such portions may not be legally used as bedrooms or living rooms, and doing so may result in building code and other violations being issued against Building and/or Units.

**Units 101, 102, 103, 104, and 105 will each have a yard as a Limited Common Element; Units 101, 102, 103, and 105 will each have an areaway as a Limited Common Element; Units 307, 308, PH1, PH2, PH3, TH1, and TH2 will each have a terrace as a Limited Common Element; Unit PH4 will have two terraces as Limited Common Elements; Units TH1 and TH2 will have skylights as Limited Common Elements. Purchasers should note that these Limited Common Elements may not be legally used as bedrooms or living rooms, and doing so may result in building code and other

***The projected real estate taxes for the first year of Condominium operations contained on Schedule A are based on an assessment of the Building before construction is complete. Purchasers are advised that real estate taxers may increase materially when the Building is reassessed after construction is complete. See Footnote 6 to Schedule A for more information regarding the projected assessed valuation after completion of construction.

NOTES TO SCHEDULE A

1. Bedrooms and Bathrooms

The room count is calculated as follows: bedrooms and bathrooms. Full bathrooms – those with a sink, toilet and either a shower or a tub – are counted as one bathroom, whereas those bathrooms without a shower or a tub are counted as a half-bathroom.

Any Floor Plan or sketch shown to a prospective Purchaser shows only an approximation of the dimensions and layout of a Unit, within reasonable tolerances. Floor Plans are included in Part II of this Plan. Each Unit should be inspected to determine its condition, layout and the position of partitions. The Sponsor reserves the right to change the location of any demising walls used in defining the spaces of any Unit, and thereby change, within reasonable tolerances, the approximate square footage of the Unit so affected.

No material change in size or layout may be made unless an affected Purchaser consents if a Purchase Agreement has been executed and delivered to the Sponsor for that Unit and the Purchaser is not in default. No material change in size of the Units will be made without an amendment to the Plan.

2. Approximate Area

Areas in Schedule A are not based on measurements from the interior surfaces of interior walls of rooms and are significantly greater than the usable floor area of the Units. The square footage of Residential Units is calculated from the exterior face of exterior walls (perimeter and mechanical pipes are not deducted) to the centerline of demising walls, and to the exterior face of partitions separating the Unit from any common areas, stairs, elevators & other mechanical equipment spaces or any Common Elements. However, any Common Elements located within a Unit shall not be considered a part of the Unit. No Unit shall include any Common Element. Unit area measurements are approximate, within reasonable tolerances. No material change in size or layout may be made unless an affected Purchaser consents if a Purchase Agreement has been executed and delivered to the Sponsor for that Unit and the Purchaser is not in default. No material change in size of the Units will be made without an amendment to the Plan.

3. Offering Prices

The prices presented in Schedule A for Units may be changed only by an amendment to this Plan duly filed with the Department of Law when the change in price is an across-the-board increase or decrease affecting one or more lines of Units, or is to be advertised, or is a price increase for an individual Purchaser. The Sponsor reserves the right amend prices at any time. The sponsor also reserves the right to lower prices and alter other terms of the Purchase Agreement for a Unit as a result of individual negotiations between the Sponsor and a Purchaser

without filing an amendment. Accordingly, it is possible that Purchasers may pay more or less than is indicated in this Plan. See the section of this Plan entitled "Changes in Price and Units," below.

Closing costs and adjustments, which will vary for each Unit, are not included in the purchase price. The current estimates of such costs and adjustments are discussed in the section of this Plan entitled "Closing Costs and Adjustments," below.

4. Percentage of Common Interest

A Unit's percentage of Common Interest is calculated based on a Unit's floor space subject to the location of such space and 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 used, and the overall dimensions of the particular Unit, pursuant to Section 339-i (1) (iv) of the Condominium Act.

5. Common Charges

Common Charges will be billed and collected on a monthly basis, subject to change by the Board of Managers. To the extent that Common Charges are unpaid, they shall constitute a lien upon the Unit charged. Such lien shall be subordinate to liens for real estate taxes and any first mortgage on the Unit.

6. Projected Real Estate Taxes

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

The opinion of the Sponsor's attorney, included in this Plan, describes circumstances under which real estate taxes may be deductible for income tax purposes. On December 22, 2017 the Tax Cuts and Jobs Act (the "2017 Act") was signed into law. The 2017 Act made changes to the Internal Revenue Code of 1986, as amended (the "Code") that are generally effective for individual taxpayers for the period January 1, 2018 through December 31, 2025, at which point the relevant Code provisions in effect prior to 2018 become effective again. The 2017 Act made changes to the pre-2018 Code provisions relating to tax and interest deduction for home ownership. In general, under the new Tax Cuts and Jobs Act, up to $10,000 in real estate taxes paid on a Residential Unit used as the taxpayer's primary residence and in state and local taxes paid to authorities in the aggregate may be deductible. Deductibility in other circumstances is discussed in the attorney's opinion. As a result of changes in real estate taxes, tax laws, assessed values and/or tax rates, the amount of income tax deductions with respect to real estate taxes will vary. See the section of this Plan entitled "Real Estate Taxes," below.

The opinion of the Sponsor's attorney included in this Plan also describes circumstances under which interest paid by a Unit Owner on his or her mortgage indebtedness for a Residential Unit may be deductible for income tax purposes. As a result of changes in interest rate on the Unit Owner's mortgage and allocation of constant debt service payments to interest and principal on the Unit Owner's mortgage, the amount of income tax deductions with respect to mortgage interest paid will vary.

The tax projections set forth on Schedule A include the projection of real estate taxes payable by each Unit Owner during the projected first year of Condominium operations, which include and are based on an assessment of the Building before construction is complete and, therefore, the taxes projected on Schedule A for the projected first year of Condominium operations may increase materially when the Building is reassessed after construction is complete. Therefore, Schedule A also contains projections for the second year of Condominium operations because it is the first tax year for which taxes are anticipated to be fully (rather than partially) assessed, resulting in significantly higher projected real estate taxes. The projections for both years are also described below.

It is estimated that construction of the Building will be substantially completed by July 2023.

Upon completion of construction, the estimated taxable assessed value for the Building is $2,939,092, with estimated applicable tax rate of 12.235% for the Residential Units. The Department of Finance of the City of New York will allocate the assessed value among the Units. It is anticipated that the allocation will be based on each Unit's Common Interest but no warranty as to the method of allocation is made to any Purchaser or Unit Owner. Pursuant to Real Property Law Section 581, the assessed value of the Property must be determined without regard for whether the Property is owned on a condominium basis or not.

The estimated real estate taxes for the Building for the first year after completion of the Building's construction are $259,401. The estimated real estate taxes shown in Schedule A for the estimated first year of Condominium operations are not based on an assessment of a fully complete Building. The assessment for the fully completed Building will be done in January of 2023, during the first year of Condominium operations. The estimated real estate taxes for the Building for the second year of Condominium operations are $359,598.

The projections are based on reasonable, expert assumptions made by a third party expert. But only the New York City tax authorities and other applicable authorities will determine the actual real estate taxes payable by the Units after filing of the tax lots. Therefore, Unit Owners may pay significantly different real estate taxes than those set forth on Schedule A.

The Sponsor will not apply for real property tax benefits for the Building or the Residential Units.

Projected real estate taxes for the property were assigned to the Units based on Common Interests.

Real estate taxes for an individual Unit will increase in proportion to any increase in real estate taxes for the Condominium as a whole.

The foregoing estimate of real estate taxes and benefits is made based upon assumptions about taxation practices and policies of the City of New York made by Metropolitan Realty Exemptions, 381 South 5th Street, Brooklyn, NY 11211. No assurance can be given that the practices and policies will be applied as assumed or that the practices and policies will not change. The Sponsor has relied on these letters in the projection of real estate taxes. No assurance can be given that the practices and policies will be applied as assumed or that the practices and policies will not change.

7. Carrying Charges

Purchasers should note that monthly carrying charges do not include certain housing and other costs for which each Unit Owner is responsible, such as repairs to the interior of the Unit, separately metered utilities (an estimate of which is provided in Schedule B-1, below), repairing the Unit's appliances, cable television, internet and telephone services, and insurance on improvements to the Unit and a Unit Owner's possessions and against liability for occurrences in the Unit. In addition, if a Purchaser obtains financing, debt servicing on such financing will be an additional monthly expense that is not included in the carrying charges. The Sponsor is not offering or procuring mortgage financing for Purchasers.

8. Limited Common Elements

Yards

Units 101, 102, 103, 104 and 105 shall each have a yard as a Limited Common Element, as shown on the Floor Plans. A Unit Owner may use the yard appurtenant to his, her or its Unit only in compliance with all Legal Requirements. The owners of such Units and their successors and assigns shall be responsible for the maintenance, repair and replacement of any paving, landscaping, drainage, fences, enclosures, walls, railings or other elements of their yards, other than the Building walls, appurtenant to their Unit, as required by Legal Requirements. The Board of Managers shall be responsible for maintenance, repair and replacement of the Building's exterior walls and other elements of the Building, except that in all events the Unit Owner shall be responsible for any maintenance, repair and replacement of any portion of the yard or Building's exterior walls or other elements of the Building, if necessitated by damage caused by the Unit Owner or the Unit Owner's invitees, tenants, employees, agents or contractors. The Board of Managers and its agents, employees and contractors may have access to all areas of the yards in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take. In the event such Board actions require removal or disruption of any

element of the yards, it shall be the responsibility of the Board of Managers to replace such element. The owners of such Units may not perform construction in their yards unless the owners comply with all Legal Requirements and obtain the prior approval of the Board of Managers.

Terraces

Units 307, 308, PH1, PH2, PH3, PH4, TH1 and H2 shall each have at least one terrace as a Limited Common Element, as shown on the Floor Plans. The owners of such Units and their successors and assigns shall be responsible for maintenance, repair and replacement of their terrace, including the terrace's surface, but the Board of Managers shall make any structural repairs to the terraces, including the railings, if any, that are required, except that in all events the Unit Owner shall be responsible for any maintenance, repair and replacement of any portion of their terrace if necessitated by damage caused by the Unit Owner or the Unit Owner's invitees, tenants, employees, agents or contractors. The Board of Managers and its agents, employees and contractors may have access to the terraces in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take. In the event Board repairs require removal or disruption of any elements of the terraces, it shall be the responsibility of the Board of Managers to replace such elements. The owners of such Units may not perform construction in their terraces unless the owners comply with all Legal Requirements and obtain the written approval of the Board of Managers.

Areaways

Units 101, 102, 103 and 105 shall each have an areaway as a Limited Common Element, as shown on the Floor Plans. The owners of such Units and their successors and assigns shall be responsible for maintenance, repair and replacement of their areaways, including their surfaces, but the Board of Managers shall make any structural repairs to the areaways that are required, except that in all events the Unit Owner shall be responsible for any maintenance, repair and replacement of any portion of the areaways if necessitated by damage caused by the Unit Owner or the Unit Owner's invitees, tenants, employees, agents or contractors. The Board of Managers and its agents, employees and contractors may have access to the areaways in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take. In the event repairs by the Board of Managers require removal or disruption of any elements of the areaways, it shall be the responsibility of the Board of Managers to replace such elements. The owners of such Units may not perform construction in their areaways unless the owners comply with all Legal Requirements and obtain the written approval of the Board of Managers.

Mechanical Equipment

Each Residential Unit shall have as a Limited Common Element at least one condenser unit. The Unit Owners shall have the right to place, inspect, maintain, repair and replace their condenser and other condenser equipment serving their respective Units. A Unit Owner, and his, her or its agents and contractors shall have a right of access over and through any areas where the

condenser units are located for such purposes. A Unit Owner shall be responsible for the maintenance, repair and replacement of the condenser and condenser equipment servicing his, her or its Unit (including equipment located outside the Unit and all piping and wiring associated with the Condenser), as required. The Board of Managers shall be responsible for maintenance, repair and replacement of all common areas, and all elements thereof, except that in all events a Unit Owner shall be responsible for the cost and expense of any maintenance, repair and replacement of any portion of common areas or elements thereof if necessitated by the negligence, misuse or neglect of a Unit Owner or an occupant of a Unit or a Unit Owner's employees, invitees, agents, guests or contractors. In the event any common areas or elements thereof require removal or disruption of any condenser unit or associated piping or wiring, or element thereof, it shall be the responsibility of the Board of Managers to replace or repair same. In any event, the Board of Managers and its agents, employees and contractors may have access to all common areas of the Building in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take.

Skylights

Units TH1 and TH2 shall each have two skylights as Limited Common Elements, as shown on the Floor Plans. The owners of such Units may use their skylights only in compliance with all Legal Requirements and shall be responsible for maintenance, repair and replacement of their skylights. The Board of Managers and its agents, employees and contractors may have access to all roofs or terraces where the skylights are located in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take. In the event that any such Board action requires removal or disruption of all or any elements of the skylights, it shall be the responsibility of the Board of Managers to replace such elements.

SCHEDULE B

BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATIONS
BEGINNING JULY 1, 2023

524 HALSEY CONDOMINIUM
524 Halsey Street
Brooklyn, New York

Income		
Common Charges	$307,331.00	
Total		307,331.00
Expenses		
Labor (2)	$128,400.00	
Gas Costs (3)	$0.00	
Electricity Costs (4)	$32,179.00	
Water Charges and Sewer Rents (5)	$27,461.00	
Repairs, Maintenance and Supplies (6)	$5,000.00	
Service Contracts (7)	$21,716.00	
Insurance (8)	$36,925.00	
Management Fee (9)	$19,800.00	
Legal and Audit Fees (10)	$2,150.00	
Other Expenses (11)	$3,000.00	
Reserve Fund (12)	$30,700.00	
Total		$307,331.00

If at any time, the actual or projected commencement of the budget year in this Plan differs by six months or more from the anticipated date of the first Closing, this Plan will be amended to include a revised budget. If the amended projections exceed the original projections by twenty-five percent or more, the Sponsor will offer all Purchasers with pending Purchase Agreements the right to rescind for a period of fifteen days after the date of presentation of such amendment The Sposor shall return promptly all Down Payments, with interest earned, if any, to Purchasers who rescind.

The Sponsor may not declare this Plan effective where there are material changes to the budget if such material changes have not been disclosed by a duly filed amendment to this Plan.

NOTES TO SCHEDULE B

1. Common Charges

The estimate of the Common Charges to be billed during the first year of Condominium operation is based upon the assumption that the first year of Condominium operation will be the year from July 1, 2023 to June 30, 2024. The actual first year of operation may be earlier or later than that year.

2. Labor Costs

Two visiting part-time superintendents will be on-call 24 hours a day and expected to be at the Building an average of sixteen hours per week to clean the common areas and to place on curb for collection garbage and recycling on collection days. Each will be paid an estimated $1,600 per month, for a combined estimated payment of $3,200 per month, or $38,400 per year. The superintendent will clean the common areas and Common Elements only. Snow removal would be billed separately, based on the snowfall amount, at a rate of $350 per removal or more, depending on the amount of snow.

The budgeted figure also includes one full-time doorman, who is expected to work eight hours per day Mondays through Fridays at an estimated cost of $90,000 per year.

The projected rates for the superintendents and doorman are based on a projection by the Managing Agent of what will be the market rates for the same during the first year of Condominium operations, and include applicable wages, unemployment and payroll taxes. No representation is made as to the actual rates that will be in effect after an agreement covering the projected first year of Condominium operation goes into effect.

The level of staffing complies with all applicable housing and labor laws, including, but not limited to, the NYC Administrative Code section 27-2052, et.seq.

3. Gas Costs

There is no gas servicing the Building.

4. Electricity Costs

The estimated electrical charge of $32,179 is for lighting, cooling and heating the common areas of the Building and use of the Building's common systems, including, without limitation, hot water heaters serving the Residential Units, use of the elevator and varios pumps and fans. Unit Owners will each arrange directly with the utility company for electricity consumed within Units and will be responsible for paying charges for their own electrical service, including heating and cooling of their Units, an estimate of which is provided in Schedule B-1, below. The budgeted

common electrical charges are based on the estimate of 146,267 KWH power usage at an average rate of $0.22 per KWH, which includes applicable taxes and surcharges. The electricity costs were estimated by Insite East LLC, 13 Greene Avenue, Brooklyn, NY 11238.

The budgeted amount for electricity is only an estimate. The actual amount will vary depending on usage and the cost of power, among other things. It is believed that the projected figure should be sufficient to cover the cost of electricity during the first year of Condominium operations. However, no warranty is made that the projection will equal the actual cost during the first year of Condominium operations.

5. Water and Sewer

Water charges and sewer rents are based upon an estimate by Insite East LLC, 13 Greene Avenue, Brooklyn, NY 11238, based on estimated usage and current rates. Based on an estimated consumption of 265,842 cubic feet per year at an estimated cost of $10.33 per 100 cubic feet, the annual cost of water and sewer charges for the Units and Common Elements is estimated to be $27,461.

Water charges and sewer rents will be Common Expenses of all Units unless either (i) any Unit Owner is directly billed for water charges and sewer rents by the municipal authority or (ii) the Board of Managers finds that a Unit Owner uses water in excess of normal domestic, sanitary and lavatory purposes and requires such Owner to install a water meter and bills such Owner for water used, in which event the owner of such Unit shall not be charged water charges and sewer rents as part of the Common Charges and the owners of Units not so directly billed shall be specially allocated the Condominium's water charges and sewer rents.

6. Repairs, Maintenance and Supplies

It is anticipated that there will not be major repairs to the common areas of the Building during the first year of Condominium operations. The budgeted figure is based upon an estimate of repairs and maintenance to the common areas, includes various supplies (such as cleaning supplies and materials, lubricants, bulbs, general and hardware supplies) and painting of the common areas as needed and is based on the experience of the Managing Agent in operating comparable buildings. The estimate does not include repairs, painting, maintenance, or supplies for individual Units, all of which are the responsibility of the Unit Owners.

7. Service Contracts

The following services are anticipated and are included in the estimate:

- Elevator maintenance and inspection: $7,140 per year;
- Fire Alarm inspection and servicing: $1,776 per year;
- Gym maintenance: $800 per year;
- Sprinkler inspection, testing and maintenance, and backflow prevention testing: $9,800 per year;
- Annual subscription cost for the Building's intercom service: $1,000 per year; and
- Costs of phone and internet connection/service for the Building's intercom system: $1,200 per year.

Purchasers should note that either the Sponsor or the Managing Agent expects to enter, but has not yet entered, into contracts with third parties on the Condominium's behalf for the above-referenced services. The above-referenced estimates are based on current market rates for those services and assume applicable taxes, and are based on estimates received from contractors and the experience of the Managing Agent in operating comparable buildings.

The budget for the first year of Condominium operation does not provide for the maintenance, repair and replacement of the Building's windows. In accordance with the By-Laws, maintenance, repair and replacement of the same shall be the responsibility of the Board of Managers and the costs thereof shall be a Common Expense. Unit Owners, however, shall be responsible for the cost of cleaning the inside face of windows at their Units. The Board of Managers may require that all Unit Owners grant access to their Units and terraces or balconies to persons retained by the Board of Managers to clean the exterior surfaces of the windows and to maintain, repair and/or replace the windows.

8. Insurance

The budget for insurance is based upon a proposal submitted Hotaling Insurance Services, 2 Park Avenue, New York, NY 10016, and includes the following coverage for the first year of Condominium operations:

Building	$19,000,000 –Agreed Value; Special Form
General Liability	$1,000,000 per occurrence; $2,000,000 aggregate bodily injury and property damage.
Equipment Breakdown	Included
Flood/Water Backup of Sewers/Drains	$1,000,000
D&O Liability	$1,000,000 ($2,500 deductible)
Est. Annual Premium	$36,925

This coverage does not include Auto Liability, Fidelity Bond or Rent Insurance, all of which may be available at extra cost, which would be a Common Expense of all Unit Owners.

The fire and casualty policy is expected to be on an agreed amount replacement cost basis, which eliminates co-insurance. It is the opinion of the insurance broker, that the described insurance coverage is an adequate amount to rebuild the structures (but not portions of the interior of Units which are the responsibility of Unit Owners to insure) if totally destroyed by fire or other insured peril.

The fire, casualty and general liability insurance is expected to be on terms that provide: (1) that each Unit Owner is an additional insured party; (2) that there will be no cancellation without notice to the Board of Managers; (3) a waiver of subrogation in favor of Unit Owners; (4) a waiver of invalidity because of the acts of the insured and Unit Owners; and (5) waiver of pro-rata reduction if Unit Owners obtain additional coverage.

Unit Owners are urged to obtain insurance, at their own expense, for items not covered by the insurance described above, such as, without limitation, the contents of their Units, their personal possessions, replacements, additions, upgraded fixtures and improvements to the Units and liability coverage for occurrences within their Units.

9. Management Fee

The Building will be managed by First Class Management, Inc., 102-10 Metropolitan Avenue, Forest Hills, NY 11375 ("FCMI"). FCMI is not affiliated with the Sponsor or Sponsor's principals. The management fee for the first year of Condominium operations will be $19,800. FCMI will provide the following services, among others: attending Board of Managers and Unit Owners' meetings; purchasing necessary supplies; effecting insurance policies and renewals; arranging for the cleaning and maintenance the Common Areas, as well as for sanitation, recycling and snow shoveling; paying all Condominium accounts; collecting Common Charges; assisting accountants for the Condominium tax returns; maintaining required Buildings' registrations; maintaining service contracts, if any; and providing profit and loss statements.

10. Legal and Audit Fees

Accounting and auditing expenses will consist of a $1,150 fee for tax filing and preparing the annual financial report to the Condominium Board of Managers for the first year of Condominium operations. The fee is based on a quotation from OG Tax and Accounting Group, 718 3rd Avenue, 2nd Floor, Brooklyn, NY 11232. $1,000 for minor legal services in connection with the Building's operation is included in the budget, such as preparation of Board minutes or attendance of Board meetings. No warranty is made that the amount shall be sufficient to pay all legal and audit expenses incurred.

11. Other Expenses

Includes minimal miscellaneous charges such as special communications and mailings to Unit Owners, annual meetings and general expenses. No warranty is made that the amount shall be sufficient to pay all expenses incurred.

12. Reserve Fund

The Sponsor has budgeted for a yearly contribution to a reserve fund, to be funded out of Common Charges, equal to approximately 10% of the Condominium budget for the first year of operations. It is anticipated, but not guaranteed, that the budgeted yearly reserve fund will be sufficient to pay for major capital repairs or replacement items that may be needed within the first five years of Condominium operations. However, no warranty or representation as to the need for, or timing of, future capital improvements is made to Unit Owners or the Board of Managers.

* * * *

The Sponsor has reserved the right to modify, renew and replace existing service, maintenance, employment, other agreements and insurance policies, and to enter into new agreements and policies that will be binding on the Condominium on the date of the Closing of the first Unit. However, no service or maintenance contracts which would materially increase the first year's estimated Common Charges will be made unless this Plan is amended.

If at any time, the projected commencement of the budget year in this Plan differs by six (6) months or more from the anticipated date of the first Closing, this Plan will be amended to include a revised budget. If the amended projections exceed the original projections by twenty five percent (25%) or more, the Sponsor will offer all Purchasers with pending Purchase Agreements the right to rescind for a period of fifteen (15) days after the date of presentation of such amendment. The Sponsor shall return promptly all Down Payments, with interest earned, if any, to Purchasers who rescind.

The Sponsor may not declare this Plan effective where there are material changes to Schedule B – Budget for First Year of Condominium Operations if said material changes have not been disclosed by a duly filed amendment to this Plan.

IN THE OPINION OF FIRST CLASS MANAGEMENT, INC., AN EXPERIENCED BUILDING MANAGER, THE PROJECTED RECEIPTS ARE ADEQUATE TO MEET THE ESTIMATED EXPENSES FOR THE CONDOMINIUM'S FIRST YEAR OF OPERATION, ASSUMING SUCH FIRST YEAR TO BE THE FISCAL YEAR COMMENCING ON JULY 1, 2023. THE FOREGOING SCHEDULES, HOWEVER, ARE NOT INTENDED AND SHOULD NOT BE TAKEN AS A WARRANTY OR GUARANTEE BY ANYONE THAT THE COMMON CHARGES, OTHER INCOME OR EXPENSES FOR THE FIRST YEAR OR ANY SUBSEQUENT YEAR OF OPERATION OF THE CONDOMINIUM WILL BE AS SET FORTH IN SAID SCHEDULES, AND IT

IS LIKELY THAT THE ACTUAL INCOME AND EXPENSES WILL VARY FROM THE AMOUNTS SHOWN IN THE SCHEDULE. NO PROVISION IS MADE FOR UNFORESEEN EVENTS OTHER THAN THE CONTINGENCY FUND DESCRIBED ABOVE.

SCHEDULE B-1

Each Unit Owner will be responsible for the electricity associated with his, her or its Unit. Electricity costs estimates for the Residential Units include the use of appliances and equipment in the Residential Units, including heating and cooling equipment. The costs were estimated by Insite East LLC, 13 Greene Avenue, Brooklyn, NY 11238 and are based on current charges. Electricity costs are estimated at a rate of $0.28 per KWH, and include applicable taxes and surcharges.

The annual costs are estimated as follows:

ESTIMATED INDIVIDUAL ENERGY COSTS
FOR FIRST YEAR OF CONDOMINIUM OPERATIONS
FROM JULY 1, 2023 TO JUNE 30, 2024

Residential Units	Estimated Annual Electricity Costs
101	$2,444
102	$2,444
103	$2,444
104	$1,427
105	$2,444
106	$1,733
107	$1,575
108	$1,697
109	$1,790
201	$1,940
202	$1,883
203	$1,883
204	$1,616
205	$1,817
206	$1,883
207	$1,634
208	$1,634
209	$1,687
301	$1,978
302	$1,971
303	$1,971
304	$1,731
305	$2,064
306	$1,951
307	$1,973
308	$2,174

PH1	$1,316
PH2	$1,832
PH3	$1,905
PH4	$2,189
TH1	$3,378
TH2	$3,232

In view of the varying costs of electricity and patterns of usage, it is not possible to predict with certainty whether the estimated figures will reflect the actual cost to be incurred during the first year of operation. The projected rates are not guaranteed and it must be expected that these rates will increase with the passage of time and may be affected by many factors that are beyond the control of the Sponsor. Purchasers are advised that the projections are only estimates and actual consumption will vary based on the personal needs of occupants, weather conditions and the cost of utilities.

ALTHOUGH SPONSOR BELIEVES THAT THE FOREGOING IS ACCURATE, NO WARRANTY IS MADE BY THE SPONSOR OR THE SPONSOR'S CONSULTANT AS TO WHAT AN INDIVIDUAL UNIT OWNER'S COSTS MAY BE.

May 20, 2022

524 Halsey LLC
80 4th Street
Brooklyn, New York 11231

Re: 524 Halsey Street
Brooklyn, New York ("the "Property")

Dear Sponsor:

I have been a licensed real estate broker since 2003 and have been engaged in the real estate business in New York State for over 17 years. I have participated in the sale and rental of properties in the Brooklyn area and am familiar with numerous buildings similar to the building proposed for 524 Halsey Street.

My company will not serve as the managing agent for the property.

You have told me that the factual basis for the allocation of each unit's common interest as expressed in the Declaration, pursuant to Section 339-i (1)(iv) of the Real Property Law, is based upon floor space, subject to the location of such space and the additional factors of relative value of other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive and shared use, and the overall dimensions of the particular Unit.

I have examined the Schedule A and it is my opinion that the allocation of the common interest for each unit of the condominium complies with Section 339-i of the Real Property Law.

I hereby authorize the use of this opinion or a reproduction hereof in the offering plan.

Very truly yours,

Lindsay Barrett
Licensed Associate Real Estate Broker
R.E. ID# 30BA1016625 exp. 4/14/22

CHANGES IN PRICES AND UNITS

A. Changes in Prices

The offering prices set forth in "Offering Prices and Related Information, Schedule A," above, may only be changed by a duly filed amendment to this Plan if the change in prices 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. However, the Sponsor may enter into an agreement with a Purchaser to sell one or more Units at prices lower than those set forth in Schedule A pursuant to negotiations with an individual Purchaser without filing an amendment.

The Sponsor reserves the right to amend Unit prices at any time. If the Sponsor changes the purchase price of one or more Units, the Purchaser(s) of such Unit(s) may pay more or less than other Purchasers of comparable Units having the same Common Interest. However, such price change shall not alter the Common Interest of, or the amount of the Common Charges payable by, the owner of any Unit.

The Sponsor reserves the right to change the manner of payment of the purchase price and any other terms of sale of any Unit from time to time, both before and after the first Closing, without any consent or approval including, without limitation, the consent or approval of the managing agent, if any, the Board of Managers, any Unit Owner or any mortgagee. Notwithstanding the foregoing, however, no such change shall be made with respect to a Unit for which a Purchase Agreement is then in effect without the consent of the Purchaser thereunder.

B. Changes of Sizes, Layout, Number and Use

In order to meet the possible varying demands for number and type of Units, or for any other reason, the Sponsor or other owner of an Unsold Unit reserves the right to change (a) the layout of or number of rooms in Unsold Units, (b) the size and/or number of Unsold Units by subdividing one or more Unsold Units into two or more separate Units, by combining two or more Units into one or more Unsold Units, by altering the boundary walls of any Unsold Unit(s), or otherwise, including, without limitation, the use of any portion(s) of the Common Elements adjacent to such Unsold Units to the extent that such portion(s) are not required to be maintained as Common Elements pursuant to the terms of Section 19 of the Declaration and/or Section 14 or Article V of the By-Laws. Subject to the terms of this paragraph, such right may be exercised by the Sponsor or other owner of an Unsold Unit from time to time, both before and after the first Closing, without any consent or approval including, without limitation, the consent or approval of the managing agent, if any, the Board of Managers, any Unit Owner or any mortgagee. However, the Sponsor or other owner of an Unsold Unit shall first obtain the approval of all governmental authorities whose approval is required by law and otherwise comply with all Legal Requirements.

The Sponsor reserves the right to amend or modify the plans and specifications for the Building in any way (including, without limitation, changing materials, appliances, equipment, fixtures, and other construction details and design details) and to substitute in place of any materials, appliances, equipment, and/or fixtures set forth therein or described in the "Description of Property and Specifications or Building Condition" in Part II of this Plan, Equal or Better materials, appliances, equipment, and/or fixtures provided only that any necessary approval of any governmental authority having jurisdiction thereover is first obtained. Any or all of the foregoing amendments or changes may be made without prior notice or amendment to this Plan.

Notwithstanding the immediately preceding paragraph, No change will be made in the size or number of Units, and/or their respective percentage of Common Interest or in the size or quality of Common Elements, except by amendment to this Plan and, when applicable, to the Declaration, and without the consent of all owners of Units directly affected and, with respect to changes in a Unit's percentage of Common Interest, without the consent of Sponsor's lender, if any (so long as the lender holds a lien on the Property), and without the consent of a Purchaser's lender, if any and if required by the same.

In the event that the Sponsor or other owner of an Unsold Unit changes the size and/or number of Unsold Units, the Sponsor shall increase or decrease the Common Interest appurtenant thereto accordingly; however, the aggregate amount of the Common Interest of all of the Units shall always be one hundred percent (100%). As a result of such reapportionment, the amount of the Common Charges and assessments and, subject to the judgment of the assessing authorities, the real estate taxes payable by the owners of the directly affected Unsold Units will be increased or decreased proportionately, but the proportion of the Common Interest, Common Charges and the amounts of assessments and the real estate taxes payable by the owners of Units not directly affected will not be changed due to the reapportionment.

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

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

Any change in the number of Units or number of rooms within a Unit, or in the size of any Unit resulting from a subdivision or combination or alteration of boundary walls as permitted in this Plan, or otherwise, or in the Common Interest of any Unit, shall be reflected in a duly recorded amendment to this Plan, or, once filed, the Declaration. As more particularly provided in the Declaration, the Sponsor and any other owner of an Unsold Unit have the right to amend the Declaration to effectuate such change without the Board of Managers, any other Unit Owners, or any mortgagee consenting to, or executing, the amendment. However, no change of a Unit's Common Interest will be made without the prior written consent of the owner of such Unit. In

addition, no change will be made in the Common Interest of any Unit for which a Purchase Agreement is in effect without the prior written consent of the affected Purchaser thereof.

To the extent not prohibited by law, if the size or configuration of a Unit is changed in compliance with this Plan, the Declaration and the By-Laws and, in connection therewith, a wall, space or other area forming a part of the Common Elements serving and benefiting only such Unit is razed or incorporated into the Unit, then such Common Element shall be deemed for the exclusive use and benefit of the owner of such Unit and the Unit's Common Interest will remain unchanged.

The Sponsor may agree, in its sole discretion, at the request of any Purchaser, to modify the interior of any Unit including the equipment and fixtures in the Unit, to combine one or more Units into a single Unit, or to perform other specialized work in any Unit, subject to any Legal Requirements. Such work shall be performed upon terms and conditions determined by the Sponsor and the Purchaser. In connection with the combination of one or more Units into a single Unit, the first installment of the Down Payment payable by the Purchaser shall equal twenty percent (20%) of the total Purchase Price of the combined Units; in all other cases, a sum equal to the cost of such modifications or special work or materials shall be paid to the Sponsor prior to any obligation on the Sponsor's part to perform such work. Such sum shall be held in escrow together with the Down Payment. However, Purchasers should note that such funds may be released from the Escrow Account by the Escrow Agent so long as Sponsor uses the funds for such modifications or special work or materials. As a result, except as set forth below, in the event a Purchaser is entitled to rescind its Purchase Agreement or in the event the Sponsor is unable to close title to the Unit with Purchaser for any reason, and even if this Plan is not consummated, the Purchaser will not receive a refund of any funds used for such requested modifications or specialized work but shall receive a refund of any unused funds. Notwithstanding the foregoing, Purchasers will receive a full refund of funds for such modifications or special work in the event the Sponsor abandons the Plan prior to declaring the Plan effective.

INTERIM LEASES

At the election of the Sponsor, a Purchaser may rent a contracted-for Residential Unit pursuant to an Interim Lease in the form included in Part II of this Plan prior to the Closing and prior to or after consummation of this Plan. The Interim Lease would be signed simultaneously with, or after execution of, a Purchase Agreement. No rental protection laws are applicable to Interim Leases. Rent payable under the Interim Lease shall be negotiated by the Sponsor and the Purchaser. The term of the Interim Lease shall expire on the date of the Closing or on the date provided in the Interim Lease if this Plan is not declared effective. If this Plan is abandoned, the tenant under the Interim Lease may, at any time, cancel the Interim Lease and vacate the Unit upon ninety (90) days prior written notice to the Sponsor, except that a tenant may not remain in a Unit after the end of the term of an Interim Lease without the prior written consent of the Sponsor.

It will be a default under the Interim Lease if the Purchaser-tenant fails to comply with all of the Purchaser's obligations under the Purchase Agreement. It will be a default under the Purchase Agreement if the Purchaser-tenant fails to comply with all of the Purchaser-tenant's obligations under the Interim Lease, which default will permit the Sponsor to cancel the Purchase Agreement provided (a) the Sponsor either obtains an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the Purchaser-tenant or (b) the Purchaser-tenant has vacated the Unit. In the event of a default by a Purchaser, the Sponsor will make a written demand for payment after default thirty (30) days before forfeiture of the Down Payment shall be declared. Time is of the essence to cure said default, meaning that time limits will be strictly observed and extensions will not be granted. The Purchaser-tenant shall vacate the Unit within thirty (30) days after notice of cancellation of the Purchase Agreement from the Sponsor or rescission of the Purchase Agreement by the Purchaser-tenant, in the event rescission is permitted. If the right to rescind a Purchase Agreement is offered to a Purchaser who has entered into an Interim Lease, the Purchaser's right to rescind shall be conditioned upon (i) his, her or its surrendering possession of the Unit within thirty (30) days of the service of such Purchaser's notice of rescission to the Sponsor, (ii) leaving the Unit broom swept, clean, empty of the Purchaser-tenant's possessions and restored to its condition prior to the Purchaser-tenant's occupancy, and (iii) paying all rent due under the Interim Lease. Nothing contained in this Plan and no recession shall relieve any Purchaser of liability for damage caused to the Unit. The Purchaser shall be responsible for payment of the Sponsor's reasonable costs and attorney's fees if it is necessary for the Sponsor to bring an action or proceeding to remove the Purchaser-tenant from the Unit or to recover money in connection with damage to the Unit and the Sponsor is the prevailing party.

Rent due under any Interim Lease for the month in which the Closing occurs shall be adjusted between the Sponsor and the Purchaser-tenant as of the date of the Closing. No part of any rent paid under any Interim Lease will inure to the benefit of the Purchaser-tenant under the Interim Lease. Security held by the Sponsor under an Interim Lease with interest, if any, less any statutorily permitted administrative fee will be transferred to the Purchaser at the Closing.

The Sponsor is under no obligation to enter into an Interim Lease. The Sponsor may rent any vacant Residential Unit not subject to a Purchase Agreement for any term, rent and conditions the Sponsor may choose after consummation of this Plan.

Risk of loss for fire or other casualty remains with the Sponsor until legal title to the Unit has been conveyed to the Purchaser, unless the Purchaser enters into an Interim Lease or otherwise takes possession of the Unit. The Building will be covered by a fire and casualty insurance policy in an amount expected to be adequate to rebuild the Building's structure (but not portions of the interior of Units that are the responsibility of Unit Owners to insure) if totally destroyed by fire or other insured peril. Purchasers are advised to obtain insurance against loss for fire or other casualty for items not covered by the insurance described above, effective upon his, her or its taking title to or possession of a Unit. Specifically, Unit Owners, as well as Purchasers who take possession prior to the Closing, are urged to obtain insurance for the contents of their Units, their

personal possessions, replacements, additions, upgraded fixtures and improvements to the Units and liability coverage for occurrences within their Units. A Purchaser who occupies a Unit prior to the closing pursuant to an Interim Lease, or otherwise takes possession of a Unit prior to Closing, may not be able to obtain insurance for all risks of damage to the Unit and therefore assumes the risk of losses not covered by insurance.

Local Law 147 ("LL 147") was signed into law on August 28, 2017 and went into effect on August 28, 2018. Pursuant to LL 147, the Condominium must contain a written smoking policy for the Property that addresses smoking in Units, Common Elements and Limited Common Elements and that applies to all Unit Owners, occupants of the Units and persons on the Property.

In accordance with LL 147, the Condominium's smoking policy, set forth as a Rule and Regulation of the Condominium and included in all Purchase Agreements and Interim Leases, is the following:

"Except as expressly permitted pursuant to this Rule and Regulation, smoking is not allowed in (a) any indoor Common Element or Limited Common Element, including, but not limited to, indoor corridors, rooms, hallways, stairs, stairways, storage areas and lobbies, and (b) in any outdoor Common Elements (other than Limited Common Elements), including, but not limited to, any common rooftops, patios, yards, parking areas, pool areas, porches and courtyards. Notwithstanding the foregoing, smoking is permitted inside of Units and in any outdoor Limited Common Elements appurtenant to a Unit, including, but not limited to, yards, terraces, decks and balconies appurtenant to a Unit. For purposes of this Rule and Regulation, (i) "smoking" shall mean inhaling, exhaling, burning or carrying any lighted or heated cigar, cigarette, electronic cigarette, little cigar, pipe, water pipe or hookah, herbal cigarette, non-tobacco smoking product (e.g., marijuana or non-tobacco shisha), or any similar form of lighted object or device designed for people to use to inhale smoke, and (ii) "electronic cigarette (e-cigarette) shall mean a device that heats a liquid, gel, herb or other substance and produces vapor for the user or people to inhale."

PROCEDURE TO PURCHASE

A person desiring to purchase a Unit shall have at least three (3) business days to review this Plan and all filed amendments to this Plan prior to executing a Purchase Agreement. A person desiring to purchase a Unit will be required to execute, in quadruplicate, a Purchase Agreement in the form included in Part II of this Plan. The Purchase Agreement contains the terms and conditions upon which the Unit will be sold and should be read carefully by a Purchaser and his, her or its legal and financial advisors before being executed.

A potential Purchaser must deliver all four (4) copies of the executed Purchase Agreement together with his, her or its good unendorsed check made payable to "Marcus Attorneys, as Escrow Agent" the Down Payment of ten percent (10%) of the purchase price and additional sums

due in accordance with this Plan to the Selling Agent, if any is designated by the Sponsor, or to the Sponsor.

Within fifteen (15) days after a prospective Purchaser delivers an executed Purchase Agreement, together with the Down Payment, the Sponsor must either accept the Purchase Agreement and return a fully executed counterpart to the Purchaser, or reject the Purchase Agreement and, within such fifteen (15) days, refund the Down Payment. If the Sponsor fails to do either within fifteen (15) days, Purchaser's offer shall be deemed rejected and the Down Payment refunded within ten (10) days following such rejection, unless Purchaser agrees, in writing, to have his, her or its offer extended. The Purchaser will have ten (10) days from the end of the fifteen (15) day period to exercise the right to extend his, her or its offer. If the Sponsor accepts the extended offer and Purchase Agreement, the Down Payment will be placed promptly in a segregated special attorney's escrow account, described below. If the Sponsor rejects the extended offer and the Purchase Agreement, the Down Payment will be refunded within ten (10) days following such rejection.

The Sponsor may reject any Purchase Agreement, without cause or explanation, so long as the rejection is not based upon race, creed, color, national origin, ancestry, age, marital status, sex, sexual orientation or any other ground proscribed by law. Until the Purchase Agreement is executed by the Sponsor and returned to the prospective Purchaser, the Sponsor will not be bound to a prospective Purchaser in any respect. No Purchase Agreement submitted to the Sponsor or to any agent and no deposit of any Down Payment or other payment on behalf of a Purchaser shall create any obligation on the part of the Sponsor (other than to return the Down Payment or such other payment).

Any time prior to Closing, the Sponsor may check the credit rating of any prospective Purchaser. Such credit check shall be performed in accordance with any applicable laws, rules, or regulations of governmental authorities. Purchasers shall timely provide the Sponsor or the Selling Agent with any and all information, execute any and all documents, and do any and all other things that the Sponsor may reasonably request to enable the Sponsor to perform such credit check.

The circumstances under which the Sponsor may vary the price of a Unit or the size, layout and use of a Unit from that described in this Plan as a result of the negotiations with a prospective Purchaser are described in the section of this Plan entitled "Changes in Prices and Units," above. Furthermore, Sponsor reserves the right to negotiate with each Purchaser the other terms and conditions of the Purchase Agreement, including, but not limited to, interest on the required Down Payment, financing contingencies, and alteration work and customization to a Unit and/or credits therefor and the waiver of conditions to, and notices of, Closing. No Purchaser will benefit from any term or condition negotiated with any other Purchaser or have any rights of rescission or renegotiation under a Purchase Agreement due to any term or condition negotiated with any other Purchaser.

The Sponsor may agree, in its sole discretion, at the request of any Purchaser, to modify the interior of any Unit including the equipment and fixtures in the Unit, to combine one or more Units into a single Unit, or to perform other specialized work in any Unit, subject to any Legal Requirements. Such work shall be performed upon terms and conditions determined by the Sponsor and the Purchaser. In connection with the combination of one or more Units into a single Unit, the first installment of the Down Payment payable by the Purchaser shall equal twenty percent (20%) of the total Purchase Price of the combined Units; in all other cases, a sum equal to the cost of such modifications or special work or materials shall be paid to the Sponsor prior to any obligation on the Sponsor's part to perform such work. Such sum shall be held in escrow together with the Down Payment. However, Purchasers should note that such funds may be released from the Escrow Account by the Escrow Agent so long as Sponsor uses the funds for such modifications or special work or materials. As a result, except as set forth below, in the event a Purchaser is entitled to rescind its Purchase Agreement or in the event the Sponsor is unable to close title to the Unit with Purchaser for any reason, and even if this Plan is not consummated, the Purchaser will not receive a refund of any funds used for such requested modifications or specialized work but shall receive a refund of any unused funds. Notwithstanding the foregoing, Purchasers will receive a full refund of funds for such modifications or special work in the event the Sponsor abandons the Plan prior to declaring the Plan effective.

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

1. The Down Payment will be ten percent (10%) of the purchase price. However, the Down Payment will be increased to twenty percent (20%) if the Purchaser purchases two or more Units that are to be combined. If Sponsor agrees to modifications or special work, the cost of same shall be paid to the Sponsor prior to any obligation on the Sponsor's part to perform such work and shall be held in escrow together with the Down payment. However, such funds may be released from Escrow Account by the Escrow Agent so long as the Sponsor uses the funds for the modifications or special work.

2. Escrow Trust Fund Provisions. (a) The Escrow Agent: The law firm of Marcus Attorneys PLLC ("Marcus Attorneys"), with an address at 13 Greene Avenue, Brooklyn, New York and telephone number 718-643-6555, shall serve as Escrow Agent for Sponsor and the Purchaser. Escrow Agent has designated the following attorneys to serve as signatories: Guillermo Santiago, Jed S. Marcus and Philip Lavender. 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.

(b) The Escrow Account: The Escrow Agent has established the escrow account at Bank of America, located at 76 Court Street, Brooklyn, New York 11201, a bank authorized to do business in the State of New York. The escrow account is entitled Marcus Attorneys PLLC Escrow Account ("Escrow Account"). The Escrow Account is federally insured by the FDIC at

the maximum amount of $250,000 per deposit. Any deposit in excess of $250,000 will not be insured. All such deposits made by Purchasers will be aggregated for the purpose of the maximum FDIC insured amount. Purchaser funds held with Bank of America may factor into such $250,000 insurance limit.

All deposits made by Purchasers pursuant to a Purchase Agreement, whether in the form of checks, money orders, wire transfers, or other instruments that identify the payor, shall be made payable to or endorsed by the Purchaser to the order of "Marcus Attorneys, as Escrow Agent."

Any deposits made for upgrades, extras, or custom work shall be initially deposited into the Escrow Account, and released in accordance with the terms of the Purchase Agreement or, if the Purchase Agreement does not address such release terms, in accordance with the terms of a written agreement between Purchaser and Sponsor.

The main Escrow Account will be an IOLA account and interest will not be credited to any party. No fees of any kind may be deducted from the Escrow Account, and the Sponsor shall bear all costs associated with the maintenance of the Escrow Account.

(c) Notification to Purchaser: Within five (5) business days after the Purchase Agreement has been tendered to Escrow Agent along with the Down Payment, the Escrow Agent shall sign the Purchase Agreement and place the Down Payment into the Escrow Account. Such deposit in the Escrow Account may be made even though the Sponsor has not accepted the Purchase Agreement of the Purchaser. Furthermore, Escrow Agent's execution of the Purchase Agreement prior to Sponsor's execution thereof and prior to delivery of a fully executed Purchase Agreement to the Purchaser shall not, in any way whatsoever, constitute acceptance of the Purchase Agreement by the Sponsor. Within ten (10) business days of the placing the Down Payment in the Escrow Account, Escrow Agent shall provide written notice to Purchaser and Sponsor, confirming the deposit. The notice shall provide the account number and the initial interest rate to be earned on the Down Payment, if any. Any deposits made for upgrades, extras, or custom work shall be initially deposited into the Escrow Account, and released in accordance to the terms of a written agreement between Purchaser and Sponsor.

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

(d) Release of Funds: All deposits, except for advances made for upgrades, extras, or custom work received in connection with the Purchase Agreement, are and shall continue to be the Purchaser's money, and may not be comingled with any other money or pledged or hypothecated by Sponsor, as per General Business Law § 352-h.

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

The Escrow Agent shall release the Down Payment if so directed:

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

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

(iii) by a final order or judgment of an arbitrator, as set forth herein. Any dispute regarding the disposition of Deposit funds must be submitted to "Expedited Arbitration". Expedited Arbitration means a binding arbitration proceeding held in New York County administered by JAMS, or if JAMS is no longer providing such service to another private alternative dispute resolution provider selected by Sponsor which is not affiliated with Sponsor (the "ADR Provider") and conducted, to the extent consistent with the Purchase Agreement, in accordance with the then prevailing rules and expedited procedures of the ADR Provider (the "ADR Rules"). Formerly known as Judicial Arbitration and Mediation Services, Inc., JAMS is a United States-based for-profit organization of alternative dispute resolution services, including mediation and arbitration. Accordingly, by submitting to Expedited Arbitration, the parties to the Purchase Agreement waive the right to bring suit in court concerning disputes under the Purchase Agreement and agree to accept the Arbitrator's decision as final. There is generally no right to appeal. The right of the parties to be represented by counsel and to submit data, memoranda and similar material in support of their respective positions, and the ability of the parties to obtain documents, witness statements and other discovery may be more limited in Expedited Arbitration than in court proceedings. After hearing the dispute, the Arbitrator shall be obligated to render a determination (the "Award") within the applicable time period under the ADR Rules for the rendering thereof. The Award shall be final and binding upon the parties. Any motion to confirm or vacate the Award must be filed in a federal or state court located in the City, County and State of New York. The parties shall bear the costs of their own expenses and witness preparation. The parties shall equally share the costs of the JAMS administrative fees, including the Arbitrator's compensation. At the conclusion of the hearing. the Arbitrator shall make his or her determination and shall award to the prevailing party, if any, the costs and attorneys' fees reasonably incurred by the prevailing party in connection with the Arbitration. The prevailing party shall be reimbursed for its share of the JAMS administrative expenses.

If the Escrow Agent is not directed to release the Down Payment pursuant to paragraphs (1) through (iii) above, and the Escrow Agent receives a request by either party to release the Down Payment, then the Escrow Agent must give both the Purchaser and Sponsor prior written notice of not fewer than thirty (30) days before releasing the same. If the Escrow Agent has not received notice of objection to the release of the Down Payment prior to the expiration of the thirty (30) day period, the Down Payment 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 Down Payment within said thirty (30) day period, the Escrow Agent shall continue to hold the same until otherwise directed pursuant to any of paragraphs (i) through (ii) above. Notwithstanding the foregoing, the Escrow Agent shall have the right at any time to deposit the Down Payment Escrow Account with the clerk of the county where the Unit is located and shall give written notice to both parties of such deposit.

The Sponsor shall not object to the release of the Down Payment to:

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

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

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

(e) Waiver Void: 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 General Business Law §§ 352-e (2-b) and 352-h concerning escrow trust funds shall prevail over any conflicting or inconsistent provisions in the Purchase Agreement, Plan, or any amendment thereto.

(f) Purchase Agreement: A copy of the Purchase Agreement is included in Part II of this Plan and the escrow provisions are included in Section 17 of the Purchase Agreement, which shall be executed by the Escrow Agent.

(g) Other Important Provisions:

(i) Sponsor agrees to defend, indemnify and hold Escrow Agent harmless from and against all costs, claims, expenses and damages incurred in connection with or arising out of Escrow Agent's responsibilities arising in connection with the Purchase Agreement or the performance or non-performance of Escrow Agent's duties under the Purchase Agreement, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith or in willful

disregard of the obligations set forth in the Purchase Agreement or involving gross negligence of Escrow Agent. This indemnity includes, without limitation, disbursements and attorneys' fees either paid to retain attorneys or representing the hourly billing rates with respect to legal services rendered by Escrow Agent to itself.

(ii) Before the Down Payment is transferred to another escrow account, or if Escrow Agent is replaced, this Plan must be amended to provide the same full disclosures contained herein with respect to the new account and/or new Escrow Agent.

(iii) Escrow Agent shall maintain all records concerning the escrow account for seven years after release of escrowed funds. Upon the dissolution of any law firm that was the Escrow Agent, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of them or by the successor firm and shall notify the Department of Law of such transfer.

3. As required by Section 71-a (3) of the Lien Law of the State of New York, the Purchase Agreement provides that

> **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, UPON APPLICATION TO AND APPROVAL BY THE DEPARTMENT OF LAW, POST A BOND OR CONTRACT OF INDEMNITY WITH YOU GUARANTEEING THE RETURN OF SUCH ADVANCE.**

4. In the event of an uncured default by a Purchaser in his, her or its obligations under the Purchase Agreement, no more than ten percent (10%) of the purchase price (or twenty percent (20%) in the event Purchaser contracts for more than one Unit), plus any interest earned thereon, may be retained as liquidated damages, plus the actual cost incurred by the Sponsor for any modifications or special work ordered by the Purchaser. The Sponsor agrees not to seek the remedy of specific performance in connection with the Purchaser Agreement as to which there has been a default by a Purchaser.

5. If a Purchaser defaults under a Purchase Agreement, the Sponsor will make a written demand for payment after default thirty (30) days before forfeiture of the Down Payment shall be declared, and <u>time is of the essence</u> with respect to the thirty (30) day time-frame within which the Purchaser must cure the default, as provided in the Purchase Agreement. This means that time limits within which the Purchaser must cure the default will be strictly observed, and extensions will not be granted. See the Purchase Agreement, a copy of which is included in Part II of this Plan.

6. The balance of the purchase price is payable at the Closing, unless the Purchase Agreement provides for earlier payments with respect to special work ordered by a Purchaser. The balance shall be paid by wire transfer or certified or official bank or cashier's check drawn on a bank which is a member of the New York Clearing House Association to the order of "524 Halsey LLC," or to such other party or parties as the Sponsor may designate, and delivered to the Sponsor at the Closing.

7. At any time after the Plan is declared effective, the Sponsor will fix dates for Closing for each Unit for which a Purchase Agreement has been executed by serving notice on each Purchaser setting such Purchasers' Closing date. Such notice will be sent to the Purchaser at least thirty (30) days prior to the Closing date for his, her or its Unit and at least thirty (30) days prior to terminating a purchase agreement for failure by a Purchaser to close. Purchasers may waive this thirty (30) day closing notice provision by executing a written waiver.

8. The Sponsor anticipates that the first Closing of a Unit will occur by July 1, 2023. Except as otherwise set forth below, if the first Unit Closing does not occur within twelve months following July 1, 2023, Purchasers will be offered the right to rescind their Purchase Agreements. If this Plan is amended to provide for a later projected date for the first Unit closing, Purchasers will be offered the right to rescind their Purchase Agreements if the first Unit closing occurs more than twelve months following such amended, later date. Purchasers should note that even if the first Unit closing occurs on or before July 1, 2023 (or such other date projected as the date of commencement of Condominium operations at the time the Purchase Agreement was entered into) or within the twelve month period thereafter, not only may the closing of subsequent Units be substantially delayed beyond such dates if a TCO has not been issued for such units or for the floor on which such Units are located, but the Sponsor may also schedule the closings of title to other Units significantly later than such projected date. In such cases, provided the Sponsor is diligently pursuing completion of construction and the issuance of a certificate of occupancy and is otherwise in compliance with its obligations under the Plan, the Purchaser will not be entitled to terminate the Purchase Agreement (unless the Purchase Agreement contains an outside closing date and the Closing to the Unit does not occur by such outside closing date), or to a right of rescission or to make claims against the Sponsor for damages or losses as a result of such delays and will not be excused from paying the full purchase price for the Unit. PROSPECTIVE PURCHASERS SHOULD THEREFORE CONSIDER CAREFULLY THE POSSIBILITY OF SUCH DELAYS AND SUCH RISKS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT.

9. In the event of a default by a Purchaser, the Sponsor will make a written demand for payment after default thirty (30) days before forfeiture of the Down Payment shall be declared. Time is of the essence to cure said default, meaning that time limits will be strictly observed and extensions will not be granted.

10. Each Purchaser shall execute and deliver to the Sponsor at the Closing the Power of Attorney included in Part II of this Plan at the Closing. Failure to do so will be a default under the Purchase Agreement.

11. Purchasers will be afforded not less than three (3) business days to review this Plan and all filed amendments to this Plan, prior to executing a Purchase Agreement.

12. The Building will be covered by a fire and casualty insurance policy in an amount expected to be adequate to rebuild the Building's structure (but not portions of the interior of Units that are the responsibility of Unit Owners to insure) if totally destroyed by fire or other insured peril. Purchasers are advised to obtain insurance against loss for fire or other casualty for items not covered by the insurance described above, effective upon his, her or its taking title to or possession of a Unit. Specifically, Unit Owners, as well as Purchasers who take possession prior to the Closing, are urged to obtain insurance for the contents of their Units, their personal possessions, replacements, additions, upgraded fixtures and improvements to the Units and liability coverage for occurrences within their Units. A Purchaser who occupies a Unit prior to the closing pursuant to an Interim Lease, or otherwise takes possession of Unit prior to closing, may not be able to obtain insurance for all risks of damage to the Unit and therefore assumes the risk of losses not covered by insurance.

13. Although a Purchaser may obtain financing from a lending institution or any other source, his, her or its obligation to purchase a Unit pursuant to his, her or its Purchase Agreement is not contingent on obtaining financing for such purchase. Any Purchaser who executes a Purchase Agreement and does not obtain financing may lose his or her deposit if he or she is unable to otherwise raise the monies necessary to pay the balance of the purchase price at the closing of title. Neither the Sponsor nor the Selling Agent, if any, makes any representation 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 Date.

14. Any conflict between any provisions of this Plan and the Purchase Agreement will be resolved in favor of such provisions in this Plan.

15. Within fifteen (15) days after delivery by a Purchaser of an executed Purchase Agreement together with the Down Payment, the Sponsor will either:

- accept the Purchase Agreement and cause to be returned to Purchaser a fully executed counterpart thereof; or

- reject the Purchase Agreement offer and, within ten (10) days following such rejection, refund the Down Payment tendered.

If the Sponsor fails to do either within fifteen (15) days, Purchaser's offer shall be deemed rejected and the Down Payment refunded, unless Purchaser agrees, in writing, to have his, her or its offer extended. The Purchaser will have ten (10) days to exercise the right to extend his, her or its offer. If the Sponsor accepts the extended offer and the Purchase Agreement, the Down Payment will be placed promptly in a segregated special attorney's escrow account, as described in this Plan. If the Sponsor rejects the extended offer and Purchase Agreement, the Down Payment will be refunded within ten (10) days following such rejection.

16. Nothing contained in this Plan will be in derogation of the rights of a Purchaser under Article 23-A of the General Business Law, and neither this Plan nor the Purchase Agreement may contain, or be modified to contain, a provision waiving a Purchaser's rights or abrogating Sponsor's obligations under Article 23-A of the General Business Law.

17. The Sponsor agrees to convey to a Purchaser title in fee simple to the Unit free and clear of all liens and encumbrances, other than those set forth in the sections of this Plan entitled "Terms of Sale," "Purchase Agreement" and "Form of Unit Deed," and any mortgages obtained by the Purchaser.

18. Neither the Purchase Agreement nor any monies deposited thereunder shall constitute a lien against the Property, including the Unit.

19. The following occurrences, among others, constitute a default by a Purchaser under the Purchase Agreement:

- Purchaser's failure to pay the balance on the Closing date designated by the Sponsor;

- Purchaser's failure to duly sign, notarize and deliver at the Closing the Power of Attorney to the Board of Managers pursuant to the Purchase Agreement or to complete the New York City Real Property Transfer Tax Return and New York State Combined Real Estate Transfer Tax Return and Credit Line Mortgage Certificate or to pay the taxes shown as due on said forms;

- If applicable, Purchaser's failure to duly sign, notarize, deliver or complete at the Closing any forms or returns necessary for the calculation or recording of the portion of the mortgage tax to be computed in accordance with Section 339-ee of the Condominium Act, or to pay such portion to the Sponsor in reimbursement of mortgage tax which the Sponsor previously paid if the Sponsor had previously placed a mortgage on the Property;

- The failure to pay, perform or observe any of the Purchaser's other obligations under the Purchase Agreement; and

- The failure of the Purchaser to observe all the terms, covenants and conditions of an Interim Lease, if any.

The provisions of the Purchase Agreement relating to defaults by a Purchaser, the thirty (30) day time-period to cure defaults, retention by the Sponsor of monies paid under the Purchase Agreement, and the obligation of the Purchaser to pay a legal fee to the Sponsor's counsel if the thirty (30) day notice of default is sent, are of special importance and should be read carefully by each Purchaser.

20. The Purchase Agreement is contingent upon the effectiveness of this Plan. If this Plan is abandoned, all Purchase Agreements will be canceled. However, defaults by Purchasers shall not be waived as long as the Plan is not abandoned.

21. The Purchase Agreement contains important provisions regarding acceptance of the condition of the Unit and Common Elements by the Purchaser at the Closing, which provisions should be read carefully by each Purchaser. Among the provisions is the requirement that the Purchaser pay the balance of the purchase price at the closing scheduled by the Sponsor even if work remains to be done on the Unit or on Common Elements. Closing will not relieve the Sponsor of its obligation to complete the work described in this Plan. No escrow or other security will be provided to secure the obligation of the Sponsor to complete work in the Unit.

22. The Purchase Agreement provides that if the Sponsor is unable, as distinguished from unwilling, to deliver to Purchaser title to the Unit in accordance with the provisions of this Agreement, Sponsor will notify Purchaser of its inability to remedy the defect in title, and Purchaser shall have the option (i) to take title subject to such title defect (without any abatement in, or credit against, the Total Purchase Price or claim or right of action against Sponsor for damages or otherwise), or (ii) to terminate the Purchase Agreement. If Purchaser elects to terminate, Sponsor shall instruct the Escrow Agent to return to Purchaser, within ten (10) days after receipt of Purchaser's termination notice, all monies deposited thereunder, with interest earned thereon, if any. Upon making such refund the Purchase Agreement shall be null and void and neither party shall have any further rights, obligations or liabilities with respect to the other thereunder or under the Plan. The foregoing option must be exercised by written notice given by Purchaser to Sponsor no later than ten (10) days after Sponsor’s notice of inability to remedy the title defect. If Purchaser shall not give such notices within said ten (10) day period, it shall be conclusively deemed that Purchaser elected the first option above, to acquire title subject to the title defect.

23. The Sponsor may cancel a Purchase Agreement if any governmental bureau, department or subdivision thereto shall impose restrictions on the manufacture, sale, distribution and/or use of material necessary in the construction of improvements to the Building 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 Unit; or 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.

24. The Purchase Agreement contains a representation by the Purchaser to the Sponsor that he, she or it has not dealt with any broker other than any broker specified in the Purchase Agreement in connection with the acquisition of his, her or its Unit and will indemnify the Sponsor against any costs and expenses in connection with claims by any other broker claiming to have dealt with the Purchaser or the Purchaser's representatives.

25. No provision of the Purchase Agreement shall survive the delivery of the deed, except those obligations expressly stated therein to so survive or to be performed subsequent to the Closing, and except that all representations under the Plan, all obligations pursuant to the General Business Law and such additional obligations under the Plan that are to be performed subsequent to the Closing will survive delivery of the deed . Each Purchaser of a Unit shall be given a reasonable opportunity to examine his, her or its Unit prior to Closing and is urged to make a careful inspection of the Unit. Purchaser shall examine the Unit with a representative of Seller or Selling Agent, if any, during ordinary business hours prior to the Closing and will sign and deliver to Seller after said examination a Final Inspection Sheet in the form attached as Exhibit C to the Purchase Agreement. Any work remaining to be done within the Unit pursuant to the Plan and/or the Purchase Agreement shall be itemized in reasonable detail on the Final Inspection Sheet. Seller shall complete the items on the Final Inspection Sheet either before or within a reasonable time after the Closing but, in no event other than those beyond Seller's control, later than ninety (90) days after the Closing. If the Seller completes any items on the Final Inspection Sheet prior to the Closing, Purchaser shall re-inspect the Unit on the day preceding the Closing and sign off on all items that the Seller completed within the Unit by said date. Purchaser's failure to inspect the Unit prior to the Closing and to re-inspect, if necessary, on the date preceding the Closing or to complete, sign and deliver the Final Inspection Sheet shall not excuse Purchaser from paying the Balance Due at Closing and shall constitute Purchaser's full and unconditional acceptance of the Unit.

26. The following fees to Sponsor's attorneys will be payable by a Purchaser at the Closing, unless the Closing does not occur because of a default by the Sponsor or the Sponsor's inability to close: $2,500 for preparation of legal documents and coordinating the Closing; an additional $300 attendance fee if, at Purchaser's request and Sponsor's consent, the Closing occurs outside of the Sponsor's attorney's office or other office designated by the Sponsor but in the City of New York or $500 if in Westchester, Nassau or Suffolk Counties, or an amount determined by the Sponsor's attorney if elsewhere; an additional $300 fee if the Closing is adjourned at the Purchaser's request on less than forty-eight (48) hours notice (nothing herein shall give a Purchaser a right to adjourn a Closing); an additional $500 if notice of default is issued, unless the Closing does not occur because of a default by the Sponsor or the Sponsor's inability to close; and an additional $500 fee if the Purchaser assigns his, her or its Purchase Agreement.

27. In addition, a Purchaser will pay the items described in the section of this Plan entitled "Closing Costs and Adjustments," below.

28. At the Closing, the Sponsor will deliver to the Purchaser a bargain and sale deed with covenants against grantor's acts conveying title to the Unit to the Purchaser. Such deed will be in the form contained in Part II of this Plan, executed and acknowledged by the Sponsor and the Purchaser in the form for recording.

29. The Financial Crimes Enforcement Network ("FinCEN") has issued a Geographic Targeting Order ("GTO") requiring U.S. title insurance companies to identify and report to FinCEN the natural persons behind certain companies purchasing certain residential real property in New York City without lender financing. For as long as the GTO remains in effect, U.S. title insurance companies must report to FinCEN the personal identity of purchasers in residential real estate transactions occurring on or after November 17, 2018 in which:

a. The purchaser is a legal entity as defined in the GTO;

b. The purchaser buys residential real property located in the Boroughs of Bronx, Brooklyn, Queens, Manhattan and Staten Island;

c. The total purchase price is for $300,000 or more;

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

e. The purchase is made, at least in part, using currency (including, without limitation, virtual currency) or a cashiers check, certified check, traveler's check, personal check, business check, money order in any form or a funds transfer.

30. Purchasers should note that any wood flooring in their Unit should be maintained in accordance with the manufacturer's and the National Wood Flooring Association's recommendations and specifications. For more information on proper care for wood flooring, Purchasers can visit the website of the National Wood Flooring Association at http://www.nwfa.org.

31. At the request of a Purchaser, the Sponsor may, in its sole discretion, agree to perform modifications, upgrades or specialized work in a Unit, or to combine one or more Units into a single Unit, all subject to any Legal Requirements, , including obtaining a certificate of occupancy covering the combined Unit and disclosing any such modifications and/or combinations in an amendment to the Plan. Such work shall be performed upon terms and conditions determined by the Sponsor and the Purchaser. In connection with the combination of one or more Units into a single Unit, the first installment of the Down Payment payable by the

Purchaser shall equal twenty percent (20%) of the total Purchase Price of the combined Units; in all other cases, a sum equal to the cost of such modifications or special work shall be paid to the Sponsor prior to any obligation on the Sponsor's part to perform such work. Such sum will be placed in the Escrow Account initially together with the Down Payment. However, Purchasers should note that such funds may be released from the Escrow Account by the Escrow Agent so long as Sponsor uses the funds for such upgrades, modifications or special work. As a result, except as set forth below, in the event a Purchaser is entitled to rescind its Purchase Agreement or in the event the Sponsor is unable to close title to the Unit with Purchaser for any reason, and even if this Plan is not consummated, the Purchaser will not receive a refund of any funds used for such requested modifications or specialized work but shall receive a refund of any unused funds. Notwithstanding the foregoing, Purchasers will receive a full refund of funds for such modifications or special work in the event the Sponsor abandons the Plan prior to declaring the Plan effective.

Additional costs a Purchaser may incur are described in the section of this Plan entitled "Closing Costs and Adjustments," below.

ASSIGNMENT OF PURCHASE AGREEMENTS

The Purchase Agreement is not assignable by the Purchaser without obtaining the express written consent of the Sponsor. In the event the Sponsor, in its sole discretion, consents to an assignment, the same shall be subject to the conditions that

- the Purchaser wishing to assign a Purchase Agreement has executed the Purchase Agreement and tendered the Down Payment;
- the assignment is in a form approved by Sponsor and is executed and delivered by the prospective assignee to the Sponsor no later than thirty (30) days prior to the Closing date; and
- the assignee pays to Sponsor's attorney the sum of $500 to cover the fee for legal services rendered to Sponsor in connection with the assignment.

In no event will a Purchaser have the right to postpone the Closing as a result of an assignment. If Sponsor refuses to consent, Purchaser will not be excused from his, her or its obligations under the Purchase Agreement.

In accordance with the laws of the United States, the State of New York and The City of New York, the Sponsor and its agents will not discriminate against any person in connection with an assignment on the basis of race, creed, color, national origin, sex, sexual orientation, age, disability, marital status or other grounds prohibited by law.

EFFECTIVE DATE

The Sponsor's offer to sell Units is contingent upon this Plan being declared effective and upon the Purchaser's compliance with relevant conditions and time periods described in this Plan and in the Purchase Agreement. All Purchase Agreements are contingent upon such effectiveness and no Closing will occur before this Plan has been declared effective. This Plan will be declared effective upon the following conditions:

- This Plan may be declared effective (i) by an amendment duly filed with the Department of Law or (ii) by personal service of a notice on every Purchaser or by commencement of service by mail in the manner required by the regulations of the Department of Law of a notice that this Plan has been declared effective and submitting an amendment to this Plan to the Department of Law within five (5) days confirming that this Plan was declared effective on a specified date. The amendment shall conform to said regulations. The Closing of the first Unit shall not be fixed until the Plan is declared effective and the effectiveness amendment is accepted for filing by the Department of Law.

- This Plan may not be declared effective unless bona fide Purchasers, including investors, have signed Purchase Agreements for at least fifteen percent (15%) of the Residential Units offered under this Plan (i.e., 5 Residential Units) and until executed Purchase Agreements have been accepted by Sponsor for not less than fifteen percent (15%) of the Residential Units offered under this Plan.

- The Plan will not be declared effective based on Purchase Agreements:

  (i) signed by Purchasers who or which have been granted a right of rescission that has not yet expired or been waived; or

  (ii) if the Purchaser was not afforded at least three (3) business days to review the offering plan and all filed amendments prior to executing a Purchase Agreement; or

  (iii) with any Purchaser who or which is the Sponsor, the Selling Agent, if any, or the managing agent or is a principal of the Sponsor, the Selling Agent or the managing agent or is related to the Sponsor, the Selling Agent or the managing agent by blood, marriage or adoption or as a business associate, an employee, a shareholder or a limited partner; except that such a Purchaser other than the Sponsor or a principal of the Sponsor may be included if the Sponsor has submitted proof satisfactory to the Department of Law establishing that the Purchaser is a bona fide tenant in occupancy or is a bona fide Purchaser who intends that he or she or one or more of his or her family intend to occupy the Unit.

- This Plan must be declared effective when Purchase Agreements have been accepted by the Sponsor for eighty percent (80%) or more of the Residential Units offered under this Plan (i.e., 26 Residential Units).

- This Plan may be abandoned by the Sponsor, at its sole and unrestricted option, at any time before it is declared effective. This Plan will be abandoned by an amendment together with form RS-3 filed at the Department of Law. Within five (5) days of acceptance of the amendment for filing, all monies paid by Purchasers shall be refunded to them in full with interest, if any.

- This Plan may not be abandoned once it has been declared effective for any reason other than:

  - a defect in title which cannot be cured without litigation or cannot be cured for less than one-half of one percent of the total amount of the offering; or

  - substantial damage or destruction of the Building by fire or other casualty which cannot be cured for less than one-half of one percent of the total amount of the offering; or

  - the taking of any material portion of the Property by condemnation or eminent domain.

  The stated dollar amounts relied upon as basis for abandonment after effectiveness of this Plan will exclude any attorneys' fees or any such title defects or determinations of any authority or regulatory association which exist on the date of presentation of this Plan and are either known to the Sponsor or are a matter of public record.

  The Sponsor may abandon this Plan once it has been declared effective by an amendment or cancel Purchase Agreements for any of the foregoing reasons, acting in its sole discretion. If the Sponsor abandons this Plan by an amendment and/or cancels the Purchase Agreements, then within five (5) days of acceptance of such amendment or cancellation of the Purchase Agreement the Sponsor shall return to affected Purchasers all monies deposited with interest, if any. Upon making such refund, the parties shall be relieved of all further obligations and liabilities under the Purchase Agreements and this Plan.

  The Sponsor is not obligated to engage in litigation to cure title defects, nor to incur any expense to cure any title defect if the cost to cure exceeds one-half of one percent of the total offering price. The Sponsor is not obligated to cure substantial damage or destruction of the Building, if the cure or performance of

the foregoing would exceed one-half of one percent of the total amount of the offering.

The validity of the Plan's effectiveness shall not be impaired or affected if one or more Purchasers counted for purposes of declaring the Plan effective do not close title. However, in the event that all Purchase Agreements are rescinded or terminated prior to the date of the first Unit closing, the Sponsor shall re-declare the Plan effective, regardless of whether the Declaration has been recorded in the Office of the City Register.

The Sponsor agrees that copies of all Purchase Agreements (and any amendments or modifications) will be delivered to the Department of Law within five (5) business days of a request for inspection by the Department of Law.

TERMS OF SALE

A Purchaser will receive a bargain and sale deed with covenants against grantor's acts. The form of deed is included in Part II of this Plan.

Subject to the Sponsor's right to abandon this Plan due to damage to the Property, as described in the section of this Plan entitled "Effective Date," above, and unless the risk of loss with respect to a Unit has passed to a Purchaser that has taken possession of a Unit, in the event a Unit is damaged by a casualty or other cause between the date a Purchase Agreement is accepted by the Sponsor and the Closing, the Sponsor will repair the Unit if the cost of the repair is less than or equal to one-half of one percent of the purchase price. If the cost of the repair is more than one-half of one percent of the purchase price, the Sponsor may, but is not obligated to, repair the Unit. The Sponsor shall notify Purchaser in writing of its election to repair or not repair the Unit within fifteen (15) days of the damage to the Unit. The date for the Closing will be extended to give the Sponsor reasonable time to repair the Unit if the Sponsor is obligated to repair the Unit or elects to repair the Unit. If the Sponsor repairs the Unit, then the Purchase Agreement shall remain in full force and effect and the Closing shall occur as specified in a notice from the Sponsor to the Purchaser after the repair is completed. If the cost of the repair is more than one-half of one percent of the purchase price and the Sponsor does not elect to repair the Unit, then the Purchaser may either purchase the Unit with a credit of one-half of one percent of the purchase price or rescind the Purchase Agreement, in either case by giving the Sponsor written notice of the Purchaser's choice within thirty (30) days after the Sponsor gives notice of the Sponsor's election not to repair the Unit. If the Purchaser fails to give notice rescinding the Purchase Agreement within said thirty (30) day period, then the Purchaser will be deemed to have chosen to be bound by the Purchase Agreement and to receive the credit of one-half of one percent of the purchase price. Upon Closing, a Purchaser of a damaged Unit will be responsible for all repairs to the Unit and for complying with all Legal Requirements with respect to the condition of the Unit and repairs.

The Sponsor is not obligated to perform any work other than the work described in the "Description of Property and Specifications or Building Condition" in Part II of this Plan and is obligated to provide only the equipment, fixtures, and furnishings described in the "Description of Property and Specifications or Building Condition" in Part II of this Plan. If a Purchaser requests that the Sponsor perform other or additional work or provide other or additional equipment, fixtures or furnishings, and Sponsor, in the Sponsor's sole discretion, agrees to perform such work or to provide such equipment, fixtures or furnishings, then Sponsor may require the Purchaser to first deposit with the Escrow Agent the amount Sponsor determines to be the cost of such work or such equipment, fixtures or furnishings. The Sponsor shall not be bound to perform such work or provide such equipment, fixtures, or furnishings unless the special work and the cost thereof is memorialized in a writing executed by the Sponsor and the Purchaser. In no event shall the presence of any furniture, furnishings, equipment, material or other features in any model apartment imply or represent that any Unit will be other than as described in the "Description of Property and Specifications or Building Condition."

Risk of loss for fire or other casualty remains with the Sponsor until legal title to the Unit has been conveyed to the Purchaser, unless the Purchaser enters into an Interim Lease or otherwise takes possession of the Unit. The Building will be covered by a fire and casualty insurance policy in an amount expected to be adequate to rebuild the Building's structure (but not portions of the interior of Units that are the responsibility of Unit Owners to insure) if totally destroyed by fire or other insured peril. Purchasers are advised to obtain insurance against loss for fire or other casualty for items not covered by the insurance described above, effective upon his, her or its taking title to or possession of a Unit. Specifically, Unit Owners, as well as Purchasers who take possession prior to the Closing, are urged to obtain insurance for the contents of their Units, their personal possessions, replacements, additions, upgraded fixtures and improvements to the Units and liability coverage for occurrences within their Units. A Purchaser who occupies a Unit prior to the closing pursuant to an Interim Lease, or otherwise takes possession of a Unit prior to Closing, may not be able to obtain insurance for all risks of damage to the Unit and therefore assumes the risk of losses not covered by insurance.

The actual, as-built layout and dimensions of a Unit may, within reasonable tolerances, differ from the layout and dimensions on the Floor Plans in Part II of this Plan. Notwithstanding the foregoing, Sponsor is obligated to construction the Building and Units in accordance with the plans and specifications set forth in this Plan, and any material deviation therefrom shall be disclosed in a duly filed amendment to this Plan.

Each Purchaser of a Unit shall be given a reasonable opportunity to examine his, her or its Unit prior to Closing and is urged to make a careful inspection of the Unit. Purchaser shall examine the Unit with a representative of Seller or Selling Agent, if any, during ordinary business hours prior to the Closing and will sign and deliver to Seller after said examination a Final Inspection Sheet in the form attached as Exhibit C to the Purchase Agreement. Any work remaining to be done within the Unit pursuant to the Plan and/or the Purchase Agreement shall be itemized in reasonable detail on the Final Inspection Sheet. Seller shall complete the items on

the Final Inspection Sheet either before or within a reasonable time after the Closing but, in no event other than those beyond Seller's control, later than ninety (90) days after the Closing. If the Seller completes any items on the Final Inspection Sheet prior to the Closing, Purchaser shall re-inspect the Unit on the day preceding the Closing and sign off on all items that the Seller completed within the Unit by said date. Purchaser's failure to inspect the Unit prior to the Closing and to re-inspect, if necessary, on the date preceding the Closing or to complete, sign and deliver the Final Inspection Sheet shall not excuse Purchaser from paying the Balance Due at Closing and shall constitute Purchaser's full and unconditional acceptance of the Unit in its "as is" condition. At the Closing, each Purchaser shall be required to sign and deliver to Sponsor a Final Inspection Sheet substantially in the form set forth as Exhibit C to the Purchase Agreement in Part II of this Plan wherein the Purchaser acknowledges the condition in which he, she or it has received his, her or its Unit. Under no circumstances shall any item included on a Final Inspection Sheet constitute grounds for a Purchaser to postpone or otherwise delay the date scheduled for Closing.

Title to each Unit and its appurtenant interest in the Common Elements will be conveyed at the Closing free and clear of all liens, encumbrances and title exceptions except for the provisions of the deed, a form of which is in Part II of this Plan, and the following:

- The Declaration,
- The Floor Plans,
- The By-Laws,
- The state of facts an accurate survey of the Property would show, provided such state of facts would not render title unmarketable,
- The Power of Attorney as required in the Purchase Agreement, a form of which Power of Attorney is included in Part II of this Plan,
- Mortgages and UCC financing statements, if any, against the Property or any portion thereof other than the Unit, which are subordinated to the Declaration,
- Standard printed exceptions contained in the form of title insurance policy then issued by the title insurance company insuring the Purchaser's interest in the Unit,
- Building restrictions and zoning regulations and ordinances and any amendments thereto now or hereafter adopted by any governmental or quasi-governmental authority having jurisdiction which are not violated by the Building and which do not prevent the use of the Building described in this Plan,

- Existing violations of building, fire, electrical and similar codes, laws, rules and regulations, subject to the Sponsor's obligation to cure violations as described in the section of this Plan entitled “Rights and Obligations of Sponsor,” below,

- Encroachments of retaining walls, fences, bay windows, fire escapes, stoops, banisters, areas, cellar steps, doors, railings, air conditioners, balconies, drain, vent and other pipes, electrical conduits, lights, trim, foundation, cornices, if any, and similar projections on, over and under the Property and encroachments on to streets, highways and adjoining premises by improvements on the Property, and the rights of governmental authorities to require the removal of any such projections and variations beyond record lines of the Property,

- Consents by the Sponsor or the owner 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,

- Any other covenants, restrictions, easements or agreements of record, if any, which are not violated by the Building or its use described in this Plan,

- Any state of facts a physical inspection of the Property would disclose,

- The terms and conditions of this Plan and any amendments thereto,

- The lien of any unpaid Federal or State or New York City taxes, provided Sponsor, at the Closing, makes such deposit or guarantee as might be reasonably required by the Purchaser's title insurance company to issue to the Purchaser a policy of title insurance insuring against the collection of such taxes out of the Unit,

- The revocability of the right to maintain street vaults and other areas under or projections over any sidewalk, if any, and the lien of unpaid vault charges (which are to be paid by the Board of Managers),

- Any easement or right of use created in favor of any public utility company and the right to install, use, maintain, repair and replace wires, lines, facilities, connections, equipment and the like upon, under and across the Property,

- Service, maintenance, employment, management and license contracts and agreements, if any, described in this Plan,

- The lien of unpaid water charges and sewer rents, which shall be paid by the Board of Managers,

- The lien of unpaid Common Charges and real estate taxes, which shall be apportioned as of the Closing,

- The lien of any unpaid assessments payable in installments, except the Sponsor will pay all such installments due and payable prior to the Closing date, and the Purchaser will be obligated to pay all installments due at or subsequent to the Closing Date (however, the then current installment shall be apportioned at the Closing),

- Any other matter or encumbrance as to which TitleVest or any other reputable title insurance company licensed to do business in New York would be willing, in a fee title insurance policy issued by it to the Purchaser, to insure the Purchaser that such matter or encumbrance (a) will not be collected out of the Unit if it is a lien, and (b) will not prevent the use of the Unit for dwelling purposes,

- Any other declaration or other instrument affecting the Property that the Sponsor deems necessary or appropriate to comply with any Legal Requirement.

A Closing will take place only concurrently with (i) the issuance of a temporary or permanent certificate of occupancy for the entire project or (ii) issuance of a partial, temporary or permanent certificate of occupancy for the Unit closed or the Building in which the Unit is located.

The Purchase Agreement lists the personal property to be included in the sale of the Unit. All personal property to be used in connection with the use of the Unit, as described in this Plan, and located within the Unit on the date the Purchase Agreement is signed is included in the conveyance unless specifically excepted in this Plan or the Purchase Agreement. In addition, the Purchaser shall acquire an undivided interest in the personal property located within the Common Elements on the date the Declaration is filed and necessary for the operation of the Building and which is the property of the Sponsor unless specifically excepted in this Plan.

No conveyance of a Unit will include any personal property located in a Unit at any time or on any Common Element on the date that the Declaration is filed (or at any time) that is owned by the Sponsor.

The Purchase Agreement provides that prior to the Closing, the Purchaser shall not offer the Unit or the Purchase Agreement for sale or rental, engage any selling agent or broker, list the Unit or the Purchase Agreement with any selling agent or broker, link or make reference to or otherwise use any marketing material used by the Sponsor or its representatives, for the purpose of offering the Unit or the Purchase Agreement for sale or rental without the prior, written consent of the Sponsor. Failure by Purchaser to abide by the restrictions contained in the Purchase Agreement shall constitute a default thereunder. In addition, after the Closing, the Unit Owner shall not link or make reference to or otherwise use any marketing material used by the Sponsor

or its representatives, for the purpose of offering the Unit for sale or rental, without the prior, written consent of the Sponsor.

The Declaration, the By-Laws and the Floor Plans and such other documents as may be required by law will be recorded or filed prior to the first Closing in accordance with the Condominium Act in the Office of the City Register, Borough of Brooklyn.

A copy of plans for the construction work on the Building, approved in accordance with Section 300 of the Multiple Dwelling Law, has been submitted to the Department of Law. The "Description of the Property and Specifications or Building Condition" in Part II of this Plan describes construction work on the public portions and common areas of the Building and to the Units as may be necessary to obtain a permanent Certificate of Occupancy for permanent residential use of the Units. It is the obligation of the Sponsor to complete all alterations and improvements to the Units, the public portions and Common Areas of the Building in material compliance with such approved plans, and to obtain a temporary Certificate of Occupancy for a Unit prior to its Closing.

If any mortgage or construction loan will not be satisfied at or prior to the Closing of the first Unit, at the time of conveyance of the first Unit, each mortgagee will either: (i) consent to the formation of the Condominium and acknowledge that the mortgagee's lien will be limited to Unsold Units; (ii) subordinate the lien of its mortgage to the Declaration; or (iii) release its lien on the Unit being conveyed and its appurtenant interest in the Common Elements.

UNIT CLOSING COSTS AND ADJUSTMENTS

General

The estimated Closing costs and expenses to be borne by a Purchaser are described below. The estimates are based on current rates, costs and charges, which are subject to change without notice or amendment of this Plan. Changes in rates, costs or charges shall not be deemed an objection to title nor cause an offer of rescission.

Closing Adjustments

At each Closing, the Sponsor and the Purchaser shall apportion as of midnight of the day preceding the Closing:

- Real estate taxes (including all prepaid real estate taxes), on the basis of the quarter or semi-annual installment (as the case may be) due with respect to the period including the Closing date.

- Assessments, if any, payable in installments based on the due date of the installments, regardless of when the assessment became a lien.

In the event that the Unit has not been separately assessed for the then current fiscal tax year of a taxing or assessing authority at the time of the Closing, the apportionment of real estate taxes and assessments shall be apportioned based on the real estate taxes and assessment payable with respect to the Property multiplied by the percentage of Common Interest attributable to the Unit. Installments for real estates taxes and assessments assessed against the Unit due after delivery of the deed (if any) shall be paid by the Purchaser and shall not be considered a defect in title.

The By-Laws provide that if at the time of the Closing of the first Unit, Units have not been separately assessed for real estate tax and assessment purposes, Common Expenses shall include real estate taxes and assessments on the Property until the Units are separately assessed. After the Units are separately assessed, the Board of Managers will reimburse Unit Owners for any overpayment of taxes or assessments or assess Unit Owners for any underpayment of taxes or assessments.

- If water charges and sewer rents are separately assessed against the Unit, such charges shall be apportioned on the basis of the usage per day based on the last meter reading and the number of days between the last meter reading and the Closing date.

- The estimated Common Charges for each Unit, as shown in "Offering Prices and Related Information, Schedule A," above, for the month in which title closes.

If any of the foregoing cannot be adjusted because they are not fully ascertainable, they shall be apportioned and adjusted at Closing to the extent reasonably possible, and final adjustments will be made as soon thereafter as the undetermined amounts are ascertained. Any errors or omissions in calculating adjustments at Closing shall be corrected after the Closing and payment shall be made to the proper party promptly after discovery of such error or omission.

If the assessed valuation of the Units for the tax year in which the first Closing occurs or in any subsequent tax year is reduced and the real estate taxes predicated thereon are reduced or a credit or refund is issued for the benefit of a Purchaser of a Unit as a result of tax certiorari applications or proceedings instituted by the Sponsor, whether by settlement or otherwise in the Sponsor's sole discretion, the Board of Managers shall, upon request of the Sponsor, reimburse the Sponsor for the actual cost of any such tax certiorari applications or proceedings (including Sponsor's reasonable attorneys' fees) incurred by the Sponsor that are allocable to the time periods after the date of the first Closing. The Sponsor shall, upon request of the Board of Managers, furnish the Board with receipts or other proof of such costs. The Board of Managers shall assess against every Unit Owner who has received the benefit of such tax reduction, credit or refund, such costs, in proportion to (a) the time period each Unit Owner has been the owner of his, her or its Unit and (b) each Unit Owner's Common Interest.

Closing Costs

In the following paragraphs, examples of fees and/or costs that Purchasers may incur are provided. The Sponsor, the Sponsor's attorney and the Selling Agent, if any, make no warranty or representation that the following examples will accurately reflect Purchaser's actual fees and/or costs. Purchasers should consult with their attorneys and financial advisors to determine the actual costs likely to be associated with the purchase of their individual Unit.

- Owner's (Fee) Title Insurance: If a Purchaser obtains fee title insurance, the Purchaser will pay a premium to his, her or its title insurance company. The amount of the premium will depend upon the amount of insurance requested. Each Purchaser is free to obtain title insurance from a title insurance company of his, her or its choice without being subject to penalties for doing so. The Sponsor makes no representation or warranty as to the cost, terms or availability of such title insurance from any particular title insurance company. Example: The premium for Owner's Title Insurance for a Residential Unit with a purchase price of $1,399,000 would be approximately $5,670.

  For Residential Units with a purchase price above $500,000, Owner's Title Insurance premiums are based on the following cost rates:

	Owners Title Insurance
Minimum Insurance*	402
For each $1,000 or part thereof, add	
35,000 – 50,000	6.67
50,001 – 100,000	5.43
100,001 – 500,000	4.36
500,001 – 1,000,000	3.98
1,000,001 – 5,000,000	3.66
5,000,001 – 10,000,000	3.25
10,000,001 – 15,000,000	3.07
Over 15,000,000	2.76

  *First $35,000 or under.

Purchaser shall be obligated to pay the following costs at Closing:

- Recording Fees: Fees for recording the deed covering the Unit and the power of attorney in favor of the Board of Managers and Sponsor and mortgages, if any.

Typical recording charges are $125 for a deed, $75 for a power of attorney and $125 for a mortgage.

- New York State and New York City Transfer Taxes: In New York, the seller of real property is statutorily obligated to pay and responsible for the payment of the New York State Real Estate Transfer Tax and the New York City Real Property Transfer Tax, and the buyer of real property is statutorily obligated to pay for the Mansion Tax and Supplemental Tas, if applicable. However, in sales of condominium units by a sponsor, either the seller or the buyer can pay these transfer taxes and it is customary for buyers to pay these transfer taxes. Purchasers are advised that under this Plan, the Sponsor is imposing on Purchasers the Sponsor's statutory obligation to pay these transfer taxes and, pursuant to the Purchase Agreement, Purchasers are obligated to pay these transfer taxes.

  The Purchaser is responsible for the payment of the New York State Real Estate Transfer Tax, which currently is 0.4% of the purchase price for Residential Units costing less than $3,000,000 and 0.65% of the purchase price for Residential Units costing $3,000,000 or more, and for an additional tax commonly known as "Mansion Tax," which is currently 1% of the purchase price for Residential Units costing $1,000,000 or more, and for a "Supplemental Tax" for Residential Units, as follows:

Residential Unit Price	Supplemental Tax (% of Price)
$2,000,000 – $2,999,999	0.25%
$3,000,000 - $4,999,999	0.5%
$5,000,000 – $9,999,999	1.25%
$10,000,000 - $14,999,999	2.25%
$15,000,000 - $19,999,999	2.5%
$20,000,000 - $24,999,999	2.7%
$25,000,000 or more	2.9%

  The Purchaser is also responsible for the New York City Real Property Transfer Tax, which is currently equal to one percent (1%) of the purchase price for Residential Units costing $500,000 or less and one and four hundred twenty five one thousandths percent (1.425%) for Residential Units costing more than $500,000. When calculating the taxes, taxes paid by Purchasers, except the Mansion Tax and Supplemental Tax, are added to the purchase price for recalculating the New York City Real Property Transfer Tax, but only the New York City Real Property Tax is added to the purchase price for recalculating the New York State Real Estate Tax and the Mansion and Supplemental Taxes.

In addition to transfer taxes and the Mansion Tax and Supplemental Tax, Purchasers will also be obligated to pay at Closing any new or supplement tax, or any increase to or modification of existing taxes or rates, on the transfer of condominium units enacted after the date of this Plan (any such tax, an "Additional Tax"), regardless of whether such Additional Tax is by law the primary obligation of the seller or purchaser. Sponsor will amend the Plan to disclose the enactment of any Additional Tax. However, Purchasers will be required to pay such Additional Tax at Closing regardless of whether the Plan amendment disclosing the Additional Tax has been accepted for filing by the date on which the Purchase Agreement is fully executed. The enactment of an Additional Tax and any amendment to the Plan to disclose the same shall not give right to any right of rescission or recourse of any kind.

Example: For a Residential Unit with a purchase price of $1,399,000, the New York State transfer tax would be $5,596 and the New York City transfer tax would be $19,935.75. However, (a) the New York City and New York State transfer taxes must be added back into the purchase price to recalculate the New York City transfer tax, (b) the New York City transfer tax must be added back into the purchase price to recalculate the New York State transfer tax and the Mansion and Supplemental Taxes, and (c) the taxes recalculated so that the taxes actually due would be $5,675.74 for the State and $20,299.58 for the New York City tax. The Mansion Tax would be $14,189.36. There would be no Supplemental Tax.

Purchasers are advised that in the event that any Additional Tax is enacted, the transfer taxes and Mansion Tax information and closing costs illustrations disclosed in the Plan, as amended, may be inaccurate because such are based on tax laws that existed prior to the enactment of such Additional Tax. Purchasers are further advised to consult with their attorney or a tax expert regarding the transfer or mansion taxes or other costs which may be payable in connection with the closing of title.

- Mortgages: If a Purchaser obtains a mortgage loan, then he, she or it will be responsible for paying all closing costs and expenses in connection with the loan in amounts determined by the lender. Generally such costs include: points, a fee charged by the lender's attorney, an appraisal fee, mortgage insurance, fees for recording the mortgage, and an origination fee. The Sponsor makes no representation or warranty as to such Closing costs and expenses or as to availability of mortgage financing. In addition the lender is likely to require the Purchaser to obtain title insurance in the lender's favor and pay the premium for the insurance. Example: For a Residential Unit with a purchase price of $1,399,000, the lender's fees would typically include the following: an origination fee ("points") of between 0% and 2% of the loan (between $0 and $22,384 on a $1,119,200 loan); lender's attorney fees, typically between $500 and $1,000; an

appraisal fee, typically between $500 and $1,000; plus various other fees totaling between $500 and $1,000.

The Mortgagee Title Insurance premium for a mortgage in the amount of $1,119,200 would be approximately $1,177.

Residential Units with a purchase price above $500,000, Mortgagee's Title Insurance premiums are based on the following cost rates:

	Mortgage Title Insurance
Minimum Insurance*	344
For each $1,000 or part thereof, add	
35,000 – 50,000	5.55
50,001 – 100,000	4.54
100,001 – 500,000	3.64
500,001 – 1,000,000	3.31
1,000,001 – 5,000,000	3.05
5,000,001 – 10,000,000	2.71
10,000,001 – 15,000,000	2.55
Over 15,000,000	2.31

*First $35,000 or under.

For mortgages on Units securing a principal debt or obligation of less than $500,000, the mortgage tax is $2.05 for each $100.00 or major fraction thereof of the principal amount secured. For mortgages on Units securing a principal debt or obligation of $500,000 or more, the mortgage tax is $2.175 for each $100.00 or major fraction thereof of principal amount secured. Example: For a Unit with a mortgage of $1,119,200, the Mortgage Tax would be $24,313, of which $21,515 would be paid by Purchaser and $2,798 would be paid by Purchaser's lender.

A portion of the mortgage tax, to be computed in accordance with Section 339-ee of the Condominium Act, will be paid by the Purchaser to the Sponsor in reimbursement of mortgage tax which the Sponsor previously paid if the Sponsor had previously placed a mortgage on the Building. The portion to be paid is roughly equal to the Purchaser's Percentage Common Interest multiplied by the mortgage tax previously paid by the Sponsor, if any. The portion reimbursed to the Sponsor will be deducted from the mortgage tax due from the Purchaser to the taxing authorities at Closing.

Mortgages from institutional lenders will generally require monthly deposits with the lender of monies applicable to the payment of casualty and mortgage insurance and real estate taxes, as well as a reserve which will be sufficient when included with anticipated monthly deposits to meet the taxes and insurance when due. This amount will vary depending on the institutional lender and the date of the Closing.

There will be no mortgage Closing costs on Units that are not covered by mortgages.

- Attorney Fees: The fees of the Sponsor's attorney due at Closing are as follows: $2,500 for preparation of legal documents and for coordinating the Closing; an additional $300 attendance fee if, at Purchaser's request and Sponsor's consent, the Closing occurs outside of the Sponsor's attorney's office or other office designated by the Sponsor but in the City of New York or $500 if in Westchester, Nassau or Suffolk Counties, or an amount determined by the Sponsor's attorney if elsewhere; an additional $300 fee if the Closing is adjourned at the Purchaser's request on less than forty-eight (48) hours notice (nothing herein shall give a Purchaser a right to adjourn a Closing); an additional $500 fee if notice of default is issued, unless the Closing does not occur because of a default by the Sponsor or the Sponsor's inability to close; and an additional $500 fee if the Purchaser assigns his, her or its Purchase Agreement.

- Working Capital Fund Contribution: The Purchaser will be required to pay an amount equal to three month's Common Charges as shown in Schedule A, above, to provide the Condominium with a working capital fund. This amount will be kept separate from the general funds of the Condominium and will not be refunded. It is not an advance payment of a Unit's monthly Common Charges. During the period in which the Sponsor is in control of the Board of Managers, these funds will not be used to reduce Common Charges.

- Purchaser's Professionals: The Purchaser shall have sole responsibility for payment of all professionals, including attorney(s), retained by the Purchaser.

Based on the information above, the closing costs for a Residential Unit with a purchase price of $1,399,000 and a mortgage of $1,119,200 would be:

Owner's Title Insurance	$5,670
Recording fees	$200
New York City transfer tax	$20,300
New York State transfer tax	$5,675
Mansion Tax	$14,190
Sponsor's attorney's fee	$2,500
Working Capital contribution	$1,650

TOTAL	$50,185
Mortgage related costs	
Origination fee	$0 – $22,384
Lender's attorney's fee	$500 - $1,000
Appraisal fee	$500 - $1,000
Misc. fees	$500 - $1,000
Mortgage recording fee	$125
Mortgage Title Insurance	$1,177
Mortgage tax	$21,515
TOTAL MORTGAGE RELATED FEES	$24,317 - $48,201

The entire contents of the foregoing part of this section of the Plan, "Closing Costs and Adjustments," as same may be revised or amended, shall be deemed to be incorporated in each Purchase Agreement.

RIGHTS AND OBLIGATIONS OF THE SPONSOR

(This section and subsequent sections of this Plan contain summaries of certain provisions of the By-Laws. No such summary shall modify any provision of the By-Laws. Potential Purchasers and their attorneys are encouraged to review the By-Laws and should note that if there is any inconsistency between the summary in this section and the By-Laws, the By-Laws shall govern.)

The rights and obligations of the Sponsor pursuant to this Plan include the following:

1 The Sponsor intends to sell all the Units offered pursuant to this Plan and will endeavor in good faith to sell Units in a reasonably timely manner rather than rent. Sponsor reserves the unconditional right to rent the Residential Units offered pursuant to this Plan after consummation of this Plan. Because the Sponsor is not limiting the conditions under which it will rent rather than sell Units, there is no commitment to sell more units than the fifteen percent (15%) necessary to declare the plan effective and owner-occupants may never gain effective control and management of the Condominium. If the Sponsor makes a bulk sale of all or some of its Unsold Units, meaning a sale in bulk to a transferee successor sponsor, then the transferee successor sponsor is bound by Sponsor's representations regarding its commitment to sell, and its reservation of the right to rent, the Units as specified herein. The validity of the Plan's effectiveness shall not be impaired or affected if one or more Purchasers counted for purposes of declaring the Plan effective do not close title. However, in the event that all Purchase Agreements are rescinded or terminated prior to the date of the first Unit closing, the Sponsor shall re-declare

the Plan effective, regardless of whether the Declaration has been recorded in the Office of the City Register.

2 The Sponsor shall defend any suits or proceedings arising out of Sponsor's acts or omissions and indemnify the Board of Managers and Unit Owners with respect to liability due to the Sponsor's acts or omissions. Therefore, except in the case of claims arising out of the acts, omissions or representations of the Sponsor, the Sponsor has no obligation to defend any suits or proceedings, nor to indemnify the Board of Managers or the Unit Owners, except as otherwise stated in the Plan.

3 All representations of the Sponsor under this Offering Plan, all the obligations of the Sponsor under the General Business Law and all obligations of the Sponsor under this Plan which are to be performed after the Closing shall survive delivery of the deed to a Unit.

4 Except for costs and expenses to be apportioned as described in the section of this Plan entitled "Closing Costs and Adjustments," above, the Sponsor will pay all costs and expenses incurred prior to the establishment of the Condominium or in connection with the sale of all the Units held or owned by the Sponsor (except for costs and expenses specifically made payable by a Purchaser under this Plan), and will pay all selling expenses including, but not limited to, advertising and printing costs, the Sponsor's architect fees, and the costs of filing this Plan and amendments to this Plan. The Sponsor agrees to pay all Common Charges, assessments and real estate taxes with respect to Unsold Units. The Sponsor represents that it has the financial resources to meet its obligations with respect to Unsold Units. It will fund its financial obligations to the Condominium from its resources and from the proceeds of the sales or rental of Unsold Units. No bond or other security has been posted to secure the Sponsor's obligations with respect to the aforementioned expenses.

5 Subject to the Sponsor's right to abandon this Plan due to damage to the Property, as described in the section of this Plan entitled "Effective Date," above, and unless the risk of loss with respect to a Unit has passed to a Purchaser that has taken possession of a Unit, in the event a Unit is damaged by a casualty or other cause between the date a Purchase Agreement is accepted by the Sponsor and the Closing, the Sponsor will repair the Unit if the cost of the repair is less than or equal to one-half of one percent of the purchase price. If the cost of the repair is more than one-half of one percent of the purchase price, the Sponsor may, but is not obligated to, repair the Unit. The Sponsor shall notify Purchaser in writing of its election to repair or not repair the Unit within fifteen (15) days of the damage to the Unit. The date for the Closing will be extended to give the Sponsor reasonable time to repair the Unit if the Sponsor is obligated to repair the Unit or elects to repair the Unit. If the Sponsor repairs the Unit, then the Purchase

Agreement shall remain in full force and effect and the Closing shall occur as specified in a notice from the Sponsor to the Purchaser after the repair is completed. If the cost of the repair is more than one-half of one percent of the purchase price and the Sponsor does not elect to repair the Unit, then the Purchaser may either purchase the Unit with a credit of one-half of one percent of the purchase price or rescind the Purchase Agreement, in either case by giving the Sponsor written notice of the Purchaser's choice within thirty (30) days after the Sponsor gives notice of the Sponsor's election not to repair the Unit. If the Purchaser fails to give notice rescinding the Purchase Agreement within said thirty (30) day period, then the Purchaser will be deemed to have chosen to be bound by the Purchase Agreement and to receive the credit of one-half of one percent of the purchase price. Upon Closing, a Purchaser of a damaged Unit will be responsible for all repairs to the Unit and for complying with all Legal Requirements with respect to the condition of the Unit and repairs.

6 The Sponsor agrees to procure fire and casualty insurance pursuant to an agreed amount replacement value policy or in an amount sufficient to avoid co-insurance. No representation is made as to the amount of the premium for any insurance, as set forth in "Budget for First Year of Condominium Operation, Schedule B," or otherwise.

7 In the event of dissolution or liquidation of the Sponsor or the transfer of twenty percent (20%) or more of the total number of Units, 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 this Plan, applicable laws or regulations. In the event of dissolution or liquidation, the principals of the Sponsor shall guarantee the performance of such obligations.

8 The Sponsor has commenced the construction described in this Plan with its own funds. Such funds are anticipated and expected, but not guaranteed, to be sufficient to complete the construction described in this Plan. If Sponsor obtains construction financing for the Property, Sponsor will amend this Plan to disclose the relevant terms of such financing, including any sales and rental requirements or restrictions imposed by the construction lender. If unforeseen circumstances arise, however, the Sponsor will make commercially reasonable efforts, but ultimately may not be able to complete the construction described in this Plan. If Sponsor is unable to complete construction, the Sponsor may abandon this Plan or provide financially responsible entities or individuals who will assume the status and all of the obligations of the Sponsor under this Plan, in either case in accordance with applicable legal requirements. If this Plan is abandoned, all Purchase Agreements will be terminated and all Down Payments will be promptly returned to Purchasers. However, all Purchase Agreements will remain in full force and effect if a financially response successor sponsor is provided.

9 The Sponsor intends to complete the Condominium in accordance with the building plans and specifications identified in this Plan. The Sponsor will maintain each Unit, and the fixtures and personalty contained therein up to the transfer of title to the Unit in question. Sponsor-installed equipment and fixtures shall be in working order at the time of transfer of title. Purchaser shall examine the Unit with a representative of Seller or Selling Agent, if any, during ordinary business hours within twenty (20) days prior to the Closing and will sign and deliver to Seller within three days after said examination a Final Inspection Sheet in the form attached as Exhibit C to the Purchase Agreement. Any work remaining to be done within the Unit pursuant to the Plan and/or the Purchase Agreement shall be itemized in reasonable detail on the Final Inspection Sheet. Seller shall complete the items on the Final Inspection Sheet either before or within a reasonable time after the Closing but, in no event other than those beyond Seller's control, later than ninety (90) days after the Closing. If the Seller completes any items on the Final Inspection Sheet prior to the Closing, Purchaser shall re-inspect the Unit on the day preceding the Closing and sign off on all items that the Seller completed within the Unit by said date. Purchaser's failure to inspect the Unit prior to the Closing and to re-inspect, if necessary, on the date preceding the Closing or to complete, sign and deliver the Final Inspection Sheet shall not excuse Purchaser from paying the Balance Due at Closing and shall constitute Purchaser's full and unconditional acceptance of the Unit.

10 The Sponsor will construct the Building and Units in accordance with the plans and specifications identified in this Plan. However, the fact that work on the Unit as detailed on a Final Inspection Sheet remains shall not permit a Purchaser to delay a Closing or to claim credit or to require any escrow or otherwise to fail to fully perform a Purchase Agreement. A Purchaser's sole right shall be to require the Sponsor to complete the incomplete work as provided in the preceding paragraph. The Sponsor shall complete all required construction work as promptly as reasonably possible.

11 In all events, the Sponsor shall have the right to substitute equipment or materials of Equal or Better quality or design, as recognized by industry standards for the respective equipment or material and subject to applicable Legal Requirements, without having to offer rescission to any Purchaser. The Sponsor shall not change the size or location of Units, Common Elements or other improvements if such changes affect the percentage of Common Interest or adversely affect the value of any Unit to which title has closed or for which a Purchase Agreement has been executed and is in effect, unless all affected Unit Owners consent in writing to such change and all affected Purchases are given a right of rescission. In addition, unless the affected Purchaser consents, no material change will be made in Unit size, layout, or percentage of Common Interest if a Purchase Agreement has been

executed and accepted by the Sponsor for that Unit and the Purchaser is not in default.

12 The Sponsor anticipates that construction of the Building will be completed by July 1, 2023. Any material delays in the anticipated construction completion date will be disclosed in an amendment to this Plan. Construction is a complicated process requiring the coordination of numerous tasks and the balancing of complex mechanical and architectural systems. No assurance can be given with regard to the accuracy of any projected completion dates set forth in this Plan. During the first year of Condominium operation, construction workers and related personnel may be at the Property from time to time to make adjustments and to perform various tasks related to the completion of construction. Various systems, including, but not limited to, water supply, electricity, elevators, air conditioning, heating and ventilation, may require up to a year after any Unit Closing to complete and may need to be shut down temporarily. Various other adjustments to windows, elevators and other systems may require up to eighteen (18) months after the first Closing to be completed. The Sponsor may not complete the decoration of the corridors in the Building, including, but not limited to, installing fixtures, hanging wall coverings or laying carpeting, until that particular floor is fully occupied by Unit Owners. Notwithstanding the foregoing, the Building and Units will be constructed in accordance with all applicable zoning and building laws, codes, regulations and all other applicable requirements.

13 Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a final certificate of occupancy ("FCO") covering the entire buildings 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 FCOs are issued by the New York City Department of Buildings ("DOB"). In the absence of a FCO or TCO, it is unlawful to occupy a Unit and will be difficult or impossible to obtain financing, buy insurance or sell or refinance a Unit. A TCO is intended to indicate that the Property is safe for occupancy, and that it conforms substantially to the DOB approved plans and specifications and to the requirements of all applicable laws, rules and regulations for the uses and occupancies specified in the TCO, but means that not all of the construction or renovation work and/or inspections have been performed, or that not all of the required documents for an FCO have been submitted to DOB. No change of use or occupancy shall be made unless a new certificate of occupancy is issued. All TCOs have an expiration date. A TCO typically expires ninety (90) days after the date of issuance, and a TCO may expire for reasons outside the Sponsor's control. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance or sell or refinance the Unit. In New York City, it is

common for sponsors to commence unit closings when one, some or all units are covered by a TCO rather than a FCO. The Sponsor anticipates this scenario may occur. Sponsor and its principals will undertake the responsibility for obtaining and extending each TCO received for the Building prior to expiration thereof and ultimately for obtaining a FCO covering the Building within two years from the date of the issuance of the first TCO for the Building. As described in greater detail in this Plan, the Sponsor will also maintain sufficient funds in escrow to cover the anticipated costs of obtaining a FCO. However, the Sponsor and its principals make no representation or guarantee that DOB will issue the FCO within such two-year periods. Furthermore, because Sponsor and the Condominium's By Laws may permit Unit Owners to undertake renovations to individual Units prior to the procurement of a FCO, such renovations may cause additional delays in the issuance of a FCO, including a delay beyond two (2) years from the date of issuance of the first TCO. NOTWITHSTANDING THE FOREGOING, SPONSOR AND ITS PRINCIPALS ARE OBLIGATED TO PROCURE THE FCO FOR THE BUILDING AND SHALL EXERCISE THEIR BEST EFFORTS TO OBTAIN THE SAME WITHIN SUCH TWO-YEAR PERIOD WHILE KEEPING THE TCO CURRENT. Unit Owners and the Board of Managers shall be obligated to cooperate with and refrain from obstructing the Sponsor in these undertakings. Purchasers are advised to visit the DOB website for further recommendations when purchasing a Unit without an FCO having been issued. A Factsheet on certificates of occupancy is available on the DOB website at:https://www1.nyc.gov/site/buildings/property-or-business-owner/certificate-of-occupancy.page Additionally, Purchasers are advised that because open building permits for Unit Owner alterations may impact the ability to obtain the FCO, Sponsor or the Board may, in order to obtain the FCO or any other reason, impose temporary restrictions or prohibitions on Unit alterations by Unit Owners. See the section of this Plan entitled "Rights and Obligations of the Sponsor."

14 If the first Closing will take place prior to the issuance of an FCO, the Sponsor will maintain all deposits and funds in the Escrow Account described in the section of this Plan entitled "Procedure to Purchase," above, unless the Sponsor's architect certifies that a lesser amount will be reasonably necessary to complete the work needed to obtain the FCO. In such cases, the sum exceeding the amount so certified by the Sponsor's architect may be released from the Escrow Account and paid to the Sponsor. Alternatively, the Sponsor may deposit with the Escrow Agent an unconditional, irrevocable letter of credit, or post a surety bond, or provide other collateral, in all three cases in the amount so certified, acceptable to the Department of Law and disclosed in advance in an amendment to this Plan.

15 The Sponsor will assign to a Purchaser upon the Closing of a Unit any manufacturer's and/or subcontractor's warranty or bond relating to heating, electrical work, plumbing, equipment and appliances installed in the Unit. Such

warranties or bonds, if any, with respect to Common Elements shall be assigned to the Board of Managers. The Sponsor undertakes to do the above only to the extent that warranties or bonds are actually made by manufacturers and/or subcontractors and only to the extent such warranties are assignable. All prospective Purchasers are advised that warranties vary in length depending, in part, upon when appliances, equipment, finishes, materials or fixtures covered are first purchased or installed. The Sponsor makes no representation as to which, if any, of the warranties will continue to remain in force upon the Closing date of any particular Unit.

16 The Sponsor agrees to pay for all authorized and proper work involved in the Sponsor's construction of the Building, establishment of the Condominium to the extent provided in this Plan, and sale of the Units, and to cause all mechanics' liens with respect to such renovation and construction to be discharged or bonded.

17 The Sponsor agrees to keep copies of this Plan, the Exhibits and documents referred to in this Plan on file at its office or at the office of its attorney for six (6) years from the date of the first Closing. The Sponsor agrees to deliver a set of "as-built" plans to the Board of Managers.

18 No bond or other security has been furnished to secure any of the Sponsor's obligations, including Sponsor's obligations to complete any construction or renovation after Closing title to the first Unit.

19 The Sponsor agrees to repair damage resulting from exercise of the Sponsor's rights of access and to exercise such rights so as to limit, to the extent practicable, unnecessary interference with use of the Property by Unit Owners, without, however, incurring overtime for labor or other extraordinary charges.

20 During the period that the Sponsor controls the Board, the Sponsor has a fiduciary duty to and agrees that it will enforce its obligations under the Plan and as required by law.All the Sponsor's obligations pertaining to the Common Elements shall be enforceable only by the Board of Managers on behalf of the Unit Owners and not by the individual Unit Owners. However, nothing herein shall prevent an individual Unit Owner from bringing an action in his, her or its own capacity against the Sponsor if the Board of Managers has failed to take reasonable action to enforce such obligations within ninety (90) days after an individual Unit Owner gives the Board of Managers notice of a claim.

21 Before the first Unit Closing, all liens and mortgages affecting the Property shall be paid and satisfied or each mortgagee shall either: (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; or (c) release its lien on the Unit being conveyed and its interest in the Common Elements.

22 The Sponsor will pay all contractors, subcontractors and materialmen and all others involved in the renovation and construction of the Condominium for work properly performed on behalf of the Sponsor and for fixtures, material and equipment properly supplied or installed in the renovation and construction of the Condominium on behalf of the Sponsor and will cause all mechanic's liens arising out of the renovation and construction of the Condominium on behalf of the Sponsor or the furnishing or installation of fixtures or equipment properly on behalf of the Sponsor to be discharged or bonded after the liens are filed.

23 In accordance with Section 339-p of the Condominium Act, a registered architect or licensed professional engineer shall certify within reasonable tolerances that the Floor Plans filed with the recording of the Declaration are an accurate copy of portions of the plans of the Building as filed with and approved by the municipal or other governmental subdivision having jurisdiction over the issuance of permits for the construction of buildings.

24 The Sponsor has the right to use Unsold Units or common spaces within the Building as a sales or construction office and/or model apartment until there are no Unsold Units. It is not expected that this would prevent any Unit Owner from using Common Elements for their intended purposes.

25 The Sponsor has the right to change prices set forth in Schedule A of this Offering Plan and subject to the provisions set forth in the Changes in Prices and Units section of this Plan. The offering prices set forth in "Offering Prices and Related Information, Schedule A," above, may only be changed by a duly filed amendment to this Plan if the change in prices 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.

26 The Sponsor reserves the right to rent or lease Units to Purchasers as described in the section of this Plan entitled "Interim Leases," above, and to rent or lease Unsold Residential at any time after consummation of this Plan to anyone it may choose without approval of the Board.

27 If the Building is occupied prior to issuance of the Final Certificate of Occupancy, a tenant protection plan will be distributed to each occupant who will be occupying any Unit during construction, in accordance with the New York City Building Code, Section 28-104.8.4.

28 Sponsor reserves the right to delay and waive the collection of Common Charges from Purchasers for a period of time prior to full occupancy of the Building (the "Waiver Period"). During the Waiver Period, Sponsor shall be solely responsible for the timely payment of, and will timely pay, all expenses to operate the Building based on the actual costs of operating the Building, including, without limitation, insurance premiums and reserve fund payments, instead of on the estimates set forth in Schedule B. Such expenses, however, shall not include individual Unit Owner expenses such as, but not limited to, real estate taxes and utility charges consumed within the Units. Therefore, during the Waiver Period, Schedule B will not be in effect and the level of services to the Building described in the Notes to Schedule B will not be fully in effect. In all instances, however, including during the Waiver Period, Unit Owners will remain responsible for the payment of real estate taxes applicable to and utility charges consumed within their Units, regardless of whether the Units have been separately assessed. Sponsor will terminate the Waiver Period upon thirty (3) days' prior written notice to Unit Owners, after which the Schedule B and all Building services disclosed in the Notes to Schedule B will be in effect and the collection and payment of Common Charges will commence. Upon commencement of collection of Common Charges, there will not be an assessment for any item in the approved budget for the Condominium. Regardless of the Waiver Period, Sponsor shall remain obligated to update the Condominium's budget as required by the Department of Law's governing regulations. If Sponsor electes to delay and waive the collection of Common Charges Sponsor will disclose the implementation of the Waiver Period in a closing notice to Purchasers and in the post closing amendment to this Plan, and will file a subsequent amendment to the Plan disclosing the expiration of the Waiver Period.

29. Article 36-B of the New York General Business Law (the Housing Merchant Implied Warranty Law) applies to this offering because the Building contains less than five stories. The law provides for a housing merchant implied warranty of materials and workmanship in the contract of sale for certain newly constructed homes. However, the Sponsor will give each Purchaser instead a <u>limited warranty</u> covering materials and workmanship within the Unit provided by the Sponsor, if any. The form of limited warranty is included in Part II of this Plan and prospective Purchasers are advised to review it carefully. Generally, the limited warranty limits the Sponsor's total liability under the warranty to seventy-five percent (75%) of the Unit's purchase price and covers (a) defective workmanship, materials and design for one year from the Unit's Closing, (b) defective installation of the plumbing, electrical, heating, cooling and ventilation systems for two years from the first Unit Closing and (c) major structural defects for six years from the first Unit Closing. The limited warranty provides specific steps that a Purchaser must follow in order to be covered for defects that are evident at the time of Closing and defects that appear later. The limited warranty is permitted

under the provisions of the Housing Merchant Implied Warranty Law. All Units, Common Elements and Limited Common Elements offered pursuant to this Plan are sold as described in this Plan. Neither the Sponsor nor any agent or employee of the Sponsor hereunder makes any warranty whatsoever regarding materials, workmanship or any other aspect of the Units, Common Elements, Limited Common Elements or any portion thereof except for the limited warranty included in Part II of this Plan. Regardless of any limitations in the warranty or in this Plan, Sponsor is obligated to construct or renovate the Building in accordance with all applicable codes, filed plans and specifications, and locally accepted building practices for items which are not covered by codes, and any conflict between the disclaimers and Sponsor's obligations to construct the Building in accordance with all applicable codes, filed plans and specifications shall be resolved in favor of the latter.

The obligations of the Sponsor hereunder shall be enforceable by the Board of Managers on behalf of Unit Owners. Except as expressly provided herein to the contrary, the obligations of the Sponsor shall be enforceable by individual Unit Owners only if either (i) the Board fails to take reasonable action to enforce such obligations within ninety (90) days following the giving of notice of a claim by a Unit Owner to the Board or (ii) the applicable statute of limitations with respect to any claim by a Unit Owner which would otherwise be enforceable by the Board will expire during the aforesaid ninety (90) day period (in either of which events the Unit Owner may bring an action in the nature of a derivative action against the Board of Managers). However, with regard to the Sponsor's obligations pertaining to the Common Elements, nothing herein shall prevent an individual Unit Owner from bringing an action in his, her or its own capacity against the Sponsor after the aforesaid ninety (90) day period has expired and the Board of Managers has failed to take reasonable action to enforce such obligations within the aforesaid ninety (90) day period.

o Sponsor's Rights of Access; Alterations

(a) Rights of Access. The Sponsor reserves to itself, its successors, assigns, designees, employees, agents and contractors, easements and rights of access in, and to, Units and Common Elements, consistent with the purposes of this Plan and the Sponsor's rights and obligations hereunder. Except in the case of emergencies, Sponsor shall provide a Unit Owner with reasonable notice of at least 48 hours prior to accessing a Unit. The rights of the Sponsor and its successors, assigns, designees, employees, agents and contractors include, among other rights:

1) Right of access in, and to, Units and Common Elements for purposes of construction, repair, refurbishment, correction, alterations, finishing, servicing (including but not limited to

garbage collection) and similar work anywhere in the Building or at the Property;

2) Right to show vacant or leased Units; and

3) Right to create and use utility and other easements created for the benefit of Unit Owners and the Board of Managers.

If reasonable care, under the circumstances, is exercised to safeguard the Unit Owner's property, such entry shall not render the Sponsor or its authorized agents liable for any damage to the Unit or personalty, equipment, fixtures or furnishings contained therein.

(b) Alterations. The Sponsor (and its successors, assigns, designees, employees, agents and contractors) have the right to alter any Unit or Common Element in accordance with this Plan and applicable Legal Requirements, subject to the rights of Purchasers under binding Purchase Agreements and to the terms contained in the "Changes in Prices and Units" section in Part I of this Plan.

(c) Repairs, Interference. Subject to Unit Owner's responsibility for improvements to Limited Common Elements, the Sponsor agrees to repair damage resulting from the exercise of the above rights of access and to exercise such rights so as to limit, to the extent practicable, unnecessary interference with use of the Property by Unit Owners.

The obligations of the Sponsor set forth in this Plan and the Purchase Agreement together set forth the entire obligations of Sponsor and no others shall be implied. The Sponsor makes no representation or warranty as to the work, materials, appliances, equipment, or fixtures other than as set forth in this Plan. However, regardless of any limitations in this Plan, Sponsor is obligated to construct the Property in accordance with all applicable codes, filed plans and specifications, and locally accepted building practices for items that are not covered by codes. Any conflict between any disclaimers in this Plan and Sponsor's obligation to construct the Property in accordance with all applicable codes, filed plans and specifications shall be resolved in favor of the latter.

CONTROL BY THE SPONSOR

The affairs of the Condominium will be governed by the Board of Managers.

Under the By-Laws, as set forth in Part II of this Plan, until the first meeting of Unit Owners, the Board of Managers will consist of three (3) members designated by the Sponsor.

Within ninety (90) days after the first Closing of title to a Unit, the Sponsor will call the first meeting of Unit Owners, at which meeting the Unit Owners shall elect three (3) members, subject to Sponsor's right to designate members. The Sponsor shall have the right to designate two members of the Board until the earlier of: (1) five (5) years after the Closing of the first Unit or (2) the time the Sponsor holds less than fifty percent (50%) of the Common Interests. A meeting will be held to elect new members of the Board within thirty (30) days of the termination of the Sponsor's special right to designate members of the Board. During the period in which the Sponsor may designate two members of the Board, Unit Owners, other than the Sponsor, will vote for the remaining Board member. After the period during which Sponsor may designate two members of the Board, all Unit Owners, including the Sponsor, may vote for all members of the Board, including members of the Board that are related or unrelated to the Sponsor.

After Sponsor's initial voting control period, there is no requirement that a majority of the Board of Managers be composed of owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals. Therefore, owner-occupants may never gain control of the Board of Managers, and owner-occupants and non-resident owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed.

The number of members of the Board may not be increased without the consent of the Sponsor for so long as Sponsor owns one Unit. The Sponsor may not exercise veto power over expenses described in "Schedule B – Projected Budget for First Year of Condominium Operations," or over expenses required to comply with applicable laws or regulations, or to remedy any notice of violation, or to remedy any work order by an insurer. The Sponsor may exercise veto power over expenses other than those described in the preceding sentence until five (5) years after the Closing of the first Unit or until the Unsold Units constitute less than twenty five (25%) percent of the Common Interest, whichever is sooner.

Because the Sponsor will hold Units as investments, it may have different priorities in operating the Building, such as regarding when and how much to invest in repairs, maintenance or capital improvements.

During the period that the Sponsor controls the Board, the Sponsor agrees that (a) it will enforce its obligations under the Plan and as required by law. The obligations of the Sponsor hereunder shall be enforceable by the Board of Managers on behalf of Unit Owners. Except as expressly provided herein to the contrary, the obligations of the Sponsor shall be enforceable by individual Unit Owners only if either (i) the Board fails to take reasonable action to enforce such obligations within ninety (90) days following the giving of notice of a claim by a Unit Owner to the Board or (ii) the applicable statute of limitations with respect to any claim by a Unit Owner which would otherwise be enforceable by the Board will expire during the aforesaid ninety (90) day period (in either of which events the Unit Owner may bring an action in the nature of a derivative action against the Board of Managers). However, with regard to the Sponsor's obligations pertaining to the Common Elements, nothing herein shall prevent an individual Unit Owner from bringing an action in his, her or its own capacity against the Sponsor after the

aforesaid ninety (90) day period has expired and the Board of Managers has failed to take reasonable action to enforce such obligations within the aforesaid ninety (90) day period.

BOARD OF MANAGERS

The Board of Managers will be responsible for management and maintenance of the Condominium. It shall have the powers and duties necessary for the administration of the affairs of the Condominium and may perform any acts necessary therefor, consistent with the Declaration, By-Laws and applicable law. Such acts include: determination and collection of Common Charges and enforcement of the obligation of Unit Owners to pay Common Charges; employment and dismissal of personnel and a managing agent; providing for insurance as to Common Elements; and adoption of Rules and Regulations relating to use and operation of Condominium property. A detailed list of the powers and duties of the Board is contained in Article II, Section 2 of the By-Laws in Part II of this Plan.

Under the By-Laws, as set forth in Part II of this Plan, until the first meeting of Unit Owners, the Board of Managers will consist of three (3) members designated by the Sponsor. Within ninety (90) days after the first Closing of title to a Unit, the Sponsor will call the first meeting of Unit Owners, at which meeting the Unit Owners shall elect three (3) members. The election of members of the Board of Managers shall be subject to the rights of the Sponsor described in the section of this Plan entitled "Control by the Sponsor," above.

Except for members designated by the Sponsor, all members of the Board of Managers shall be Unit Owners, mortgagees of Units, partners or employees of a partnership owning a Unit or a mortgage covering a Unit, shareholders, officers, directors or employees of a corporate Unit Owner or corporate mortgagee of Units, fiduciaries or officers or employees of fiduciaries who are Owners or mortgagees of Units, or persons with similar authority over, or interest in, another entity owning or holding a mortgage on a Unit.

After Sponsor's initial voting control period, there is no requirement that a majority of the Board of Managers be composed of owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals.

The Board of Managers shall elect its officers.

Article II, Section 9 of the By-Laws provide for the calling of special meetings of the Board of Managers. Special meetings may be called by the President of the Board of Managers and shall be called by the President or the Secretary upon the written request of one member of the Board of Managers. Pursuant to Article III, Section 3 of the By-Laws, it shall be the duty of the President to call a special meeting if so directed by resolution of the Board of Managers or upon a petition signed and presented to the Secretary by Unit Owners holding twenty five (25%) percent of the Common Interest.

The initial Board of Managers will consist of three members designated by the Sponsor. The Sponsor anticipates that it will designate William Caleo, Lyndsay Caleo and Tessa Baker as the initial members of the Board of Managers. Lyndsay Caleo and William Caleo are principals of the Sponsor. Tessa Baker is employed by a company of one of Sponsor's principals.

Article II, Section 14 of the By-Laws discusses indemnification of Board members and liability, and provides that the Unit Owners will severally indemnify the members of the Board of Managers against any claims except those arising out of bad faith or willful misconduct. The members of the Board of Managers may have personal liability for actions taken in bad faith or for willful misconduct. The members of the Board of Managers shall not be liable to the Unit Owners for any mistake or judgment or negligence or otherwise except for their own individual willful misconduct or bad faith.

All members of the Board of Managers shall serve without compensation.

The term of office of members of the Board of Managers shall be one (1) year. The second meeting of Unit Owners will occur on the first anniversary of the first meeting of the Unit Owners.

The By-Laws provide that at any regular or special meeting of Unit Owners, any one or more of the members of the Board of Managers, other than a member designated by the Sponsor or a Sponsor-affiliate (who may be removed by the Unit Owners at such a meeting only for cause) may be removed with or without cause by a majority of the Unit Owners and a successor may then and there or thereafter be elected to fill the vacancy thus created. 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-affiliate may be removed by the Sponsor for any reason. If a member of the Board of Managers ceases to be a Unit Owner or Unit mortgagee (or a designee of an entity which owns a Unit or holds a mortgage on a Unit), unless such member is a designee of the Sponsor or a Sponsor-affiliate, he or she shall be deemed to have resigned effective as of the date such ownership or mortgage interest ceases. The provision for removal of members of the Board of Managers is contained in Article II, Section 5 of the By-Laws.

The voting rights of Unit Owners are described in Article III, Section 8 of the By-Laws. Specifically, each Unit Owner (as determined by the Board of Managers) or some person designated by a Unit Owner to act as proxy on his, her or its behalf and who need not be a Unit 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 by the Unit Owner so designating. Any or all of such Unit Owners may be present at any meeting of the Unit Owners and (those constituting a group acting unanimously) may vote or take any other action as a Unit Owner either in person or by proxy. The total number of votes of all Unit Owners shall be one hundred and each Unit Owner (including the Sponsor or Sponsor-affiliates if the Sponsor or a Sponsor-affiliate shall then own or shall then hold title to one or more Units) shall be entitled to cast the number of votes at all meetings of the Unit Owners equal to his, her or its percent of

interest in the Common Elements applicable to his, her or its Unit. A fiduciary shall be the voting party with respect to any Unit owned in a fiduciary capacity.

During the period that the Sponsor controls the Board, the Sponsor has a fiduciary duty to and agrees that it will enforce its obligations under the Plan and as required by law. The obligations of the Sponsor hereunder shall be enforceable by the Board of Managers on behalf of Unit Owners. Except as expressly provided herein to the contrary, the obligations of the Sponsor shall be enforceable by individual Unit Owners only if either (i) the Board fails to take reasonable action to enforce such obligations within ninety (90) days following the giving of notice of a claim by a Unit Owner to the Board or (ii) the applicable statute of limitations with respect to any claim by a Unit Owner which would otherwise be enforceable by the Board will expire during the aforesaid ninety (90) day period (in either of which events the Unit Owner may bring an action in the nature of a derivative action against the Board of Managers). However, with regard to the Sponsor's obligations pertaining to the Common Elements, nothing herein shall prevent an individual Unit Owner from bringing an action in his, her or its own capacity against the Sponsor after the aforesaid ninety (90) day period has expired and the Board of Managers has failed to take reasonable action to enforce such obligations within the aforesaid ninety (90) day period.

Amending the Declaration and the By-Laws

Except with respect to amendments required to implement the rights of owners of Unsold Units to make alterations to their Units, the Declaration may be amended with the approval of at least sixty-six and two-thirds percent (66 2/3%) in number and in Common Interest of all Unit Owners, in accordance with the provisions of the Declaration, provided, however, that the Common Interest appurtenant to each Unit as expressed in the Declaration shall not be altered without the consent of all Unit Owners affected.

The By-Laws may be amended with the approval of at least sixty-six and two-thirds percent (66 2/3 %) in number and in Common Interest of all the Unit Owners, as provided in Article X of By-Laws included in Part II of this Plan.

RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND THE BOARD OF MANAGERS

Below is a summary of various provisions of the Declaration and By-Laws, as well as certain provisions of the Condominium Act, respecting rights and obligations of Unit Owners and the Board of Managers. This is intended as an illustrative summary only, and the Declaration, the By-Laws, and the Rules and Regulations should be carefully reviewed by potential Purchasers and their attorneys. They are fully set forth in Part II of this Plan. The terms of the Declaration, the By-Laws and the Rules and Regulations should not be deemed varied in any way by this section or any other provision of this Plan.

Compliance with the Terms of the Declaration,

the By-Laws and the Rules and Regulations

Generally, Unit Owners must comply with the Declaration, the By-Laws and the Rules and Regulations of the Condominium and other requirements of the Condominium. Failure to comply may result in liability on the part of a Unit Owner. For example, in the event of default by any Unit Owner in paying Common Charges or any other money due to the Board of Managers, such Unit Owner shall be obligated to pay the maximum legal interest rate on such Common Charges and money from the due date thereof, together with all expenses, including attorney fees, incurred by the Board. Among its remedies, the Board may bring an action for foreclosure of the lien for Common Charges and other money due on the Unit with the potential result that the Unit would be sold and the amounts realized used to satisfy the Unit Owner's obligation to the Board of Managers.

In addition, the violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-Law, or the breach of any provision of the Declaration shall give the Board the right, among other rights, (a) to enter the Unit which, or as to which, such violation or breach exists and to abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein which presents the violation or breach; and/or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such violation or breach; and/or (c) to seek compensation for damages caused by the violation or breach.

Local Law 147 ("LL 147") was signed into law on August 28, 2017 and went into effect on August 28, 2018. Pursuant to LL 147, the Condominium must contain a written smoking policy for the Property that addresses smoking in Units, Common Elements and Limited Common Elements and that applies to all Unit Owners, occupants of the Units and persons on the Property.

In accordance with LL 147, the Condominium's smoking policy, set forth as a Rule and Regulation of the Condominium and which shall be included in all Purchase Agreements and Interim Leases, is the following:

"Except as expressly permitted pursuant to this Rule and Regulation, smoking is not allowed in (a) any indoor Common Element or Limited Common Element, including, but not limited to, indoor corridors, rooms, hallways, stairs, stairways, storage areas and lobbies, and (b) in any outdoor Common Elements (other than Limited Common Elements), including, but not limited to, any common rooftops, patios, yards, parking areas, pool areas, porches and courtyards. Notwithstanding the foregoing, smoking is permitted inside of Units and in any outdoor Limited Common Elements appurtenant to a Unit, including, but not limited to, yards, terraces, decks and balconies appurtenant to a Unit. For purposes of this Rule and Regulation, (i) "smoking" shall mean inhaling, exhaling, burning or carrying any lighted or heated cigar, cigarette, electronic cigarette, little cigar, pipe, water pipe or hookah, herbal cigarette, non-tobacco smoking product (e.g., marijuana or non-tobacco shisha), or any similar form of lighted

object or device designed for people to use to inhale smoke, and (ii) "electronic cigarette (e-cigarette) shall mean a device that heats a liquid, gel, herb or other substance and produces vapor for the user or people to inhale."

The Condominium's smoking policy is contained in the By Laws, Purchase Agreement and Interim Lease forms included in Part II of this Plan.

Sale or Lease of Unit by Unit Owners
Rights of First Refusal of Board of Managers

Each Unit Owner other than the Sponsor and other owner of an Unsold Unit has the right to sell or lease his, her or its Unit (subject to the consent, if required, of his, her or its mortgagee, if any) provided the Board of Managers waives its right of first refusal. The selling Unit Owner must give the Board of Managers thirty (30) days prior written notice of terms of any bona fide sale or lease which he, she or it desires to make. The failure of the Board of Managers to act however, within the thirty (30) day period shall be deemed to constitute waiver of the Board's right of first refusal. If the Board of Managers disapproves the transaction, it shall, within the thirty (30) day period, either (a) produce a purchaser or lessee who will purchase or lease the Unit upon the same terms as stated in the Unit Owner's notice to the Board of Managers or (b) agree to purchase or lease the Unit on behalf of all other Unit Owners upon the same terms as stated in the Unit Owner's notice to the Board of Managers. The Board of Managers, however, may not purchase or lease a Unit without the approval of the Owners of Units constituting sixty-six and two-thirds percent (66 2/3%) of the Common Interest, excluding the Common Interest of the selling/leasing Unit Owner. If the Board of Managers does not have sufficient funds on hand for the acquisition and maintenance of a Unit which has been approved by the Unit Owners, the Board of Managers may either borrow such funds or assess the Unit Owners therefor in proportion to their respective Common Interests, excluding the Common Interest of the selling/leasing Unit Owner. If the Board of Managers does not either produce a purchaser or lessee for the Unit or agree to purchase or lease the Unit on behalf of all other Unit Owners as set forth above within the aforesaid thirty (30) day period, the Unit Owner shall have the right to consummate the sale or lease on the terms submitted to the Board of Managers. The rights of first refusal described above are governed by more specific terms set forth in the By-Laws.

There are no limitations on the price or rent that a Unit Owner may negotiate with a prospective purchaser or tenant.

Any lease of a Residential Unit shall be in the form recommended for apartments by the Real Estate Board of New York, Inc., except as otherwise provided in the By-Laws or as otherwise approved by the Board of Managers.

The restrictions upon the sale and lease of Units set forth in this section and the rights of the Board of Managers with respect thereto shall not apply to the Sponsor or its designee or other owner of Unsold Units, or to acquisition by an institutional mortgagee acquiring title in

foreclosure or by deed in lieu of foreclosure; the Sponsor, its designee, an owner of an Unsold Unit and any such mortgagee shall be free to sell or lease without first notifying or obtaining the consent or waiver of the Board of Managers and not subject to any right of first refusal. The Board of Managers shall cooperate in providing appropriate physical access to any Unit being so sold or leased and related Common Elements, as well as all financial information regarding the Condominium and the Unit in question.

Units acquired or leased by the Board of Managers pursuant to the rights of first refusal described above may be sold, leased, mortgaged or otherwise dealt with in the discretion of the Board of Managers. Such Units may be used in any manner in compliance with the Legal Requirements. Such Units held by the Board of Managers shall not carry any voting rights. Proceeds of such disposition will be received by the Board of Managers on behalf of all Unit Owners in proportion to their respective Common Interest. See the subsection of this section of this Plan entitled "Units Acquired or Leased by Board of Managers," below.

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

Subject to the rights of the Board of Managers, Units may be sold or leased by a Unit Owner provided that he, she or it is not in arrears on payment of Common Charges and satisfies other liens against the Unit other than permitted mortgages.

Notwithstanding the rights of the Board of Managers described above, any Unit Owner who is a natural person may sell or lease his or her Unit to his or her spouse, domestic partner registered as such with the City of New York, adult child, parent, grandparent, parent-in-law or adult sibling, or may convey his or her Unit by gift, devise by will or have it pass by intestacy without complying with the restrictions described above, provided, however, that each succeeding Unit Owner shall be bound by, and his, her or its Unit shall be subject to, the restrictions described above and as more particularly set forth in the By-Laws. In addition, any Unit Owner that is not a natural person may sell, lease or convey its Unit to a controlled or related entity or person as more particularly set forth in the By-Laws.

Each conveyance of a Unit by a Unit Owner shall include, as part of the property to be conveyed, such Unit Owner's: Common Interest; undivided interest in any Unit or Units acquired by the Board from Unit Owners (or the proceeds received at a foreclosure or other judicial sale of a Unit); and undivided interest in any other assets of the Condominium. In addition, title to a Unit may not be conveyed unless all unpaid Common Charges and liens against such Unit (other than permitted mortgages) are paid and satisfied at, or prior to, Closing. At the time of acquisition of a Unit and as a condition thereof, the new Unit Owner shall be required to execute, acknowledge and deliver to the Board of Managers a Unit Owner's Power of Attorney in favor of the Board (and the Sponsor, if applicable), in the form set forth in Part II of this Plan or such other form as the Board of Managers may approve from time to time, in accordance with the Declaration. The

new Unit Owner shall be responsible for having said Power of Attorney recorded and returned to the Board of Managers, and paying the fees therefor.

The Board of Managers may establish a reasonable fee for the processing of Unit sales and leases and notices relating to the Board of Manager's rights of first refusal. Such fee shall be payable by the selling or leasing Unit Owner, as the case may be, but not by the Sponsor or an owner of an Unsold Unit.

Further restrictions on, or conditions to, the sale or lease of Units may be made in the future, consistent with the Declaration, the By-Laws and applicable law.

Mortgaging of Units by Unit Owners

Each Unit Owner shall have the right to mortgage his, her or its Unit without restriction, provided that (a) any such mortgage shall be substantially in the form of a New York statutory form mortgage, except for such changes or addition as may be necessary in order to permit a particular bank, trust company, savings and loan association or other institutional lender to make the mortgage loan; (b) the Board is notified in writing in advance of the making of such mortgage and is given a copy thereof promptly; and (c) the Unit Owner making such mortgage is not in arrears for Common Charges and first satisfies all other unpaid liens against his, her or its Unit, other than mortgages placed on his, her or its Unit in compliance with the By-Laws and cures any default under any such mortgage. The Sponsor or its designee, as the owner of Unsold Units, and any other owner of Unsold Units, shall have the right to mortgage the Unsold Units without any restriction or limitation except that the Board shall be notified in writing of the making of such mortgage and shall be given a copy thereof.

Common Charges and Assessments

Each Unit Owner shall have the obligation to pay Common Charges and assessments, proportionate to his, her or its Common Interest, for the operation and maintenance of the Property as determined by the Board of Managers. For the purpose of making such determination, the Board, pursuant to the By-Laws, is required to prepare from time to time (and at least annually) a budget of Common Expenses. Common Expenses include expenses for maintenance and operation of the Common Elements, such as those listed in "Budget for First Year of Condominium Operations, Schedule B," above, and other items enumerated in the By-Laws. The Common Expenses are multiplied by each Unit Owner's Common Interest to determine each Unit Owner's Common Charges. Common Charges (aside from adjustments made at Closing) will initially be billed monthly. For details see Article V, Section 1 of the By-Laws.

The Board shall have the right to charge any Unit Owner the difference in the cost of any higher insurance premium incurred by the Board if the use of such Unit Owner's Unit has caused the higher premium.

The Board of Managers may increase Common Charges or collect assessments for the accumulation of reserves for capital expenditures, subject to provisions of applicable tax laws and subject to Sponsor's right, for a limited period, to withhold consent to such action.

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

Under the provisions of Section 339-z of the Condominium Act, the Board of Managers on behalf of the Unit Owners will have a lien on each Unit for unpaid Common Charges, together with the interest thereon. Such lien will be subordinate only to liens for real estate taxes on the Unit and to any sums unpaid on certain first mortgages of record thereon. Any lien for unpaid Common Charges against a Unit may be filed in the Office of the City Register, Borough of Brooklyn and shall be effective 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-year period), whichever may be earlier. The By-Laws also impose upon a Unit Owner a responsibility to pay the Condominium's attorney fees incurred in connection with unpaid Common Charges and liens with respect thereto. A 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 and/or an action may be brought by the Board of Managers to recover the unpaid Common Charges without foreclosing the lien. Upon the sale or conveyance of a Unit, unpaid Common Charges shall be paid out of the sales proceeds or by the seller, lessor, or transferor, as the case may be. Any seller, lessor or transferor or purchaser, lessee, or transferee, as the case may be, is entitled to a statement from the Board setting forth the accrued amount of unpaid Common Charges against the Unit as of the date of conveyance and such amount shall be the limit of liability of the seller, lessor or transferor or purchaser, lessee, or transferee, as the case may be, as well as the limit of the lien subject to which the Unit may be conveyed.

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

Under the provisions of section 339-kk of the Condominium Act, if a non-occupying Unit Owner rents his, her or its Residential Unit to a tenant and then fails to make payments due for Common Charges, assessments or late fees for such Unit within sixty (60) days of the expiration of any grace period after they are due, upon written notice by the Board of Managers to the non-occupying Unit Owner and tenant, all rental payments from the tenant shall be directed to the Board of Managers and made payable to the Condominium until such time as all payments for Common Charges, assessments or late fees are made current, at which time the Board of Managers shall provide written notice to the non-occupying Unit Owner and tenant within three (3) business days. Thereafter, all rental payments shall be directed and made payable to the non-

occupying Unit Owner or his, her or its designated agent. A non-occupying Unit Owner who or that disputes the Condominium's claim to rental payments pursuant to section 339-kk of the Condominium Act shall be entitled to present facts supporting his, her or its position at the next scheduled meeting of the Board of Managers, which must be held within thirty (30) days of the date that the Board of Managers receives notice that the non-occupying Unit Owner seeks to dispute such claim. Payment by a tenant to the Condominium made pursuant to section 339-kk of the Condominium Act shall relieve that tenant from the obligation to pay such rent to the non-occupying Unit Owner and shall be an absolute defense in any non-payment proceeding commenced by the non-occupying Unit Owner against the tenant for such rent.

Pursuant to the By-Laws, the Board has the right to revise its projection of Common Expenses at any time and from time to time during any fiscal year of the Condominium. Any such revision may result in an increase or decrease in the amount of Common Charges payable by Unit Owners during such fiscal year. However, no such revision shall have a retroactive effect on the amount of Common Charges payable by Unit Owners prior to the date of such revision. So long as there are Unsold Units, the Sponsor shall disclose any such revisions to the Common Expenses in an amendment to this Plan.

Each Unit Owner shall comply with the By-Laws and any Rules and Regulations and pay Common Charges and assessments to the Board of Managers. In addition to the lien for Common Charges described above, the Board of Managers will have the right to take additional actions to abate and enjoin violations of the By-Laws and Rules and Regulations by Unit Owners, as provided, for example, in Article V, Section 8 of the By-Laws.

Repairs

All maintenance, repairs and replacements to the Common Elements, including Limited Common Elements and whether located inside or outside the Units, will be made by the Board of Managers and the cost thereof will be a Common Expense, except for repairs to Limited Common Elements that are expressly made the responsibility of the Unit Owner of the benefited Unit. All maintenance, repairs and replacements to the Units, whether structural or non-structural, ordinary or extraordinary, other than to the Common Elements contained therein, will be made by each respective Unit Owner at his, her or its expense and shall be completed within a reasonable period of time. All maintenance, repairs and replacements to the Common Elements of the Condominium, including Limited Common Elements and whether located inside or outside the Units, if necessitated by the negligence, misuse or neglect of a Unit Owner or an occupant of a Unit or a Unit Owner's employees, invitees, agents or contractors shall be made at the election of the Board of Managers either by the Board, at the expense of the Unit Owner, or by the Unit Owner.

Units 101, 102, 103, 104 and 105 shall each have a yard as a Limited Common Element, as shown on the Floor Plans. A Unit Owner may use the yard appurtenant to his, her or its Unit only in compliance with all Legal Requirements. The owners of such Units

and their successors and assigns shall be responsible for the maintenance, repair and replacement of any paving, landscaping, drainage, fences, enclosures, walls, railings or other elements of their yards, other than the Building walls, appurtenant to their Unit, as required by Legal Requirements. The Board of Managers shall be responsible for maintenance, repair and replacement of the Building's exterior walls and other elements of the Building, except that in all events the Unit Owner shall be responsible for any maintenance, repair and replacement of any portion of the yard or Building's exterior walls or other elements of the Building, if necessitated by damage caused by the Unit Owner or the Unit Owner's invitees, tenants, employees, agents or contractors. The Board of Managers and its agents, employees and contractors may have access to all areas of the yards in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take. In the event such Board actions require removal or disruption of any element of the yards, it shall be the responsibility of the Board of Managers to replace such element. The owners of such Units may not perform construction in their yards unless the owners comply with all Legal Requirements and obtain the prior approval of the Board of Managers.

Units 307, 308, PH1, PH2, PH3, PH4, TH1 and H2 shall each have at least one terrace as a Limited Common Element, as shown on the Floor Plans. The owners of such Units and their successors and assigns shall be responsible for maintenance, repair and replacement of their terrace, including the terrace's surface, but the Board of Managers shall make any structural repairs to the terraces, including the railings, if any, that are required, except that in all events the Unit Owner shall be responsible for any maintenance, repair and replacement of any portion of their terrace if necessitated by damage caused by the Unit Owner or the Unit Owner's invitees, tenants, employees, agents or contractors. The Board of Managers and its agents, employees and contractors may have access to the terraces in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take. In the event Board repairs require removal or disruption of any elements of the terraces, it shall be the responsibility of the Board of Managers to replace such elements. The owners of such Units may not perform construction in their terraces unless the owners comply with all Legal Requirements and obtain the written approval of the Board of Managers.

Units 101, 102, 103 and 105 shall each have an areaway as a Limited Common Element, as shown on the Floor Plans. The owners of such Units and their successors and assigns shall be responsible for maintenance, repair and replacement of their areaways, including their surfaces, but the Board of Managers shall make any structural repairs to the areaways that are required, except that in all events the Unit Owner shall be responsible for any maintenance, repair and replacement of any portion of the areaways if necessitated by damage caused by the Unit Owner or the Unit Owner's invitees, tenants, employees, agents or contractors. The Board of Managers and its agents, employees and contractors may have access to the areaways in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take. In the event repairs by the Board of Managers require removal or disruption of any elements of the areaways, it shall be the

responsibility of the Board of Managers to replace such elements. The owners of such Units may not perform construction in their areaways unless the owners comply with all Legal Requirements and obtain the written approval of the Board of Managers.

Each Residential Unit shall have as a Limited Common Element at least one condenser unit. The Unit Owners shall have the right to place, inspect, maintain, repair and replace their condenser and other condenser equipment serving their respective Units. A Unit Owner, and his, her or its agents and contractors shall have a right of access over and through any areas where the condenser units are located for such purposes. A Unit Owner shall be responsible for the maintenance, repair and replacement of the condenser and condenser equipment servicing his, her or its Unit (including equipment located outside the Unit and all piping and wiring associated with the Condenser), as required. The Board of Managers shall be responsible for maintenance, repair and replacement of all common areas, and all elements thereof, except that in all events a Unit Owner shall be responsible for the cost and expense of any maintenance, repair and replacement of any portion of common areas or elements thereof if necessitated by the negligence, misuse or neglect of a Unit Owner or an occupant of a Unit or a Unit Owner's employees, invitees, agents, guests or contractors. In the event any common areas or elements thereof require removal or disruption of any condenser unit or associated piping or wiring, or element thereof, it shall be the responsibility of the Board of Managers to replace or repair same. In any event, the Board of Managers and its agents, employees and contractors may have access to all common areas of the Building in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take.

Units TH1 and TH2 shall each have two skylights as Limited Common Elements, as shown on the Floor Plans. The owners of such Units may use their skylights only in compliance with all Legal Requirements and shall be responsible for maintenance, repair and replacement of their skylights. The Board of Managers and its agents, employees and contractors may have access to all roofs or terraces where the skylights are located in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take. In the event that any such Board action requires removal or disruption of all or any elements of the skylights, it shall be the responsibility of the Board of Managers to replace such elements.

Those public or other areas of the Building exposed to public view that are required to be maintained by a Unit Owner or the Board shall be kept by each in good appearance in conformity with the dignity and character of the Building as determined by the Board of Managers.

The Board of Managers shall have the right of access to any Unit and Limited Common Element upon prior reasonable notice of at least 48 hours, except in the case of emergencies, for the purposes of inspecting and making any repairs or replacements to any of the Common Elements or to remedy any condition which would result in damage to any Unit or the Common Elements or which would violate the provisions of any mortgage covering another Unit or for the

purpose of complying with, and determining the Unit Owner's compliance with, Legal Requirements. The Board's right of access shall be exercised so as not to unreasonably interfere with the use of the Units, but 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 the Units or for the safety of Condominium residents or other persons or required to avoid the suspension of any necessary service to the Condominium.

Work in the nature of decorating, which does not involve any structural alterations or any electrical or plumbing work, may be done without a building permit. Most construction, such as a deck or gazebo, the addition of rooms or interior stairs, electrical work and alterations to plumbing, requires a permit from the Department of Buildings and is subject to the requirements of zoning. Certain roof structures and enclosure of a balcony or terrace, if permitted by the Declaration, the By-Laws and Board of Managers, and which may involve the addition of more enclosed space than is permitted by zoning or which are obstructions in required yards, cannot be built as-of-right and require a variance from the Board of Standards and Appeals. The application for a variance may be opposed by the Board of Managers, and for this reason, among others, may be denied.

Additions, Alterations and Improvements by Board of Managers

Additions, alterations, or improvements may be made by the Board of Managers without approval of Unit Owners, except that (a) no addition, alteration or improvement costing more than $15,000 shall be made without the approval of the Sponsor and all other owners of Unsold Units as long as there are any Unsold Units (unless such addition, alteration or improvement is necessary in order to comply with Legal Requirements or is necessary to protect the Property from deterioration), and (b) no additions, alterations or improvements costing more than $15,000 shall be made unless approved by sixty-six and two-thirds percent (66 2/3%%) in number and in Common Interest of the Unit Owners, including the Sponsor or its designee. The Board of Managers shall proceed with duly authorized additions, alterations or improvements and shall assess each Unit Owner his, her or its proportionate share of the cost as part of the Common Expenses or as a special assessment, or shall pay for the addition, alteration or improvement from reserves accumulated for purposes of same or shall borrow funds to pay therefore as described below. Additions, alterations or improvements costing $15,000 or less may be made by the Board of Managers without approval of Unit Owners and the cost thereof shall constitute part of the Common Expenses.

Whenever in the judgment of the Board of Managers, in connection with the operation, care, upkeep and maintenance of the Common Elements, money must be borrowed on behalf of the Condominium, no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interests or on the Common Elements without the consent of all of the Unit Owners. The Board of Managers may only borrow money on behalf of the Condominium when required in connection with the payment, collection, and disbursement of funds, including reserves, to provide for major and minor maintenance, repairs, additions, improvements,

replacements, working capital, bad debts and unpaid common expenses, depreciation, obsolescence and similar purposes, provided, however, that (i) such debt is incurred no earlier than the fifth anniversary of the first Closing of a Unit and (ii) the incurrence of such debt shall require the consent of majority of all Unit Owners in Common Interest and the Sponsor and any other owner of an Unsold Unit as long as there is an Unsold Unit. If any sum borrowed by the Board of Managers is not repaid by the Board, a Unit Owner who pays to the creditor the proportion of the loan equal to the proportion that the Unit Owner's Common Interest bears to the Common Interest of all Units shall be entitled to a release of any judgment or other lien which the creditor shall have filed or shall have the right to file against the Unit Owner's Unit.

Additions, Alterations and Improvements by Unit Owners

Except as provided below with respect to the Sponsor and Unsold Units, (a) no Unit Owner may make any structural addition, alteration or improvement in his, her or its Residential Unit without the prior written approval of the Board of Mangers (and, if required, of his, her, or its mortgagee), and (b) no application or other document shall be filed with any governmental authority for a permit covering an addition, alteration or improvement to be made in a Unit unless approved and, if necessary, executed by the Board of Managers, without, however, incurring any liability on the part of the Board of Managers, or any of them, to any contractor, subcontractor, material supplier, architect or engineer, or other professional by reason of such addition, alteration or improvement or to any person having any claim for injury to any person or damage to property arising therefrom. The Board may, at its option, require the Unit Owner to execute an agreement satisfactory to the Board of Managers setting forth the terms and conditions under which such addition, alteration or improvement may be made.

The Sponsor (or its designee) shall have the right without the approval of the Board, the Selling Agent, if any, the Managing Agent, if any, other Unit Owners or holders of mortgages on Units (a) to make alterations, additions, improvements or repairs in, or to, any Unsold Unit, whether structural or non-structural, interior or exterior, and (b) to subdivide, to combine and to change the boundary walls of Unsold Units. At the request of the Sponsor, the Board of Managers will execute any application or other document required to be filed with any governmental authority having or asserting jurisdiction in connection with any structural addition, alteration or improvement, subdivision, continuation, or change made by the Sponsor or its designee to any Unit, provided, however, that the Board of Managers shall not be subjected to any expense or liability by virtue of the execution of the application or such other document.

Non-structural alterations and improvements to a Residential Unit that do not affect the exterior of the Building or the value of other Units may be made by a Unit Owner without the prior approval of the Board of Managers.

In the event that, with the approval of the Board of Managers, a Unit Owner, other than an owner of an Unsold Unit, wishes to construct, either structural or non-structural additions, alterations, improvements in or to his, her, or its Unit or the Limited Common Element associated

with his, her or its Unit, the Board of Managers may regulate one or more of the aspects of construction including, without limitation, the following: (a) the time periods during which work is permitted; (b) the manner in which deliveries and construction debris will be handled; (c) the measures which must be taken to prevent compromising the security of the Building during construction; (d) the interruption of services during construction; (e) liability insurance for contractors during construction; and (f) such other matters as are necessary for the safety and continued enjoyment of the Building by all Unit Owners. The Board of Managers may, at its sole discretion, require that such terms be memorialized in a written agreement with the Unit Owner.

No Unit Owner, other than the Sponsor, may make any changes in, or to, the Common Elements without the prior written approval of the Board of Managers.

Insurance

The Board of Managers will obtain and maintain, to the extent obtainable: (a) fire insurance, with extended coverage, vandalism and malicious mischief endorsements normal for condominiums similar to the Condominium, insuring the Building, including all of the Units, partitions, floors and ceilings within the Units (but not including any equipment, any wall, ceiling or floor decorations or coverings, or furniture, furnishings, fixtures or other personal property within the Unit), together with all Building's service machinery, covering the interest of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as their interest may appear, in an amount equal to an agreed replacement value of the Building (exclusive of the cost of excavations and foundations) without deduction for depreciation; (b) water damage legal liability insurance; and (c) such other insurance as the Board of Managers may determine.

The amount of fire insurance to be maintained on the Building until the first meeting of the Board of Managers elected by the Unit Owners will be $14,683,900.

The proceeds of all policies of physical damage insurance will be payable to the Board of Managers in accordance with the terms of the By-Laws, to be applied for the purpose of repairing, restoring or rebuilding the Building unless otherwise determined by the Unit Owners as described in the By-Laws. No portion of the insurance proceeds shall be applied to the payment of the mortgage indebtedness of any Unit Owner unless the Unit Owners determine not to repair, restore or rebuild the Building as set forth in Section 339-cc of the Condominium Act.

If, as a result of damage or destruction of the Building by fire or casualty, the Property becomes subject to an action for partition by any Unit Owner or lienor, in accordance with the provisions of the Condominium Act, the Building will not be repaired and 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 By Laws and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration, then the excess of such insurance proceeds) shall be divided by the Board of Managers among all the Unit Owners in proportion to their respective Common

Interests, after first paying out of the share of each Unit Owner the amount of any unpaid liens on his, her or its Unit, in the order of the priority of such liens.

The Board of Managers will obtain policies of physical damage insurance which contain waivers of subrogation and of any defense based on co-insurance or of pro-rata reduction of liability or invalidity arising from any acts of the insured, and shall provide that such policies may not be canceled by the insurance carrier or substantially modified without at least ten (10) days' prior written notice to all of the insureds, including all mortgagees of Units. Duplicate original certificates 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 whom the Board of Managers has notice and who have requested policies, at least ten (10) days prior to expiration of the then current policies and each Unit Owner shall receive a certificate of such insurance.

The Board of Managers shall also obtain to the extent obtainable for commercially reasonable premiums public liability insurance covering the Condominium and each member of the Board of Managers in such amount 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, her or its own Unit or due to the acts or omissions of Unit Owners, occupants of Units, or invitees, employees, agents or contractors of Unit Owners; and public liability insurance also shall 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 $2,000,000 in the aggregate or $1,000,000 per occurrence, covering all claims for bodily injury and property damage with respect to any one occurrence. For details regarding initial insurance coverage see the footnote to "Budget for First Year of Condominium Operations, Schedule B," above.

The cost of all the insurance obtained by the Board of Managers, including that described in this section of this Plan shall be paid by the Board of Managers and shall constitute a Common Expense. The Board may charge a Unit Owner the cost of any increase in an insurance premium if due to any act, omission or activity of the Unit Owner, the occupants of the Unit or the Unit Owner's contractors, employees or invitees or if due to the condition of the Unit.

Unit Owners may carry other insurance at their own expense (covering items not included or included only to a limited extent in the policy of the Board of Managers), provided that such policies contain waivers of subrogation for the benefit of the Board of Managers and other Unit Owners and further provided that the liability of the carriers issuing insurance procured by the Board of Managers shall not be affected or diminished by reason of any Unit Owner's other insurance. Examples of items not included in the policy of the Board of Managers are fire and casualty losses to Unit contents, furnishings, replacements, additions, upgraded fixtures and improvements, as well as liability coverage for Unit Owners for occurrences within Units or due to the acts or omissions of Unit Owners, occupants of Units or invitees, employees, agents or

contractors of Unit Owners. Insurance policies for such losses within a Unit are generally available. Unit Owners are strongly urged to consider the advisability of obtaining insurance to cover items not included in the policy of the Board of Managers.

Restrictions on Occupancy and Use

In order to provide for the congenial occupancy of the Building and Units and for the protection of the values of the Units, the By-Laws provide that the use of the Units shall be restricted to, and be in accordance with, the following provisions:

The Rules and Regulations provide that the Board of Managers may restrict or prohibit pets and that a subsequent prohibition would apply to all Unit Owners whether or not pets were previously permitted.

Purchasers should note the restrictions contained in the Rules and Regulations regarding television antennas and other objects visible from the exterior of the Building, the use of vestibules, and related matters. If air conditioners and similar objects are permitted to be inserted in windows of the Building, the Board of Managers may prescribe a uniform color for them. The Board of Managers may make such other aesthetic restrictions as it deems advisable.

As more fully set forth in the Declaration, By-Laws and the Rules and Regulations each Residential Unit shall be used only as a residence and for legally permitted uses accessory to residential use and for professional or business use of a permitted residential occupant, provided that such use is in accordance with Legal Requirements. As defined in the Rules and Regulations, a family includes domestic partners registered as such with The City of New York. In addition the Sponsor may, without obtaining the consent of the Board or the other Unit Owners: (a) allow Unsold Units to be used as a professional or business office or for any other purpose, provided that such use is permitted by law and does not violate Legal Requirements and (b) use Unsold Units as a model Unit and sales and/or promotion offices in connection with the sale or rental of the Unsold Units or for any other purpose, subject only to compliance with law. The current zoning law permits the use of up to five hundred (500) square feet, but no more than twenty-five percent (25%) of the Residential Unit, for a home occupation. The term “home occupation” is defined to include certain artistic, professional and teaching activities.

A Unit owned or leased by an individual, corporation, partnership, fiduciary or other entity may be occupied only by said individual, or by a designated officer, director, stockholder or employee of such corporation, or by a designated partner or employee of such partnership or by said fiduciary (including designated officers, directors, stockholders or employees of corporate fiduciaries), or by the beneficiary of said fiduciary, or by a principal or designated employee of such other entity, respectively, or by members of the family or guests of any of the foregoing. Within thirty (30) days after a Unit is acquired by an owner other than an individual, such non-individual owner shall notify the Board of Managers of the name of the officer, director, stockholder, partner, employee, principal, fiduciary, or beneficiary designated by such owner to

occupy its Unit. The person so designated may be changed from time to time by the non-individual owner by similar written notice to the Board of Managers. However, all designees must be bona fide officers, directors, stockholders, partners, employees, principals, fiduciaries or beneficiaries of the non-individual owner and, under no circumstances, may more than one family occupy a Unit at one time. All of the foregoing restrictions on occupancy shall not apply to Unsold Units.

The Rules and Regulations contain restrictions against illegal or offensive uses. Specifically, the Rules and Regulations provide that no noxious or offensive activity (including without limitation the production or release of offensive odors or excessive noise) shall be carried on by any Unit Owner in any Unit or in or on the Common Elements or Limited Common Elements, nor shall anything be done therein or thereon, either willfully or negligently, which may be or become an annoyance or nuisance to any other Unit Owner or occupant.

Self-Help

In the event that any Unit Owner fails to maintain or repair parts of the Property required to be maintained or repaired by such Unit Owner, or in the event of any breach of the Declaration, By-Laws or Rules and Regulations, then, as set forth in the By-Laws, the Board shall have certain rights to perform such maintenance or repairs or to cure such breach at such Unit Owner's expense.

Mechanic's Liens and Judgement Liens

Under the provisions of Section 339-l of the Condominium Act, no lien of any nature may arise or be created against the Common Elements except with the unanimous consent of all Unit Owners. Liens may arise or be created only against the several Units and their respective Common Interest. A lien for labor performed in, or materials supplied to, a Unit may be filed against the Unit of an Owner who has expressly requested or consented to the same, but in the case of emergency repairs the Owner shall be deemed to have consented thereto. No labor performed in, or materials furnished to, the Common Elements shall be the basis for a lien on the Common Elements, but all Common Charges received and to be received by the Board, and the right to receive such funds, shall constitute trust funds for the purpose of paying the such cost of labor performed or materials furnished at the express request of, or with the consent of, the Board or the managing agent and same shall be expended first for such purpose before expending any part of same for any other purpose.

A lien resulting from a judgment for personal injury and/or property damage arising out of, taking place in, or caused by, the Common Elements may be filed against all the Units.

Easements

As specifically described in the Declaration, each Unit shall have, in common with all other Units: (a) an easement to use, maintain, repair, alter and replace all pipes, wires, flues, ducts,

vents, cables, conduits, public utility lines, equipment and facilities and other Common Elements located in other Units or elsewhere on the Property and servicing such Unit; and (b) an easement for the continuance of any encroachment by such Unit on any other Unit or on any Common Elements existing, or that may come into existence, as a result of (i) the settling or shifting of the Building; (ii) any alteration or repair to the Common Elements made by, or with the consent of, the Board of Managers; or (iii) any repair or restoration of the Building (or any portion thereof) or of any Unit after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any Unit or the Common Elements, so that any such encroachment 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.

The Sponsor reserves the right, for itself and its designees (so long as the Sponsor or its designee owns a Unit), and for the Board of Managers to grant such additional electric, transformer, amplifier, gas, television, telephone, communications, sprinkler, fire protection, fire alarm, security, air conditioning, water, storm drainage, sewer or other utility easements or to relocate any existing utility easements as the Sponsor, any of its designees or the Board shall deem necessary or desirable for the proper operation and maintenance of the Building, or any portion thereof, or for the general health or welfare of the Unit Owners, provided that such additional utilities or the relocation of existing utilities will not prevent, or unreasonably interfere with, the use of the Units for their permitted purposes. Access to any Unit or to the Common Elements in furtherance of such additional or relocated easements shall be exercised in such a manner as shall not unreasonably interfere with the use of the affected Units for their permitted purposes.

The Sponsor and other owners of Unsold Units and prospective Purchasers and tenants of Unsold Units shall have an easement on and through the Common Elements for all purposes relating to the use, sale and rental of such Units, without being subject to any charge or fee. An owner of an Unsold Unit may use its Unit and the Common Elements (at any one or more places designated by the Sponsor) for sales, renting or display purposes, including placing "for sale" or "for rent" signs and other promotional items of such size and content as such owner shall determine. It is not expected that this would prevent any Unit Owner from using Common Elements for their intended purposes.

Termination

Once the Property has been subjected to the provisions of the Condominium Act, the Property shall not be withdrawn therefrom unless at least eighty percent (80%) of the Unit Owners in number and in Common Interest (and if required by the respective mortgages, their first mortgagees, if any, of such Units) agree to the withdrawal of the Property from the provisions in the Condominium Act. The Sponsor or its nominee will not cast any of its votes for withdrawal, unless eighty percent (80%) of the Unit Owners other than the Sponsor so vote, in which event the Sponsor will be free to cast its votes either for or against withdrawal.

Relative to termination of the Condominium by withdrawal from the provisions of the Condominium Act, Section 339-t of such law provides as follows:

> If withdrawal of the Property from this article is authorized… then 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 any Unit Owner until there has first been paid off out of his share of such net proceeds all liens on his Unit. Such withdrawal of the Property from this article shall not bar the subsequent submission to the provisions of this article in accordance with the terms of this article.

Amendments of By-Laws

The By-Laws may be amended with the approval of at least sixty-six and two-thirds percent (66 2/3%) in number and in Common Interest of all Unit Owners. Consent of the Sponsor is required for certain changes in the By-Laws. See Article X of the By-Laws included in Part II of this Plan.

Units Acquired or Leased by Board of Managers

The Board of Managers, with the approval of owners of Units constituting sixty-six and two-thirds percent (66 2/3%) of the Common Interest, may purchase or lease a Unit from a Unit Owner desiring to sell or lease it, or at a foreclosure or other judicial sale. In the event the Board of Managers does not have sufficient funds on hand for the purchase or lease of a Unit which has been so approved by the Unit Owners, the Board of Managers either may borrow such funds or may assess the Unit Owners therefor in proportion to their respective Common Interest.

Any Unit acquired or leased by the Board of Managers or its designee shall be held on behalf of all Unit Owners in proportion to their respective Common Interest. The votes appurtenant to the Units so acquired may not be voted by the Board of Managers or its designee.

Power of Attorney in Favor of Board of Managers

Each Unit Owner, on the closing of title to his, her or its Unit, will be required to execute an instrument in the form set forth in Part II of this Plan or such other form as the Board of Managers may from time to time approve, irrevocably constituting the Board of Managers and its successors his, her or its attorneys-in-fact, coupled with an interest, for the purpose, among others, of selling, conveying, mortgaging, leasing or otherwise dealing with any Unit acquired by, or leasing any Unit leased by, the Board of Managers or its designee on behalf of all Unit Owners.

Severance of Ownership Prohibited

The Declaration and the By-Laws prohibit a Unit Owner from attempting to convey his, her or its Unit separate from its appurtenant interests, the intent of such provision being to prevent any severance of such combined ownership.

Unit Owners of Unsold Units

Each owner of an Unsold Unit shall have the rights and obligations with respect to his, her or its Unit that the Sponsor would have if the Sponsor owned the Unit, provided such owner of an Unsold Unit owns fifty percent (50%) or more of the total number of Units.

The foregoing sections of this Plan are not intended as a complete summary of the Declaration, the By-Laws and the Rules and Regulations or the Condominium Act, but only as reference to some of their important provisions. The Rules and Regulations, By-Laws, the Declaration and other important documents affecting the fundamental nature and operation of the Condominium are reproduced in Part II. Prospective purchasers and their attorneys are urged to review them carefully. In the case of inconsistency between the provisions of Part I of this Plan and the Declaration, the By-Laws or the Condominium Act, the provisions of the Declaration, the By-Laws and the Condominium Act shall govern.

REAL ESTATE TAXES AND TAXES ON THE CONDOMINIUM

As provided in Section 339-y of the Real Property Law and Section 581 of the New York Real Property Tax Law, each Unit and its Common Interest shall be deemed to be a separate tax parcel and shall be subject to separate assessment and taxation by each applicable assessing authority. Under law, the aggregate of the assessment of the Units and their appurtenant interests shall not exceed the total valuation of the Property were it assessed as a single parcel.

After the Units are separately assessed by The City of New York, each Unit will be taxed as a separate tax lot for real estate tax purposes. A Unit Owner will not be responsible for the payment of, nor will the Unit be subjected to, any lien arising from the non-payment of taxes on other Units.

It is possible that separate assessments for each Unit will not be obtained from the tax assessor's office prior to the Unit’s Closing. In such event, each Unit Owner will pay to the Board of Managers as a part of Common Charges the proportion of taxes assessed against the Property equal to the Unit's Common Interest, apportioned at the time of the Closing of each Unit and thereafter promptly upon request therefor by the managing agent or the Board of Managers. At the election of the Board of Managers or the managing agent, payments for real estate taxes may be required to be made in advance in monthly installments.

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

The opinion of the Sponsor's attorney, included in this Plan, describes circumstances under which real estate taxes may be deductible for income tax purposes. On December 22, 2017 the Tax Cuts and Jobs Act (the "2017 Act") was signed into law. The 2017 Act made changes to the Internal Revenue Code of 1986, as amended (the "Code") that are generally effective for individual taxpayers for the period January 1, 2018 through December 31, 2025, at which point the relevant Code provisions in effect prior to 2018 become effective again. The 2017 Act made changes to the pre-2018 Code provisions relating to tax and interest deduction for home ownership. In general, under the new Tax Cuts and Jobs Act, up to $10,000 in real estate taxes paid on a Unit used as the taxpayer's primary residence and in state and local taxes paid to authorities may be deductible in the aggregate. Deductibility in other circumstances is discussed in the attorney's opinion. As a result of changes in real estate taxes, tax laws, assessed values and/or tax rates, the amount of income tax deductions with respect to real estate taxes will vary. See the section of this Plan entitled "Real Estate Taxes," below.

The opinion of the Sponsor's attorney included in this Plan also describes circumstances under which interest paid by a Unit Owner on his or her mortgage indebtedness may be deductible for income tax purposes. As a result of changes in interest rate on the Unit Owner's mortgage and allocation of constant debt service payments to interest and principal on the Unit Owner's mortgage, the amount of income tax deductions with respect to mortgage interest paid will vary.

The tax projections set forth on Schedule A include the projection of real estate taxes payable by each Unit Owner during the projected first year of Condominium operations, which include and are based on an assessment of the Building before construction is complete and, therefore, the taxes projected on Schedule A for the projected first year of Condominium operations may increase materially when the Building is reassessed after construction is complete. Therefore, Schedule A also contains projections for the second year of Condominium operations because it is the first tax year for which taxes are anticipated to be fully (rather than partially) assessed, resulting in significantly higher projected real estate taxes. The projections for both years are also described below.

It is estimated that construction of the Building will be substantially completed by July 2023.

Upon completion of construction, the estimated taxable assessed value for the Building is $2,939,092, with estimated applicable tax rate of 12.235% for the Residential Units. The Department of Finance of the City of New York will allocate the assessed value among the Units. It is anticipated that the allocation will be based on each Unit's Common Interest but no warranty as to the method of allocation is made to any Purchaser or Unit Owner. Pursuant to Real Property

Law Section 581, the assessed value of the Property must be determined without regard for whether the Property is owned on a condominium basis or not.

The estimated real estate taxes for the Building for the first year after completion of the Building's construction are $259,401. The estimated real estate taxes shown in Schedule A for the estimated first year of Condominium operations are not based on an assessment of a fully complete Building. The assessment for the fully completed Building will be done in January of 2023, during the first year of Condominium operations. The estimated real estate taxes for the Building for the second year of Condominium operations are $359,598.

The projections are based on reasonable, expert assumptions made by a third party expert. But only the New York City tax authorities and other applicable authorities will determine the actual real estate taxes payable by the Units after filing of the tax lots. Therefore, Unit Owners may pay significantly different real estate taxes than those set forth on Schedule A.

The Sponsor will not apply for real property tax benefits for the Building or the Residential Units.

Projected real estate taxes for the property were assigned to the Units based on Common Interests.

Real estate taxes for an individual Unit will increase in proportion to any increase in real estate taxes for the Condominium as a whole.

The foregoing estimate of real estate taxes and benefits is made based upon assumptions about taxation practices and policies of the City of New York made by Metropolitan Realty Exemptions, 381 South 5th Street, Brooklyn, NY 11211. No assurance can be given that the practices and policies will be applied as assumed or that the practices and policies will not change. The Sponsor has relied on these letters in the projection of real estate taxes. No assurance can be given that the practices and policies will be applied as assumed or that the practices and policies will not change.

An estimate of the real estate taxes which will be due on the Property at the time of the creation of the Condominium and during the first year of Condominium operations and of relevant assessment and tax policies is included in notes to "Offering Prices and Related Information, Schedule A," above.

No tax certiorari proceedings challenging the Property's assessed value are pending. Article II, Section 2(t) of the By-Laws provide that the Board of Managers may act as an agent of each Unit Owner who has given his, her or its written authorization to complain or apply to the Board of Assessment Review of the assessing agency by filing a single complaint on behalf of all such Unit Owners pursuant to Section 512 of the Real Property Tax Law and to commence and prosecute a special proceeding for the review of assessment of real property as an aggrieved

person pursuant to Section 704 of the Real Property Tax Law of the State of New York. The Board of Managers may retain legal counsel on behalf of all Unit Owners for which it is acting as agent and charge all such Unit Owner a pro rata share of expenses, disbursements and legal fees, for which charges the Board of Managers shall have a lien pursuant to Section 339 of the Condominium Act.

INCOME TAX DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF THE CONDOMINIUM

The Sponsor has been advised by its counsel that each Unit Owner who is a person may be entitled under present law to deduct from his or her gross income for federal, New York State and New York City income tax purposes up to $10,000 in the aggregate of the real estate taxes assessed against his or her Residential Unit and the state and local taxes and paid to the taxing authorities, as well as the amount paid by him or her on any mortgage indebtedness of $750,000 or less in connection with the purchase of his or her Residential Unit if the Residential Unit is a household's primary residence.

In addition, the Sponsor has been advised by counsel that some Unit Owners, such as veterans of the United States armed forces, may be entitled to exemptions covering part of the real estate taxes otherwise assessed against their Units.

The Condominium is expected to be a taxable entity and will file tax returns. Certain condominiums that satisfy the requirements of Section 528 (c) (i) of the Code, however, may elect to be treated as "homeowners associations" for federal tax purposes. In order for the Condominium to qualify as a homeowners association, Section 528 would require, among other things, that substantially all of the Units in the Condominium be used by individuals for residences. The Treasury Regulations promulgated under Section 528 state that substantially all of the condominium units will be considered used by individuals for residences if at least eighty-five percent (85%) of the total square footage of all the units within the project is used by individuals for residential purposes. In addition, in order for the Condominium to qualify, at least sixty percent (60%) of the Condominium's gross income for the tax year must consist of membership dues, fees or assessments from Unit Owners and at least ninety percent (90%) of the Condominium's expenses for the tax year must consist of expenses to acquire, build, manage, maintain or care for the Property. The Sponsor has been advised by counsel that the Board of Managers will be eligible to elect, on an annual basis, tax-exempt status for the Condomiium under Section 528.

A copy of the opinion of counsel concerning the deductibility of real estate taxes and interest on mortgage indebtedness for the purpose of determining taxable income appears below.

Neither the Sponsor nor counsel for the Sponsor makes any warranty or guaranty that the United States Internal Revenue Service or the New York State Department of Taxation and

Finance or the New York City Department of Finance will allow the deductions described above, or any representation or warranty that the tax laws or the regulations or rulings issued thereunder, or any judicial interpretation thereof may not change so as to disallow the deductions in whole or in part. Neither the Sponsor nor counsel to the Sponsor shall be liable if, for any such reason, it is held that the Unit Owners are not entitled to such income tax deductions or to real estate tax benefits or other exemptions or abatements as aforesaid.

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April 27, 2022

524 Halsey LLC
80 4th Street
Brooklyn, NY 11231

RE: 524 Halsey Street
Brooklyn, NY
Block & Lot: 1665 - 33

Letter of Opinion regarding proposed real estate tax liabilities for the project located at 524 Halsey Street, Brooklyn, NY

Project: Thirty-Two (32) Residential Condominium Units

To Whom It May Concern;

You have requested an opinion concerning the real property assessment to be levied upon the above property for the first full tax year after completion of construction, to be included in the Condominium Offering Plan.

In order to prepare this letter and the opinion set forth herein, you have supplied us with the following information upon which we have relied:

1. The subject property is located at 524 Halsey Street, Brooklyn, NY 11217, and is known as Block: 1665, Lot: 33, with the New York City Department of Finance ("DOF");

2. Prior to commencement of construction the property consisted of a 3-story garage building, which was classed as a Tax Class 4 with the DOF;

3. The proposed is to convert the existing structure into thirty-two (32) residential condo units with an Alteration Type 1 Permit;

4. The approximate gross square footage of the project will be 42,088 SF;

5. There will be separate condominium tax lots filed with the DOF for each residential unit;

6. Based on assessment guidelines, the residential units will be classed as a tax class two (2) and thus levy the assessed value on a 45% rate of the market value.

DOF Assessment Guidelines
The New York City Department of Finance assesses the values regarding all New York City residential and commercial properties annually. Based on the assessor's determination of the assessment on taxable status date January 5th, the Department of Finance releases tentative assessments of the property value in January of every year and final assessments every May, prior to the beginning of each tax year. Assessments in New York City are made on a fiscal year basis, beginning on July 1st of each year and ending on June 30th the following year.

The property tax assessment process commences when the city's assessors determine the market value of the property. Property tax is only levied on a portion of the market value. This portion is called the assessed value. Regarding 1-3 family homes and condominiums with no more than three (3) stories, provided such property was previous classified as class one (1), the assessed values are levied on 6% of the market value. Regarding all other properties, taxes are levied on 45% of the market value.

Real Property tax rates set each year by the City Council are applied to these property values, to determine each homeowner's annual tax liability. The current 2021/22 class 2 tax rate is 12.235%.

Proposed Real Estate Tax Liabilities
We have taken the following factors in account when formulating our opinion: (a) the recent tax assessment history on the property; (b) comparable residential projects in Brooklyn (specifically, in the Bedford-Stuyvesant neighborhood) which have been recently altered; (c) market conditions in the general area; (d) proposed estimate of the cost of construction; (e) calculation of the total floor area of usable space.

Assessments in New York City are made on a fiscal year basis, beginning on July 1st of each year and ending on June 30th the following year. The status of the building on January 5th of each year is the basis of the assessment for the fiscal year beginning that July 1st.

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

We believe there will be a substantial increase in value for 2023/24 as a result of the new construction, and that such increase will be placed on the assessment roll immediately.

However, in future years increases in assessed value will likely result in the taxable assessment being based on a phased-in transition assessment.

Post-Completion Projected Assessed Value and Tax Liability
Considering the afore-mentioned factors, we are estimating that the DOF will set the post-completion assessed value of the property (i.e., the aggregate assessment of all residential units) at approximately **$2,939,092**.

Assuming the 2021/22 tax rate for tax class 2 of 12.235% (i.e., $12.235 per $100 of assessed value) for projection purposes, the projected tax liability will be **$359,598**.

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

Blended Taxes for First Year of Condo Operation
The first year of condominium operation will begin on January 1, 2023 and end on December 31, 2023. Taxes for the first year of condominium operation will be as follows:

Estimated Full Tax Liability for the 2022/23 and 2023/24 Tax Years

	Assessed Value	Tax Rate	Real Estate Tax
2022/23 Tax Year	$1,301,225	12.235%	$159,205
2023/24 Tax Year	$2,939,092	12.235%	$359,598

Estimated Taxes First Year of Condominium Operation

	Assessed Value	Tax Rate	Real Estate Tax
50% of 2022/23 Tax Year	$650,613	12.235%	$79,602
50% of 2023/24 Tax Year	$1,469,546	12.235%	$179,799
First year of Condominium Operation	**$2,120,158**		**$259,401**

Taxes for the first year of condominium operation will be comprised of 50% of the taxes due for the 2022/23 tax year and 50% of the taxes due for the 2023/24 tax year.

Disclaimer
Though the aforesaid estimate of the Actual Assessed Valuation is a good-faith estimate, it is not possible to estimate the same with any degree of certainty. Assessed valuations, when made, may be lesser or greater based on the interpretation of the administrative code and the applicable rules and regulations of the City of New York.

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

made, is lesser or greater that that estimated above, or if the administrative code and the applicable rules and regulations of the City of New York are changed in the future, or if the facts as represented prove to be untrue.

Sincerely yours,

Martin Joseph
Metropolitan Realty Exemptions, Inc.

MARCUS ATTORNEYS PLLC
13 Greene Avenue
Brooklyn, NY 11238
(718) 643-6555

December 15, 2021

524 Halsey LLC
80 4th Street
Brooklyn, New York

Re: Condominium Offering Plan
524 Halsey Condominium
524 Halsey Street, Brooklyn, New York

Gentlemen and Ladies:

You have requested our opinion concerning the deductibility for federal, New York State, and New York City income tax purposes of mortgage interest and real estate taxes paid by individual residents of New York who purchase residential Units ("Residential Units") offered pursuant to the referenced Offering Plan (the "Plan). You have also requested our opinion concerning whether the allocation of the Common Interest for each Unit of the Condominium complies with Section 339-i of the Real Property Law.

In addition, you have requested us to provide a general description of the federal income tax treatment to 524 Halsey Condominium (the "Condominium") of assessments payable by unit owners to meet common expenses of the Condominium ("Common Charges").

In this connection, we have reviewed the Plan (including the exhibits thereto) and relevant sections of the Internal Revenue Code of 1986, as amended, including the Tax Cuts and Jobs Act (the "Code"), the New York State Tax Law (the "State Tax Law"), the New York City Administrative Code (the "City Code"), the Regulations promulgated under the foregoing laws and such other material as we deemed relevant.

The opinions expressed herein are based upon the assumptions that (1) the Plan becomes effective and is consummated in accordance with its terms, (2) condominium ownership of the Residential Units located in the Condominium is established under applicable law and (3) the legal consequences of the Plan are as described therein. Except where otherwise indicated, the terms used in this opinion have the same meaning as in the Plan.

The Plan provides for the establishment of condominium ownership of the land and building and appurtenances thereto, comprising the Condominium, situated at 524 Halsey Street, Brooklyn, New York. The Condominium will be comprised of thirty-two (32) "Residential

Units" and the common elements ("Common Elements"). This opinion addresses the tax consequences that would result from the ownership of a Residential Unit by an individual taxpayer for use as his or her own primary or secondary residence. It does not address the tax consequences of ownership of Residential Units by corporations, other entities or foreign persons.

I. Deductibility of Mortgage Interest and Real Estate Taxes.

We understand that each Residential Unit Owner will hold title to his or her Residential Unit and an undivided interest in the Common Elements in fee simple and that each Residential Unit Owner may individually place a mortgage on his or her Residential Unit incurring direct liability for the interest or finance charges attributable thereto. Under New York State law, each Residential Unit and its interest in the Common Elements will be taxed as a separate parcel for real estate tax purposes (Section 339-y, N.Y. Real Property Law). Under the new Tax Cuts and Jobs Act, the owner of a residential condominium unit may deduct interest paid on his or her mortgage indebtedness on a mortgage of $750,000 or less, as well as up to $10,000 in the aggregate of the real estate taxes assessed and paid on his or her interest in the property and the state and local taxes paid to the taxing authorities.

Based on the foregoing, it is our opinion that each individual taxpayer will be entitled under current law to deduct from his or her gross income, subject to limitations on deductions as set forth in the Code, for federal, New York State and New York City income tax purposes, up to $10,000 in the aggregate of real estate taxes assessed against his or her Residential Unit and state and local taxes and paid to the local authorities. However, no deduction for real estate taxes is permitted for purposes of the federal alternative minimum tax. Residential Unit Owners should consult their tax advisers regarding the applicability of the overall limitation on deductions to the deductibility of real estate taxes, and the effect of the alternative minimum tax.

A taxpayer generally is entitled to a deduction for federal income tax purposes for interest paid during the taxable year on "acquisition indebtedness" with respect to a "qualified residence" of the taxpayer. A "qualified residence" means the principal residence of the taxpayer and one other residence of the taxpayer selected by the taxpayer for the taxable year. "Acquisition indebtedness" means any indebtedness which is secured by any qualified residence of the taxpayer and which is incurred in acquiring, constructing or substantially improving the qualified residence (or which constitutes a refinancing thereof, to the extent that such indebtedness does not exceed the amount of the refinanced debt). The aggregate amount treated as acquisition indebtedness for any period cannot exceed $750,000 ($375,000 in the case of a married individual filing a separate return). Accordingly, an owner of a Residential Unit who itemizes deductions and who uses such Unit as a qualified residence will be entitled, under current law, to deduct from his or her gross income, subject to an overall limitation on deductions as set forth in the Code, for federal income tax purposes, interest paid by him or her on acquisition indebtedness incurred with respect to such Unit to the extent that such indebtedness, when added to the amount of acquisition indebtedness incurred with the respect to a second qualified residence (if any), does not exceed $750,000 ($375,000 in the case of a married individual filing a separate return). Since the rules and

limitations regarding deductibility of home mortgage interest are complex, purchasers are urged to consult their tax advisers regarding the application of such rules to them, as well as regarding the deductibility of interest with respect to their Residential Units for alternative minimum tax purposes (which at present is subject to rules different from those described above for regular tax purposes). In addition, owners of Residential Units should consult their tax advisers regarding potential limitations on the deductibility of points and prepaid interest, if any, on their mortgage loans and on the overall limitation on the allowance of itemized deductions.

Each owner of a Residential Unit who uses such Unit as a residence will generally be entitled to the same deduction for interest and real estate taxes paid or accrued with respect to such Unit for New York State and New York City income tax purposes as is allowed for federal (regular) income tax purposes. However, although the overall deductions limitation set forth in the Code does not apply, under New York State and New York City income tax law, itemized deductions, such as interest and real estate tax deductions, are subject to reduction by as much as 50% in the case of individuals having income exceeding certain prescribed levels. Furthermore, purchasers should consult their tax advisers to determine the application, if any, of the New York State and New York City minimum tax to the deduction for interest and real estate taxes with respect to their Units.

II. General Description of the Tax Status of the Condominium.

The following discussion is a general description of the federal income tax treatment of the Condominium under present law. It is for informational purposes only and we express no opinion with respect to the method of taxation of the Condominium.

We have reviewd various documents included as exhibits in the Plan relating to the orgaination of the Board of Managers of the Condominium, including the Declaration of Condominium and By-Laws of the Condominium.

Under the Plan, the Board will, from time to time, assess Common Charges against the Unit Owners generally in proportion to their respective Common Interest in order to pay the costs and expenses of operating, repairing and maintaining the Common Elements.

The Internal Revenue Service may assert that a condominium association such as the Condominium should be treated for federal tax purposes as a separate taxable entity apart from the Unit Owners. In such case the Service may assert that the Condominium is taxable as a corporation and that the assessments paid by the Unit Owners must be treated as income to the Condominium.

Certain condominiums that satisfy the requirements of Section 528 (c) (i) of the Code may elect to be treated as “homeowners associations” for federal tax purposes. In order for the Condominium to qualify as a homeowners association, Section 528 would require, among other things, that substantially all of the Units in the Condominium be used by individuals for

residences. The Treasury Regulations promulgated under Section 528 state that substantially all of the condominium units will be considered used by individuals for residences if at least eighty-five percent (85%) of the total square footage of all the units within the project is used by individuals for residential purposes. In addition, in order for the Condominium to qualify, at least sixty percent (60%) of the Condominium's gross income for the tax year must consist of membership dues, fees or assessments from Unit Owners and at least ninety percent (90%) of the Condominium's expenses for the tax year must consist of expenses to acquire, build, manage, maintain or care for the Property. An analysis of the finances of the Condominium would be necessary to determine if it is desirable to elect to be treated as a "home-owners association."

You have advised us that at least 85% of the Building's total square footage will be used by individuals for residential purposes and that no person may rent his Residential Unit for a period of less than thirty (30) days. Accordingaly, the "substantially all" test should initially be met.

Our review of the documents referred to above indicates that the Board of Managers meets the organizational tests described above for qualification for exemption. Assuming the Plan is consummated in accordance with its provisions and the Board of Managers, in its actual operation, meets the other tests set forth above, it is our opinion that the Board of Managers will be eligible to elect, on an annual basis, tax-exempt status under Section 528. If such exempt status is properly elected, it is our opinion that the Condominium will not be subject to federal income tax for the taxable years in which such election is in effect, except as noted in the following paragraph.

An effective election will exempt from federal income taxation all amounts received by the Condominium as exempt function income. This consists of amounts received as membership dues, fees, or assessments from owners of Residential Units. However, the Condominium will be subject to tax on income that is not exempt function income to the extent that such income exceeds expenses properly allocable to such income. Examples of the latter include interest earned on reserve funds, amounts received from persons who are not members of the Condominium, amounts received from work done on privately owned property that is not Condominium property and amounts received from Condominium members for special use of the Condominium's facilities, the use of which is not available to all members as a result of having paid the dues, fees or assessments required to be paid by all members.

In the event that the Condominium does not qualify for, or chooses not to make, the election under Code Section 528, the present state of the law is uncertain as to the proper reporting and tax treatment of the income of the Condominium derived from Unit Owners ("membership income") and others ("nonmembership income") in excess of appropriate deductions and credits. It is possible that the Condominium could be viewed as an agent or conduit for Unit Owners, in which case each Unit Owner would be required to report his or her proportionate share of nonmembership and possibly membership income (and deductions attributable thereto) directly on his or her own tax return. Alternatively, the Internal Revenue Service may take the position that the Condominium should be treated as a separate entity taxable as a corporation. If the

Condominium is so treated, it would be subject to tax on its taxable income. In determining its taxable income, the Condominium's deductions attributable to furnishing services to Unit Owners may be limited to its membership income. Certain earnings and profits expended for the benefit of Unit Owners, and possibly rebates, if any, to Unit Owners of excess membership dues, fees or assessments may be treated as dividends to them. In addition, the Condominium would be subject to New York City and New York State franchise taxes.

We express no opinion concerning (a) any federal, New York State, or New York City tax consequences not explicitly discussed in this opinion, (b) any other aspects of the Plan other than those consequences and aspects explicitly discussed in this opinion, or (c) the tax status and tax consequences of the Plan under the laws of any other local or foreign jurisdiction. Except as explicitly provided, this opinion does not address (i) tax consequences which may result with respect to any Units held in connection with a trade or business, or any Units held for purposes of investment or for the production of income, or (ii) tax consequences which may result to a foreign Unit Owner by reason of his or her foreign status. This opinion also does not discuss the tax consequences which may arise if Units or Common Elements are acquired and/or leased by the Board or the issue of whether a Residential Unit Owner may be deemed to be a resident of the United States, New York State, or New York City as a result of the ownership of a Residential Unit and the attendant income, estate or other tax consequences. We therefore advise each person contemplating the purchase of a Unit to consult his or her own tax adviser concerning all such tax matters as well as with respect to the matters discussed in this opinion.

It should be noted that this opinion is based solely on the facts and documents referred to above and is not binding on the Internal Revenue Service, the New York State Department of Taxation and Finance, or the New York City Department of Finance. Moreover, the federal, New York State and New York City tax laws and regulations and the rulings and decisions thereunder may change, possibly with retroactive effect, and thereby affect the opinions stated above in whole or in part. We undertake no obligation to update, modify or supplement this opinion in the event of any such change in applicable law, although we have advised you that you are obligated to do so.

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, the selling agent, if any, or any other person be liable if there are changes in the facts on which counsel relied in issuing this opinion or if there are changes in the applicable statutes, regulations, decisional law or Internal Revenue Service rulings on which counsel relied which cause the condominium to cease to meet the requirements of Section 528 of the Internal Revenue Code of 1986, as amended or the New York State tax law, as amended and unit owners not to be entitled to income tax deductions (or which cause unit owners not to be or to cease to be entitled to the benefits or the level or duration of benefits described above).

III. <u>Compliance with Real Property Law Section 339-i</u>

We understand that, pursuant to Section 339-i (1)(iv) of the Real Property Law, a Unit's percentage of Common Interest is calculated based on a Unit's floor space subject to the location of such space and 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 used, and the overall dimensions of the particular Unit. Based on the factual determinations made by the licensed real estate broker who provided the 339-i compliance letter included in this Plan, it is our opinion that the allocation of the Common Interest for each Unit of the Condominium complies with Section 339-i of the Real Property Law.

Very truly yours,

Marcus Attorneys PLLC

RESERVE FUND

The Sponsor has budgeted for a yearly contribution to a reserve fund, as set forth in Schedule B. It is anticipated, but not guaranteed, that the budgeted yearly reserve fund will be sufficient to pay for major capital repairs or replacement items that may be needed within the first five years of Condominium operations. However, no warranty or representation as to the need for, or timing of, future capital improvements is made to Unit Owners or the Board of Managers.

Article V, Section 1 of the By Laws authorizes Common Expenses to include a reserve fund.

While Sponsor controls the Board of Managers, the reserve fund will not be used to reduce Common Charges.

Neither the Department of Law nor any other government agency has passed on the adequacy of the reserve fund.

The Board of Managers may augment the reserve fund by allocations from the monthly Common Charges or by special assessments. Capital expenditures may also be financed by borrowing money pursuant to the provisions therefor in the By Laws.

WORKING CAPITAL FUND AND CLOSING ADJUSTMENTS WITH THE CONDOMINIUM BOARD

Working Capital Fund

A Purchaser shall contribute three months' Common Charges at the time of Closing on his, her or its Unit.

The Sponsor will not contribute to the working capital fund for the Units held as Unsold Units.

The working capital fund may be held or used for working capital, to make repairs or for such other appropriate purposes permitted under the By-Laws as will be determined by the Board, in its sole discretion. For so long as the Sponsor is in control of the Board, the working capital fund will not be used to reduce Common Charges.

No representation is made that the working capital fund will be, or is intended to be, adequate to cover expenses for the first or any subsequent year of Condominium operations, including, without limitation, the cost of any necessary repairs or replacements. If additional funds are required over and above the working capital fund, it may be necessary to increase the Common Charges or to assess Unit Owners. Neither the Department of Law nor any other governmental agency has passed upon the adequacy of the working capital fund.

Closing Adjustments with the Condominium Board

Immediately prior to the first Unit Closing or as soon thereafter as necessary information is available, the Sponsor shall apportion the following items with the Board of Managers as of midnight of the day immediately preceding such Closing:

- o charges for electricity for the Common Elements;
- o water charges and sewer rents on the basis of the fiscal or calendar year for which assessed;
- o vault charges, if any;
- o any prepaid service contract fees or premiums on transferable insurance policies;
- o salaries, wages and benefits for any employees of the Sponsor who will become employees of the Board of Managers;
- o cost of fuel, if any;
- o cost of unopened packages of Building's supplies plus sales tax; and
- o the costs of any renewable permits, licenses, authorization and inspection fees which cover a period running from prior to, to after, such Closing; and
- o any other customary closing adjustments.

If the result of the closing adjustments is a net credit in favor of the Condominium, the Sponsor shall make a contribution to the working capital fund in the amount of such net credit. If, however, the result of the closing adjustments is a net credit in favor of the Sponsor, same will be paid to the Sponsor by the Board in twelve (12) equal consecutive monthly installments pursuant to the terms of twelve (12) negotiable serial promissory notes to be executed by the Board at the first Closing. The first of these serial promissory notes will mature two (2) months after the date upon which the first Closing takes place and the balance will mature monthly thereafter. Each serial promissory note will contain a provision allowing the Sponsor to accelerate the note's maturity date in the event of a default under any other serial promissory note, in which case interest shall be due and payable on the compound sum of the lesser of 16% per annum or the highest rate permitted by law, such interest to accrue from the date payment was initially due until payment of said sum plus all such interest is made in full.. The Board of Managers will be entitled to prepay each serial promissory note, in full only, at any time and without penalty. Payments of the serial promissory notes may be withdrawn from the Working Capital Fund. In the event the Working Capital Fund is insufficient to fully pay off the serial promissory notes,

payment of the balance of the same shall be a Common Expense that will increase the Common Charges.

The Sponsor will disclose any such closing adjustments made as of and in the post-closing amendment to this Plan.

The Sponsor makes no guarantee or representation of any minimum working capital fund after adjustments, if any, are made with the Condominium.

MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

First Class Management, Inc., with an address at 102-10 Metropolitan Avenue, Forest Hills, NY 11375, will manage the Building for the first year of Condominium operations. After termination, the Board of Managers may select another managing agent or may self-manage the Building. The Managing Agent is not affiliated with the Sponsor or any of Sponsor's principals.

The management fee for the first year of Condominium operations will be $19,800. The Managing Agent, or if the Building are self-managed, the Board of Managers will perform the following duties, among others:

(a) cause the Common Elements to be operated and maintained as required by the Board of Managers;

(b) cause to be hired, paid and supervised, all persons or firms needed for the proper operation and maintenance of the Common Elements;

(c) take actions to comply with laws, rules and orders applicable to the Common Elements;

(d) enter into contracts for maintenance services and the purchase of supplies;

(e) effect insurance coverage required by the Board of Managers;

(f) cause payment by the Condominium of accounts payable, real estate and other taxes and mortgage debt service applicable to any property owned by the Condominium;

(g) maintain an operating bank account for the Board of Managers;

(h) upon request by the Board of Managers, sell and lease Units, lease space in the Building and renew leases;

(i) supervise the collection of Common Charges and assessments from Unit Owners;

(j) consider and, when reasonable, attend to complaints of Unit Owners, tenants and subtenants, provided that if the managing agent shall deem any complaint unreasonable it shall so advise the Board of Managers and give reason for its opinion;

(k) set up and keep in good order the minute books, records and files of the Condominium;

(l) prepare and file employee reports, forms, etc.;

(m) cooperate with the accountants and auditors engaged by the Board of Managers in regard to the preparation of all tax returns and annual statements;

(n) prepare, for consideration of the Board of Managers, proposed annual operating budgets;

(o) send all notices, reports, etc. to the Board of Managers and Unit Owners;

(p) supervise the moving in and out of Unit Owners, tenants and subtenants;

(q) submit monthly statements to the designated officers of the Board of Managers showing collections, disbursements and amounts necessary to reserve or withhold, if any, to meet the obligations of the Board of Managers;

(r) send to each Unit Owner each year a statement, furnished by the accountants of the Condominium, showing tax data relevant to the Unit Owners;

(s) make all arrangements necessary for the holding of the meetings of the Unit Owners and the Board of Managers;

(t) at the direction for the Board of Managers carry out required procedures and give required notifications as set forth in the By-Laws, in connection with exercise of right of first refusal on the proposed sale or lease of Units; and

(u) generally, do all things reasonably deemed necessary or desirable by the Board of Managers for the proper management of the Property.

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

The Board is obligated to reimburse the Managing Agent for all expenses it incurs in the course of its duties and to indemnify the Managing Agent for all acts properly performed by it pursuant to the management agreement.

The management agreement may not be assigned by the Managing Agent. The management agreement provides that it may be cancelled by either the Managing Agent or the Condominium, with or without cause, at any time with one calendar month prior notice.

The notes to "Budget for First Year of Condominium Operations, Schedule B" describe the service contracts that will be binding on the Condominium and the fees and compensation for the services provided by the Managing Agent.

IDENTITY OF THE PARTIES

Sponsor

The Sponsor is 524 Halsey LLC, a New York limited liability company with an office at 80 4th Street, Brooklyn, New York. The principals of the Sponsor are William Caleo and Lindsay Caleo, who are brother and sister.

Each of William Caleo and Lyndsay Caleo has been engaged in real estate development in Brooklyn since 2007. Their business address is 80 4th Street, Brooklyn, New York.

William Caleo is a principal of the sponsors of the following condominium offering plans initially offered during the past five (5) yeasrs:

503 6th Avenue Condominium, 503 6th Avenue, Brooklyn, New York, CD18-0085, filed on June 14, 2018;

404 11th Street Condominium, 404 11th Street, Brooklyn, New York, CD18-0262, filed on November 14, 2018;

81 Warren Street Condominium, 81 Warren Street, Brooklyn, New York, CD18-0423, filed on April 5, 2019;

269-271 14th Street Condominium, 269 and 271 14th street, Brooklyn, New York, CD19-0294, filed on February 7, 2020;

394 Vanderbilt Avenue Condominium, 394 Vanderbilt Avenue, Brooklyn, New York, CD19-0254, filed on March 31, 2020;

719 6th Avenue Condominium, 717 and 719 6th Avenue, Brooklyn, New York, CD18-0464, filed on September 18, 2019;

488 Sterling Place Condominium, 488-490 Sterling Place, Brookln, New York, CD21-0034, filed on August 30, 2021;

The 137 4th Avenu Condominium, 137 4th Avenue, Brooklyn, New York, CD19-0155, filed on June 28, 2021;

186 Clinton Avenue Condominium, 186 Clinton Avenue, Brooklyn, New York, CD21-0089, filed on October 6, 2021; and

309 Prospect Place Condominium, 309 Prospect Place, Brooklyn, New York, CD21-0077, filed on October 25, 2021.

Lyndsay Caleo is a principal of the sponsors of the following condominium offering plans initially offered during the past five years:

503 6th Avenue Condominium, 503 6th Avenue, Brooklyn, New York, CD18-0085;

404 11th Street Condominium, 404 11th Street, Brooklyn, New York, CD18-0262;

81 Warren Street Condominium, 81 Warren Street, Brooklyn, New York, CD18-0423;

269-271 14th Street Condominium, 269 and 271 14th street, Brooklyn, New York, CD19-0294

394 Vanderbilt Avenue Condominium, 394 Vanderbilt Avenue, Brooklyn, New York, CD19-0254;

719 6th Avenue Condominium, 717 and 719 6th Avenue, Brooklyn, New York, CD18-0464;

488 Sterling Place Condominium, 488-490 Sterling Place, Brookln, New York, CD21-0034;

The 137 4th Avenu Condominium, 137 4th Avenue, Brooklyn, New York, CD19-0155;

186 Clinton Avenue Condominium, 186 Clinton Avenue, Brooklyn, New York, CD21-0089; and

309 Prospect Place Condominium, 309 Prospect Place, Brooklyn, New York, CD21-0077, filed on October 25, 2021.

Each of the principals and the sponsors of the above-referenced condominiums are current in their filings and financial obligations pertaining to said condominiums.

A small claims judgment dated June 17, 2010 against Lyndsay Caleo in the amount of $5,075 has been satisfied. Neither the Sponsor nor any principal nor any person owning or controlling ten (10%) percent or more of the equity interest of the Sponsor nor any entity in which the principals of the Sponsor were principals has any prior felony conviction or any prior conviction. Neither the Sponsor nor any principal nor any person owning or controlling ten (10%) percent or more of the equity interest of the Sponsor nor any entity in which the principals of the Sponsor were principals has any bankruptcy, injunction or judgment that may be material to this Plan or an offering of securities generally during the fifteen (15) years prior to the submission of this Plan. Except as stated above, neither the Sponsor nor any of its principals has offered for sale any properties as cooperatives, condominiums, planned unit development homes or time shares that were first offered in the five (5) years prior to the date of this Plan.

Attorney for Sponsor

Marcus Attorneys PLLC, with an office at 13 Greene Avenue, Brooklyn, New York, represents the Sponsor in connection with this Plan and will represent the Sponsor in connection with Unit Closings. Guillermo Santiago prepared this Plan with information provided by the Sponsor.

Marcus Attorneys has prepared this Plan, including the Exhibits, based on information from the Sponsor. The Sponsor is paying the fees of the law firm for the aforementioned services. Marcus Attorneys has no financial interest in the Property, the Sponsor or any other party in interest in the offering described in this Plan, except that Marcus Attorneys has been paid a fee for its services.

Selling Agent

The selling agent is Douglas Elliman Real Estate, 111 5th Avenue, New York, New York. It is an active residential brokerage firm in New York City and frequently represents sponsors of condominium developments. Douglas Elliman Real Estate is not affiliated with the Sponsor.

Neither Selling Agent nor any principal of Selling Agent has any prior felony conviction or any prior bankruptcy, conviction, injunction or judgement that may be material to this Plan or an offering of securities generally during the fifteen (15) years prior to the date of this Plan.

Architect

The Sponsor's certifying architect is Robert Litchfield, whose address is 39-39 29th Street, 2nd Floor, Queens, New York. Mr. Litchfield has worked on projects similar to the Condominium, such as 719 6th Avenue, Brooklyn, New York and 269-271 14th Street, Brooklyn, New York. He

has no financial interest in the Property, the Sponsor or any other party in interest in the offering described in this Plan, except that Mr. Litchfield has been paid a fee for his services.

Managing Agent

First Class Management, Inc., with an address at 102-10 Metropolitan Avenue, Forest Hills, NY 11375, will manage the Building for the first year of Condominium operations. The Managing Agent's experience in this field includes managing the following buildings, among others:

Stanton on Sixth Condominium, 696 6th Avenue, Brooklyn, NY
438 Humboldt Street Condominium, 438 Humboldt Street, Brooklyn, NY
102 Huron Street Condominium, 102 Huron Street, Brooklyn, NY
84 Oak Street Condominium, 84 Oak Street, Brooklyn, NY
The Shangri-La No3. Condominium, 31-18 Union Street, Flushing, NY
Milana Condominium, 106-20 70th Avenue, Forest Hills, NY

The Managing Agent is not affiliated with the Sponsor.

Neither Managing Agent nor any principal of Managing Agent has any prior felony conviction or any prior bankruptcy, conviction, injunction or judgement that may be material to this Plan or an offering of securities generally during the fifteen (15) years prior to the date of this Plan.

REPORTS TO UNIT OWNERS

Annually, the Board of Managers is obligated to give all Unit Owners:

- a financial statement of the Condominium prepared by an certified public accountant by a date specified in the agreement between the Board of Managers and the accountant but not later than six (6) months after the end of the Condominium year; such statement shall be certified while the Sponsor is in control of the Board of Managers.

- prior written notice of the annual Unit Owner's meeting not less than ten (10) days before the meeting.

- a copy of the proposed annual budget of the Condominium at least fifteen (15) 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 such budget shall be certified in the manner in which the budget included in "Budget for First Year of Condominium Operations, Schedule B," in this Plan, above, is certified.

DOCUMENTS ON FILE

The Sponsor shall keep copies of this Plan, all documents referred to in this Plan and all Exhibits submitted to the Department of Law in connection with the filing of this Plan on file and available for inspection without charge and copying at a reasonable charge at the office of the Sponsor's attorney or such other office as the Sponsor may designate for six (6) years from the date of the first Closing. The Sponsor shall deliver to the Board of Managers a copy of all documents filed with the Office of the City Register, Borough of Brooklyn pertaining to the formation of the Condominium at the time of the first Closing.

GENERAL

There are no lawsuits or administrative or other proceedings pending, the outcome of which may materially affect this offering, the Property, the rights of existing tenants, the Condominium, the operation of the Condominium or the Sponsor's capacity to perform its obligations under this Plan.

The Property has not been the subject of any prior cooperative or condominium offering. Prior to the acceptance of this Plan, no preliminary binding agreements have been entered into with, and no money has been collected from, prospective purchasers.

In accordance with the laws of the United States, the State of New York and the City of New York, the Sponsor and its agents will not discriminate against any person on the basis of race, creed, color, national origin, sex, sexual orientation, age, disability, marital status or other grounds prohibited by law.

The 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 the Sponsor, Purchasers or prospective Purchasers, without obtaining the consent of Purchasers or others. However, the Sponsor may neither unilaterally cancel a Purchase Agreement that has been executed and delivered by the Sponsor, except as therein or herein provided (such as in 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 of this Plan. In the case of material revision adversely affecting the rights, obligations or liabilities of then existing Purchasers or reducing the undertakings or obligations of the Sponsor, such Purchasers will be given the right to rescind their Purchase Agreements and be refunded all monies paid thereunder (with interest earned thereon, if any) within thirty (30) days of presentation of the amendment offering such rescission. However, as to a Purchaser who first became an occupant of the Building after this Plan is filed with the Department of Law, such rescission will be conditioned on the cancellation of any Interim Lease and surrender of possession of his, her or its Unit within thirty (30) days after rescission.

Interests under this Plan are offered only to persons, who, if natural persons, must be over eighteen (18) years of age. Under no circumstances is this offering being made in any state or jurisdiction where unlawful.

This Plan does not knowingly omit any material fact or knowingly contain any untrue statement of a material fact. This Plan does not contain a full summary of all the provisions of the various documents referred to herein. Statements as to the provisions of such documents are qualified in all respects by the contents of such documents and, in the case of any such documents executed by or with the written consent of a Purchaser pursuant to this Plan, by any rider or separate agreement changing or adding provisions to such documents.

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

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

Neither the Sponsor nor any of its principals has entered into any contracts or agreements, oral or written, for the sale or transfer of any of the Units offered in the Plan prior to submission of the Plan to the Department of Law. No deposits or advances of funds have been taken by, or on behalf of, the Sponsor or its principals in connection with the reservation, sale, or transfer of such Units prior to submission of the Plan to the Department of Law. Neither the Sponsor nor any of its principals will enter into any such contracts or agreements, or accept any such deposits or advances, prior to the date the Plan is accepted for filing by the Department of Law.

As of the date of submission of the offering plan to the New York State Department of Law, none of the Units is occupied by tenants. All Units offered for sale under this Plan are vacant.

RESERVATION OF DEVELOPMENT RIGHTS

If there is any "floor area" (as defined in the Zoning Resolution of the City of New York (the "Zoning Resolution")) pertaining to the Property and not used in the Building as the Building exists on the date it is completed or as a result of a future rezoning of the area on which the Property is located (the "Excess Floor Area"), the Sponsor or its designee, on behalf of itself, and acting as attorney-in-fact for the Board of Managers and each of the Unit Owners, may execute and deliver such documents and take such other actions as are appropriate to transfer, sell or permit the use of the Excess Floor Area, at any adjoining lot where the use of the Excess Floor Area is permitted pursuant to the Zoning Resolution, including, without limitation, executing and delivering on behalf of itself, the Board of Managers and each of the Unit Owners one or more

declarations of zoning restrictions, zoning lot development agreements, and waiver of parties in interest. If the Excess Floor Area is used on adjoining properties, it may result in the vertical or horizontal expansion of such adjoining properties and, therefore, it may alter the views from and light into the Building. The Sponsor will not use the Excess Floor Area to expand the Building. Solely the Sponsor, and not the Board of Managers or any of the Unit Owners, has any interest in the Excess Floor Area or any proceeds from the transfer or sale or use thereof. Therefore, unless development rights are separately acquired on behalf of the Condominium or a Unit Owner, any future expansion of the Building by the Board of Managers or of a Unit by a Unit Owner as may otherwise be permitted pursuant to applicable Legal Requirements may not be possible or may be limited. The power of attorney granted to the Sponsor or its designee in this paragraph is irrevocable and coupled with an interest.

SPONSOR'S STATEMENT OF SPECIFICATIONS OR BUILDING CONDITION

The Sponsor adopts the "Description of Property and Specifications or Building Condition" included in Part II of this Plan. The Sponsor has no knowledge of any material defects or need for major repairs to the Property except as set forth in, and to be addressed by the construction described in, the "Description of Property and Specifications or Building Conditions."

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524 Halsey Condominium

OFFERING PLAN

Part II

Page without text

SECTION A

PURCHASE AGREEMENT

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PURCHASE AGREEMENT

Purchaser(s) Name:

Address:

Telephone:

Social Security No.(s):

Unit No.:

Percentage of Common Interest:

Total Purchase Price:

Down Payment:

Balance Due at Closing:

Name(s) and manner in
which title will be taken:

As defined herein, “Plan” includes __ amendments as of the date of this Agreement.

Statements of Seller and Purchaser

1. Statement of Seller: 524 Halsey LLC, with an address of 80 4th Street, Brooklyn, New York 11231 ("Seller" or “Sponsor”) has promulgated a Plan (the "Plan") of Condominium Ownership of 524 Halsey Condominium pursuant to which the land with appurtenances and the units (the "Units") located at 524 Halsey Street , Brooklyn, New York (the "Property") 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.

2. Statement of Purchaser: Purchaser acknowledges as follows: At least three (3) days prior to the execution of this Purchase Agreement, Purchaser has received a copy of the Plan (which includes the Declaration to be made by Seller and to be recorded in the Office of the City Register, Borough of Brooklyn, the Schedules, By-Laws and Rules and Regulations attached thereto, all of which are incorporated herein by reference and made part of this Agreement with the same force and effect as if fully set forth herein), including any amendments to the Plan filed with the New York State Department of Law.

Purchaser acknowledges having had a full opportunity to examine the Plan and all amendments thereto for at least three (3) business days prior to signing this Agreement and to investigate all statements therein, to examine all documents referred to herein, to investigate all statements made herein, and to consult such experts as Purchaser feels are appropriate.

Purchaser has been given an opportunity to examine the architectural plans and specifications for the above-numbered Unit and for the building in which it is located ("the Building").

Purchaser is desirous of purchasing the above-numbered Unit, as designated in the Declaration and on the floor plans filed or to be filed in the Office of the City Register, Borough of Brooklyn, together with an undivided interest in the Common Elements appurtenant thereto (the above-numbered Unit and the undivided interest being hereinafter collectively called the "Unit"). Purchaser hereby adopts, accepts and approves of the Plan (including the proposed Condominium documents contained in Part II of the Plan) and agrees to abide and be bound by the terms and conditions thereof, as well as all amendments to the Plan duly filed by Seller (including amendments involving any changes, modifications or updating of the estimated Common Charges, the estimated real estate taxes to be paid by Purchaser or the "Budget for First Year of Condominium Operation, Schedule B"). Any such amendments shall neither excuse Purchaser from performing Purchaser's obligations hereunder nor entitle Purchaser to any offset of credit against the total Purchase Price and may be made by Seller without Purchaser's consent or approval, except that in certain circumstances described in the Plan Purchaser may have a right to rescind this Agreement upon the filing of certain amendments to the Plan. The Plan is hereby incorporated in this Agreement as if set forth at length. In the event of any inconsistency or conflict between the provisions of this Agreement and those contained in the Plan, the provisions of the Plan shall govern and be binding.

Agreements Between Seller and Purchaser

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

3. 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 wire transfer or check subject to collection is acknowledged by Seller. The balance due at Closing shall be payable at the Closing of title, as hereinafter provided in Paragraph 4, by wire transfer or by unendorsed certified or cashier's check of Purchaser payable to the order of Seller.

TIME IS OF THE ESSENCE CONCERNING PURCHASER'S OBLIGATIONS. This means the time for payment of the balance of the Purchase Price hereunder is of the essence of this Agreement; Purchaser's failure to pay the balance on the Closing Date shall constitute a default and result in cancellation of this Agreement and such other consequences as are specified in Paragraph 10.

4. Closing of Title: The Closing of title shall take place on no less than thirty (30) days' prior written notice to Purchaser (the “Closing Notice”) at such place as Seller may designate, at an hour and on a date (hereinafter called the “Closing Date”) to be specified by Seller. Such date shall be no earlier than thirty (30) days after the date on which written notice is given to Purchaser that the Plan has been declared effective (unless Purchaser and Seller shall agree on an earlier Closing Date). The Closing of title may be adjourned to such later date as the parties may agree upon in writing, or as

otherwise set forth in the following paragraph, and such adjourned date shall then be deemed the Closing Date hereunder.

Seller shall be entitled to reasonable adjournments of the Closing of title for any reason.

Purchaser shall have the one time right to adjourn the Closing Date for up to fifteen (15) days after the scheduled Closing Date (to a date that shall be acceptable to Sponsor) on five (5) days written notice to Seller, provided however, that Purchaser shall pay to Sponsor at Closing an adjournment fee equal to 0.04% 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 as a reimbursement of Seller's higher carrying costs for the Unit by virtue of the delay. In addition, the Closing apportionments described in the Plan will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual Closing occurs. The fees described in this paragraph shall also apply during any default-curing period.

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

Simultaneously with the delivery of the deed, Purchaser shall cause the balance of the purchase price to be paid to Seller, if applicable, by payment to Seller of the proceeds of any mortgage loan obtained by Purchaser, and shall execute and deliver to the mortgagee the note and mortgage and any other documents required by the mortgagee, as well as any documents required by Seller.

5. Power of Attorney to Board of Managers: At the Closing of title and simultaneously with the delivery to Purchaser of the deed conveying the Unit, Purchaser shall execute and acknowledge a power of attorney for each Board of Managers, as applicable to the Unit, in the form prepared by the attorney for Seller and substantially in the form contained in Part II of the Plan. Purchaser agrees to deliver such power of attorney(s) to Seller at the Closing of title.

6. 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 as contained in the Plan, and the Plan, as such documents may be amended from time to time, including, but not limited to, the Condominium's smoking policy set forth in the Rules and Regulations, which states as follows:

> "Except as expressly permitted pursuant to this Rule and Regulation, smoking is not allowed in (a) any indoor Common Element or Limited Common Element, including, but not limited to, indoor corridors, rooms, hallways, stairs, stairways, storage areas and lobbies, and (b) in any outdoor Common Elements (other than Limited Common Elements), including, but not limited to, any common rooftops, patios, yards, parking areas, pool areas, porches and courtyards. Notwithstanding the foregoing, smoking is permitted inside of Residential Units and in any outdoor Limited Common Elements appurtenant to a Unit, including, but not limited to, yards, terraces, decks and balconies appurtenant to a Unit. For

purposes of this Rule and Regulation, (i) "smoking" shall mean inhaling, exhaling, burning or carrying any lighted or heated cigar, cigarette, electronic cigarette, little cigar, pipe, water pipe or hookah, herbal cigarette, non-tobacco smoking product (e.g., marijuana or non-tobacco shisha), or any similar form of lighted object or device designed for people to use to inhale smoke, and (ii) "electronic cigarette (e-cigarette) shall mean a device that heats a liquid, gel, herb or other substance and produces vapor for the user or people to inhale."

7. Condition of Title: Seller agrees to convey to Purchaser title in fee simple to the Unit free and clear of all liens and encumbrances other than those set forth in the Plan (as well as mortgages, if any, obtained by Purchaser) and as set forth in Exhibit E attached hereto.

Notwithstanding the above, the existence of unpaid taxes or liens or encumbrances of any kind at the Closing of title shall not constitute an objection to title, provided that Purchaser's title insurance company or TitleVest (the "Title Company") shall be willing to insure against collection of same from the Unit at standard rates and without additional premium. The parties agree that Seller may pay and discharge any liens and encumbrances upon the Unit, not permitted to remain under the Plan or this Agreement, out of the monies to be paid by Purchaser at the time of the Closing of title.

Notwithstanding anything to the contrary contained in this Purchase Agreement, Seller shall not be obligated to cause Purchaser's title company to omit any exceptions if the Title Company is willing to insure, without additional premium, Purchaser's title with such exception (as evidenced by the issuance of the same by the Title Company in connection with the closing of any other Units in the Condominium).

Purchaser's payment of the balance of the Total Purchase Price and acceptance of a deed to the Unit shall constitute Purchaser's recognition that Seller has satisfactorily performed all its obligations under and stated in the Plan and this Agreement, except those expressly provided to survive the Closing or to be performed after the Closing. However, nothing herein contained shall excuse Seller from performing those obligations (if any) expressly stated herein or in the Plan to be performed subsequent to the Closing of title.

Purchaser shall deliver to Seller, at least fifteen (15) days prior to Closing, a statement of any objections to the state of title to the Unit. Delivery to Seller of the title report and amendments or updates thereto shall constitute such statement of objections to the Unit's state of title. In the event that Seller is unable to deliver to Purchaser title to the Unit in accordance with the provisions of this Agreement, Seller will not be obligated to bring any action or proceeding or otherwise incur any cost or expense to render title marketable. If Seller notifies Purchaser of Seller's inability to remedy the defect in title, Purchaser shall have the option (i) to take title subject to such title defect (without any abatement in, or credit against, the Total Purchase Price or claim or right of action against Seller for damages or otherwise), or (ii) to terminate this Agreement. If Purchaser elects to terminate, Seller shall instruct the Escrow Agent (defined below) to return to Purchaser, within ten (10) days after receipt of Purchaser's termination notice, all monies deposited hereunder, with interest earned thereon, if any. Upon making such refund this Agreement shall be null and void and neither party shall have

any further rights, obligations or liabilities with respect to the other hereunder or under the Plan. The foregoing option must be exercised by written notice given by Purchaser to Seller no later than ten (10) days after Seller's notice of inability to remedy the title defect. If Purchaser shall not give such notices within said ten (10) day period, it shall be conclusively deemed that Purchaser elected the first option above, to acquire title subject to the title defect.

8. Expenses of Closing and Closing Adjustments: Purchaser will pay the Closing costs and expenses referred to herein or in the Section of the Plan (as same may be amended to date) entitled "Closing Costs and Adjustments," including, if applicable, the amount of any credit for mortgage tax as set forth in said Section. Purchaser shall make the contribution to the working capital of the Condominium referred to in said Section. Real estate taxes and Common Charges and expenses shall be adjusted between Seller and Purchaser as of midnight preceding the Closing Date in accordance with the provisions of the Plan. In the event real estate taxes shall not have been levied against the Unit, then real estate taxes shall be apportioned based on the real estate taxes payable with respect to the Property multiplied by the percentage of Common Interest attributable to the Unit. Purchaser will pay the New York City Real Property Transfer Tax and New York State Real Estate Transfer Tax attributable to the delivery of the deed hereunder, as well as the Mansion Tax and/or Supplemental Tax, if applicable. ANY SUCH EXPENSES OR ADJUSTMENTS PAYABLE TO SELLER IN EXCESS OF $500 WILL BE PAID BY CERTIFIED CHECK OR BANK CHECK.

The "Customs in Respect to Title Closing" recommended by the Real Estate Board of New York, Inc., as amended to date, shall apply to the adjustments and other matters therein mentioned, except as otherwise provided herein. A copy of such publication may be purchased on REBNY's website at www.rebny.com

Any errors or omissions in computing apportionments at Closing shall be corrected and payment made to the proper party promptly after discovery. This provision shall survive the Closing.

9. 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 mortgage, building loan mortgage or construction 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 9, however, on the Closing Date the Unit will not be subject to any such mortgage, building loan mortgage or construction loan mortgage, but may be subject to any mortgage(s) obtained by Purchaser.

10. Default by Purchaser: TIME IS OF THE ESSENCE CONCERNING PURCHASER'S PERFORMING HIS, HER OR ITS RESPECTIVE OBLIGATIONS UNDER THIS AGREEMENT WITHIN THE TIME PERIOD PROVIDED FOR HEREIN. If Purchaser shall (i) fail to pay any portion of the purchase price when due, or (ii) fail to close title on the Closing Date, or (iii) become a tenant of the Unit or the Building and fail to pay rent or otherwise to comply with Purchaser's lease

or tenancy obligations, or (iv) fail to perform any of Purchaser's other obligations hereunder, Seller may elect by notice to Purchaser to (a) cancel this Purchase Agreement or (b) seek specific performance. Seller's attorney shall impose a fee of $500 for such notice of default, which will be paid by Purchaser. If Seller elects to cancel, Purchaser shall have thirty (30) days from the giving of the cancellation notice, TIME BEING OF THE ESSENCE, to cure the specified default, failing which this Purchase Agreement will be deemed cancelled and Seller shall have the right to retain, as and for liquidated damages, the Down Payment and any interest earned thereon. Seller shall certify to the Escrow Agent that this Agreement has been cancelled due to Purchaser's uncured default, and the Escrow Agent shall thereupon pay over to Seller as liquidated damages the Down Payment (plus all sums held by the Escrow Agent with respect to special work in the Unit ordered by Purchaser, which sums, whether paid to the Escrow Agent or paid directly to Seller by Purchaser, Seller may also retain as liquidated damages to the extent of actual costs incurred for such special work) 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 the Agreement shall be canceled pursuant to this Paragraph 10, Seller may sell the Unit to any third party or otherwise exercise its rights as owner of the Unit in any manner it may choose and shall be under no obligation to account to Purchaser for any part of the proceeds of such sale or such exercise of its rights. The Escrow Agent may rely upon the truth and accuracy of the facts contained in Seller's certification and the authority of the person or persons executing the same and shall have no liability as a result of such reliance. If Seller elects to seek specific performance, then Purchaser shall have thirty (30) days from the giving of notice of Seller's election to close on the Unit in accordance with this Purchase Agreement, without prejudice to Seller's right to recover from Purchaser all damages, losses, costs, expenses and all other lawful sums to which Seller is entitled (including, but not limited to, reasonable legal fees and costs of collection).

11. Agreement May Not be Assigned; Marketing Representations: Purchaser shall have no right to assign this Agreement without the prior consent in writing of Seller and any purported assignment of this Agreement in violation hereof shall be voidable at the option of Seller. Seller's refusal to consent to an assignment shall not entitle Purchaser to cancel this Agreement or give rise to any claim for damages against Seller. In the event Seller, in its sole discretion, shall consent to an assignment, the same shall be subject to the conditions that (a) Purchaser wishing to assign his, her or its Purchase Agreement has executed the Purchase Agreement and tendered the required Down Payment; (b) the assignment in a form approved by Seller is executed and delivered by the respective assignee no later than thirty (30) days prior to the Closing Date; and (c) the assignee pays Seller's attorney a $500 fee for legal services in connection with the assignment.

Prior to the Closing, Purchaser shall not offer this Agreement or the Unit for sale or rental, engage any selling agent or broker, list this Agreement or the Unit with any selling agent or broker, link or make reference to or otherwise use any marketing material used by the Seller or its representatives, for the purpose of offering this Agreement or the Unit for sale or rental without the prior, written consent of the Seller. Failure by Purchaser to abide by the restrictions contained in this paragraph shall constitute a default under this Agreement.

12. Notices: Except as otherwise stated herein, any notice to be given hereunder shall be in writing and sent to Purchaser at the address given above, with a copy to _____, and to Seller at 80 4th Street, Brooklyn, New York 11231, with a copy to Marcus Attorneys, Attention:

Guillermo Santiago, Esq., 13 Greene Avenue, Brooklyn, New York 11238, santiago@marcusattorneys.com, or such other address as either party may hereafter designate to the other in writing. Notices shall be given by certified mail, return receipt requested, or by overnight delivery or e-mail. The date of mailing shall be deemed to be the date of the giving of notice, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address. Notwithstanding anything to the contrary contained in this Agreement or in the Plan, the attorneys for the parties hereto are authorized to give and receive notices on behalf of the parties without having to copy the parties.

13. No Representation: Except as herein or in the Plan specifically set forth, Purchaser acknowledges that Purchaser has not relied upon any plans or specifications, sales plans, selling brochures, advertisements, representations, warranties or statements of any nature, whether made by Seller, Seller's counsel or anyone acting or purporting to act on behalf of Seller, with respect to any matter, including, without limitation, 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, the estimated Common Charges and Expenses and real estate taxes allocable to the Unit and any abatement thereof or exemption therefrom, or the right to any income tax deduction on account of any real estate taxes and/or mortgage interest paid by Purchaser. Purchaser agrees that Seller shall have no liability or responsibility to Purchaser if the layout or dimensions of the Unit or any part thereof or of the Common Elements as shown on the floor plans or on the architectural plans and specifications for the Building or site plan are not completely 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, her or its obligations hereunder by reason of any minor variation, inaccuracy or error.

14. Recording of Deed and Power of Attorney: At the Closing of title, Purchaser shall also execute the deed thereby accepting and ratifying the provisions of the Condominium Declaration, By-Laws and Residential By-Laws, and Purchaser will deliver the executed deed received from Seller and the executed and acknowledged power of attorney(s) to the representative of the title company, if any, or to Seller for recording in the Office of the City Register, Borough of Brooklyn. Such deed and power of attorney(s) will be substantially in the form set forth in the Plan. Purchaser shall pay the cost of such recording to said representative or Seller, as the case may be, at the Closing of title.

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

16. Agreement Subject to Plan Becoming Effective; Seller's Right to Cancel: This Purchase Agreement is contingent upon the Plan being declared effective. The Plan may be abandoned by Seller at any time prior to its being declared effective and shall be abandoned and deemed abandoned if it has not been declared effective within the time prescribed in the Plan. If the Plan is abandoned or does not become effective, this Purchase Agreement shall be deemed canceled. If, after the Plan is declared effective, title to the Unit shall not close within the time set forth herein or in the Plan for the Closing, as such time may be extended as provided herein or in the Plan, for any reason other than

Purchaser's default, then, Purchaser may elect to terminate this Agreement upon ten (10) days prior notice. If Seller offers to close within said ten (10) day period, then this Agreement shall remain fully binding. If Seller shall fail to tender a deed and otherwise perform within said ten (10) day period this Purchase Agreement shall be canceled at the conclusion of said ten (10) day period. If this Purchase Agreement is canceled pursuant to the provisions of this paragraph, then not later than fifteen (15) days thereafter, Purchaser shall receive a refund in full of all monies paid by Purchaser hereunder, with the interest earned thereon, if any, and upon such repayment, neither party shall have any claim against the other and both shall be released from all obligations hereunder.

In addition to Seller's rights pursuant to Paragraph 10 of this Agreement relating to default by Purchaser, Seller may cancel this Agreement by forwarding its check in the full amount paid by Purchaser, together with a notice to Purchaser for any of the reasons set forth in the Plan, including, prior to the Plan's being declared effective, without limitation, 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 material necessary in the construction of improvements to the Building and such restrictions shall prevent Seller from obtaining such materials from its regular suppliers or from using same in the construction and/or completion of the Unit; or (b) that Seller is unable to obtain materials from its usual sources due to strikes, lockouts, war, military operations and requirements, national emergencies, acts of God; or (c) if the installation of public utilities is restricted or curtailed.

17. Monies to be Held in Trust; Payment of Purchase Price; Notice of Closing:

(a) The Down Payment pursuant to this Agreement will be ten percent (10%) of the Total Purchase Price for the Unit, which Down Payment shall be increased by the cost of special work or materials, if any, offered by Seller and ordered by Purchaser as itemized in this Agreement. Seller agrees that Seller and its agents, including any selling agents, shall deliver the Down Payment and any W-8 or W-9 form received by them prior to the Closing to a designated attorney who is a member of or employed by Escrow Agent, within two (2) business days of tender of the Down Payment by Purchaser. All monies received by Seller directly or through its agents (including any selling agents) or employees pursuant to this Agreement will be deposited with Bank of America, in an escrow account entitled "Marcus Attorneys PLLC Escrow Account" at its branch located at 76 Court Street, Brooklyn, NY 11201. Such funds will be held in trust in accordance with the escrow and trust provisions of Section 352(h) and 352-e 2(b) of the New York General Business Law, and regulations, if any, promulgated pursuant to said Section 352-e 2(b). Such funds will be disbursed only upon written instructions of a member of the law firm of Seller's attorney, as set forth in subsection (b), below. Down payments, with accumulated interest, if any, shall remain the property of Purchaser except as provided by law.

(b) All deposits, Down Payments, or advances made by Purchaser prior to Closing of each individual transaction, whether received before or after the date of consummation of the Plan, will be placed, within five (5) business days after receipt of fully executed purchase agreements by the Seller's attorney, in a segregated special escrow account of Marcus Attorneys PLLC, the "Escrow Agent", whose address is 13 Greene Avenue, Brooklyn, New York 11238 and whose telephone number is (718) 643-6555. The signatories on this account authorized to withdraw funds are: Guillermo Santiago, Jed S. Marcus and Philip Lavender. This bank is covered by federal bank deposit

insurance to the allowed maximum ($250,000) per individual deposit. All such deposits made by Purchasers will be aggregated for the purpose of the maximum FDIC insured amount. Purchaser funds held with Bank of America may factor into such $250,000 insurance limit. Within such five (5) business days, Escrow Agent shall also execute this Agreement. Escrow Agent's execution of this Agreement prior to Sponsor's execution thereof and prior to delivery of a fully executed Agreement to the Purchaser shall not, in any way whatsoever, constitute acceptance of this Agreement by the Sponsor.

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 General Business Law §§ 352-e (2-b) and 352(h). Seller agrees that it shall not interfere with Escrow Agent's performance of its fiduciary duties and statutory obligations as set forth in General Business Law §§ 352-e (2-b) and 352-(h) and the New York State Department of Law's regulations.

The Escrow Account will be an IOLA account and interest will not be credited to any party.

All checks shall be made payable to or endorsed to the order of "Marcus Attorneys PLLC, as Escrow Agent".

Within ten (10) business days after tender of the Down Payment submitted with this Purchase Agreement, the Escrow Agent will notify Purchaser that such funds have been deposited into the escrow account. The notice shall provide the account number and the initial interest rate, if any, to be earned on the Down Payment. If the Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the Down Payment, the Purchaser may cancel the purchase and rescind so long as the right to rescind is exercised within ninety (90) days after tender of the deposit. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 28 Liberty Street, New York, N.Y. 10005. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited and requisite notice was timely mailed to Purchaser in conformity with the Attorney General's regulations.

The Escrow Agent will hold funds in escrow until otherwise directed:

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

(ii) in a subsequent writing signed by both Seller and Purchaser; or

(iii) by a final order or judgment of an arbitrator, as set forth herein. Any dispute regarding the disposition of Deposit funds must be submitted to "Expedited Arbitration". Expedited Arbitration means a binding arbitration proceeding held in New York County administered by JAMS, or if JAMS is no longer providing such service to another private alternative dispute resolution provider selected by Sponsor which is not affiliated with Sponsor (the "ADR Provider") and conducted, to the

extent consistent with the Purchase Agreement, in accordance with the then prevailing rules and expedited procedures of the ADR Provider (the "ADR Rules"). Accordingly, by submitting to Expedited Arbitration, the parties to the Purchase Agreement waive the right to bring suit in court concerning disputes under the Purchase Agreement and agree to accept the Arbitrator's decision as final. There is generally no right to appeal. The right of the parties to be represented by counsel and to submit data, memoranda and similar material in support of their respective positions, and the ability of the parties to obtain documents, witness statements and other discovery may be more limited in Expedited Arbitration than in court proceedings. After hearing the dispute, the Arbitrator shall be obligated to render a determination (the "Award") within the applicable time period under the ADR Rules for the rendering thereof. The Award shall be final and binding upon the parties. Any motion to confirm or vacate the Award must be filed in a federal or state court located in the City, County and State of New York. The parties shall bear the costs of their own expenses and witness preparation. The parties shall equally share the costs of the JAMS administrative fees, including the Arbitrator's compensation. At the conclusion of the hearing. the Arbitrator shall make his or her determination and shall award to the prevailing party, if any, the costs and attorneys' fees reasonably incurred by the prevailing party in connection with the Arbitration. The prevailing party shall be reimbursed for its share of the JAMS administrative expenses.

If the Escrow Agent is not directed to release the Down Payment pursuant to the provisions set forth above, and the Escrow Agent receives a request by either party to release the Down Payment, then the Escrow Agent must give both the Purchaser and Seller prior written notice of not fewer than thirty (30) days before releasing the Down Payment. If the Escrow Agent has not received notice of objection to the release of the Down Payment prior to the expiration of the thirty (30) day period, the Down Payment 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 Down Payment within said thirty (30) day period, the Escrow Agent shall continue to hold the Down Payment until otherwise directed pursuant to the provisions set forth above. Notwithstanding the foregoing, the Escrow Agent shall have the right at any time to deposit the Down Payment contained in the Escrow Account with the clerk of the county where the Unit is located and shall give written notice to both parties of such deposit.

Seller shall not object to the release of the Down Payment to: (a) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an Amendment to the Plan; or (b) all Purchasers after an Amendment abandoning the Plan is accepted for filing by the Department of Law.

Prior to release of the Down Payment, Escrow Agent's fees and disbursements shall neither be paid by Seller from the Down Payment nor deducted from the Down Payment by any financial institution under any circumstance.

Under no circumstances shall Seller seek or accept release of the Down Payment 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 Seller of its obligations pursuant to GBL §§ 352-3(2-b) and 352-h.

Escrow Agent may rely upon any paper or document that may be submitted to it in connection with its duties under this Agreement and which is believed by Escrow Agent to be genuine and to have been signed or presented by the proper party or parties and shall have no liability or responsibility with respect to the form, execution or validity thereof.

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

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 this Agreement or any separate agreement, whether oral or in writing, by which the 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 General Business Law §§ 352-e (2-b) and 352-h concerning escrow trust funds shall prevail over any conflicting or inconsistent provisions in this Agreement, the Plan or any amendment thereto.

(c) In the event of an uncured default by Purchaser in his, her or its obligations under this Purchase Agreement, no more than ten percent (10%) of the purchase price (or twenty percent (20%) in the event this Purchase Agreement covers more than one Unit) plus any interest earned thereon, may be retained as liquidated damages. Notwithstanding the above, the actual cost incurred by Seller for any special work, materials, labor, machinery or equipment ordered by Purchaser also may be retained as liquidated damages.

(d) The balance of the purchase price will not be payable until Closing of title to the Unit. The balance shall be paid by wire transfer, certified or official bank or cashier's check drawn to the order of Seller or to such other party or parties as the Seller may designate, and delivered to the Seller at the Closing.

(e) Purchaser will be given notice of the declaration of effectiveness of the Plan, at least thirty (30) days prior to the Closing date for his, her or its Unit, which notice will also remind Purchaser of the obligation to pay the balance of the purchase price at that time and will state when Common Charges will be due and payable. The Purchaser may waive this thirty (30) day provision by executing a written waiver.

YOU, AS 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, UPON APPLICATION TO AND APPROVAL BY THE DEPARTMENT OF LAW, POST A BOND OR CONTRACT OF INDEMNITY WITH YOU GUARANTEEING THE RETURN OF SUCH ADVANCE.

18. Equipment and Furnishings: Seller will provide Purchaser only with the fixtures, equipment, hardware, appliances and furnishings referred to in the Plan, including the "Description of Property and Specifications or Building Condition," which are included in the purchase price of the Unit. Fixtures, equipment, hardware, appliances, furnishings and decorations in any model unit or sales office not referred to in the Plan are excluded from this sale. Optional items, if any, offered by Seller which Purchaser desires to purchase as "extras," and the cost thereof, are listed in Exhibit B attached hereto. Such costs will be added to the purchase price of the Unit. All sums or deposits paid for the optional items shall be deemed to be part of the Down Payment. Purchaser shall select other applicable items for the Unit from Seller's samples within five (5) days after request is made thereof by Seller, and if Purchaser fails to do so Seller shall have the right to make the selection for Purchaser.

19. Acceptance of Condition of Unit; Risk of Loss:

(a) Purchaser shall accept title without abatement of, or credit against, the purchase price (or provision for escrow) notwithstanding that construction of minor details of the Unit have not been completed. Purchaser shall be given a reasonable opportunity to examine the Unit prior to Closing and if work remaining to be done pursuant to the Plan or this Purchase Agreement is found to be incomplete by Seller and Purchaser, then such work (and only such work) shall be itemized in reasonable detail on the Final Inspection Sheet in the form attached hereto as Exhibit C. Sponsor shall furnish Purchaser its written undertaking to the items on the Final Inspection Sheet prior to or within a reasonable time following the Closing, subject to delays caused by weather, strikes, lockouts, acts of God, shortages of, or inability to obtain materials, equipment or labor, governmental restrictions, approvals or preemption, damages by fire or the elements or any other cause over which the Sponsor has no control.

(b) Risk of loss for fire or other casualty remains with Seller until the earlier of the following events:

(i) Legal title to the Unit has been conveyed to Purchaser; or

(ii) Purchaser has taken actual possession of the Unit pursuant to a written agreement with Seller.

20. Possession of Unit prior to Closing: It is expressly understood and agreed that Purchaser shall in no event take possession of the Unit prior to the Closing and full compliance by a Purchaser with the terms of this Agreement except pursuant to an Interim Lease, as described in the Plan, and should Purchaser violate this provision, Seller shall have the right to remove him, her or it from the Unit as a squatter and intruder. Upon Purchaser's unauthorized possession, Purchaser shall be deemed in default hereunder at the option of Seller, and if Seller so elects, Seller may cancel this Agreement and all amounts deposited hereunder shall belong to Seller as liquidated damages deemed earned

hereunder. It is further understood and agreed that upon Purchaser's taking possession of the Unit, Seller will not be responsible for damage or loss to any property of Purchaser or to the Unit before, on, or after the Closing of title. If, in Seller's sole discretion, Seller shall permit Purchaser to take possession of the Unit prior to the Closing, then and in such event, Purchaser's failure to pay rent or otherwise to comply with Purchaser's lease or tenancy obligations shall be deemed a default by Purchaser under this Agreement.

21. Damage to the Unit: Subject to the Sponsor's right to abandon the Plan due to damage to the Building and for other reasons, as described in the Plan, in the event the Unit is damaged by a casualty or other cause prior to the Closing, the Sponsor will repair the Unit if the cost of the repair is less than or equal to one-half of one percent of the purchase price. If the cost of the repair is more than one-half of one percent of the purchase price, the Sponsor may, but is not obligated to, repair the Unit. The Sponsor shall notify Purchaser in writing of its election to repair or not repair the Unit within fifteen (15) days of the damage to the Unit. The date for the Closing will be extended to give the Sponsor reasonable time to repair the Unit if the Sponsor is obligated to repair the Unit or elects to repair the Unit. If the Sponsor repairs the Unit, then this Agreement shall remain in full force and effect and the Closing shall occur as specified in a notice from the Sponsor to the Purchaser after the repair is completed. If the cost of the repair is more than one-half of one percent of the purchase price, and the Sponsor does not elect to repair the Unit, then the Purchaser may either purchase the Unit with a credit of one-half of one percent of the purchase price or rescind this Agreement, in either case by giving the Sponsor notice of the Purchaser's choice within thirty (30) days after the Sponsor gives notice of the Sponsor's election not to repair the Unit. If the Purchaser fails to give notice rescinding this Agreement within said thirty (30) day period, then the Purchaser will be deemed to have chosen to be bound by this Agreement and receive the credit described above. A Purchaser of a damaged Unit will be responsible for all repairs to the Unit and for complying with all laws, rules and regulations with respect to the condition of the Unit and repairs. As set forth in the Plan, however, the Sponsor will obtain a certificate of occupancy covering the Unit prior to the Unit's Closing.

22. Definitions: The term "Purchaser" shall be read as "Purchasers" if more than one person or entity are purchasers, in which case their obligations shall be joint and several. The capitalized terms used herein shall have the same meanings as in the Plan.

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, discharged or waived except by agreement in writing signed by the party sought to be charged therewith or by his, her or its duly authorized agent.

25. Brokerage: Purchaser represents and warrants to Seller that Purchaser did not negotiate with any broker for the purchase of the Unit other than the broker(s) identified in Exhibit D hereto, if any. Purchaser agrees that should any claim be made against Seller for commissions by any other broker on account of any acts of Purchaser or of Purchaser's representatives, Purchaser will indemnify and hold Seller free and harmless from any and all liabilities and expenses in connection therewith,

including (without limitation) reasonable legal fees and disbursements. The provisions of this Paragraph shall survive the Closing.

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

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

28. Acceptance by Seller: Within fifteen (15) days after delivery to the Seller or Selling Agent, if any, by Purchaser of this Purchase Agreement with the required Down Payment, executed by Purchaser, Seller will either:

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

(ii) reject this Agreement and refund the Down Payment tendered by Purchaser.

29. Survival: The Closing of title to the Unit and the delivery of the deed thereto shall be deemed full compliance with each and every term of this Purchase Agreement, except as to any item expressly stated to survive Closing.

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

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

32. Closing Fees to Seller's Counsel: All legal costs, fees and expenses charged by the Purchaser's attorney shall be the sole responsibility of each Purchaser. In addition, Purchaser shall be responsible for payment of the following fees to Sponsor's attorneys, Marcus Attorneys, in connection with the closing of title to Purchaser's Unit: $2,500 for preparation of legal documents and for coordinating the Closing; an additional $300 attendance fee if, at Purchaser's request and Sponsor's consent, the Closing occurs outside of the Sponsor's attorney's office or other office designated by the Sponsor but in the City of New York or $500 if in Westchester, Nassau or Suffolk Counties, or an amount determined by the Sponsor's attorney if elsewhere; an additional $300 fee if the Closing is adjourned at the Purchaser's request on less than forty-eight (48) hours notice (nothing herein shall give a Purchaser a right to adjourn a Closing); an additional $500 fee if notice of default is issued, unless the Closing does not occur because of a default by the Sponsor or the Sponsor's inability to close; and an additional $500 fee if the Purchaser assigns his, her or its Purchase Agreement.

33. Transfer Tax Return: At Closing, Seller and Purchaser shall each duly complete and sign before a Notary Public the transfer tax return required to be filed by the state and any local government and any affidavits and certificates required in connection with the recording of the deed. The transfer tax return shall be delivered at Closing to the representative of Purchaser's title insurance company (or, if none, to Seller's attorney) for filing with the proper governmental officer.

34. Contract Not Subject to Loan: This Agreement is not contingent upon the Purchaser obtaining a loan commitment. If the Purchaser does not obtain financing to purchase the Unit, the Purchaser may lose the Down Payment if it is unable to otherwise raise sufficient funds to pay for the Balance Due at Closing. Purchaser, therefore, is advised to finalize its financing arrangements before signing this Purchase Agreement. In the event the Purchaser obtains financing, he, she or it shall pay the Mortgage Tax applicable to any mortgage given by Purchaser and shall sign, acknowledge, notarize, deliver or complete at the Closing any forms or returns necessary for the calculation or recording of the portion of the Mortgage Tax to be computed in accordance with Section 339-ee of the Condominium Act, and shall pay such portion to the Sponsor in reimbursement of the Mortgage Tax which the Sponsor previously paid if the Sponsor had previously placed a mortgage on the Property. Purchaser shall give Seller a copy of any loan commitment promptly after Purchaser's receipt.

35. W-8 or W-9 Forms. Purchaser shall execute and deliver to Seller a completed W-8 or W-9 Internal Revenue Service form, as applicable, in the form attached hereto as Exhibit A.

36. Further Assurances: Either party shall execute, acknowledge and deliver to the other party such instruments and take such other actions, in addition to the instruments and actions specifically provided for herein, as such other party may reasonably request in order to effectuate the provisions of this Agreement and the transactions contemplated herein or to confirm or perfect any right to be created or transferred hereunder or by any such transaction.

37. Severability: If any provision of this Agreement or the Plan is invalid or unenforceable as against any person or entity or under certain circumstances, the remainder of this Agreement or the Plan and the applicability of such provision to other persons, entities or circumstances shall not be affected thereby. Each provision of this Agreement or the Plan, except as otherwise herein or therein provided, shall be valid and enforced to the fullest extent permitted by law.

38. Strict Compliance: Any failure by Seller to insist upon strict performance by Purchaser of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, irrespective of the number of violations or breaches that may occur, and Seller, notwithstanding any such failure, shall have the right thereafter to insist upon strict performance by Purchaser of any and all of the provisions of this Agreement to be performed by Purchaser.

39. No Lien: No lien or encumbrance shall arise against the Property or the Unit as a result of this Agreement or any monies deposited hereunder. This Agreement shall not be recorded.

40. Costs of Enforcing and Defending Agreement. Provided Sponsor is the prevailing party, Purchaser shall reimburse Seller for any legal fees and disbursements incurred by Seller in defending Seller's rights under this Agreement or, in the event Purchaser defaults under this

Agreement beyond any applicable grace period, in canceling this Agreement or otherwise enforcing Purchaser's obligations hereunder. In the event of litigation to enforce or defend Seller's rights under this Agreement, Purchaser shall reimburse Seller for any legal fees and disbursements incurred by Seller for such litigation if Seller is the prevailing party. The provisions of this Article shall survive closing of title or the termination of this Agreement.

41. Waiver of Diplomatic or Sovereign Immunity. (a) Purchaser hereby waives any and all immunity from suit or other actions or proceedings and agrees that, should Seller or any of its successors or assigns bring any suit, action or proceeding in New York or any other jurisdiction to enforce any obligation or liability of Purchaser arising, directly or indirectly, out of or relating to this Agreement, no immunity from such suit, action or proceeding will be claimed by or on behalf of Purchaser. (b) If Purchaser is a foreign government, a resident representative of a foreign government or such other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity), such Purchaser shall hereby be deemed to have designated and hereby designates C.T. Corporation System, having its offices, at the date hereof, at 111 Eighth Avenue, New York, New York 10011 as its duly authorized and lawful agent to receive process for and on behalf of Purchaser in any state or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with this Agreement. (c) If Purchaser is a foreign mission, as such term is defined under the Foreign Missions Act, 22 U.S.C. 4305, Purchaser shall notify the United States Department of State prior to purchasing a Unit and provide a copy of such notice to Seller. Seller shall not be bound under this Agreement unless and until the earlier to occur of: (i) a notification of approval is received from the Department of State; or (ii) sixty (60) days after Purchaser's notice is received by the Department of State.

42. Purchaser's Certification of Intent. Purchaser hereby certifies to Seller that Purchaser intends to use the Unit as follows (please check one box):

- ☐ Purchaser intends to use and occupy the Unit as Purchaser's principal residence (that is, to use same as Purchaser's residence for a majority of each calendar year).

- ☐ Purchaser intends to use and reside in the Unit as Purchaser's secondary residence (that is, to occupy same as Purchaser's residence for less than a majority of the year).

- ☐ Purchaser is purchasing the Unit as an investment property and does not intend to occupy the Unit as principal or secondary residence.

43. Lead Paint Warning and Disclosure Statement: (a) The Environmental Protection Agency and the Department of Housing and Urban Development have promulgated Federal regulations under 24 CFR Part 35, 40 CFR Part 745 and 42 USC 485d (the "Federal Regulations") regarding the disclosure of lead-based paint and/or lead-based paint hazards to prospective Purchasers of Units. The Federal Regulations permit Purchaser a 10-day period to conduct a risk assessment or inspection of the Unit and Building's Common Areas for the presence of lead-based paint and/or lead-based paint hazards (the "Inspection"). In accordance with the Federal Regulations, attached as Exhibit F to this Agreement is a Disclosure of Information on Lead Based Paint and Lead Based Paint Hazards

(the "Disclosure Exhibit") to be completed and signed by Seller and Purchaser simultaneously with execution and delivery of this Agreement. Set forth in Part II of the Plan is a pamphlet entitled "Protecting Your Family from Lead in Your Home."

(b) Pursuant to the Disclosure Exhibit and the Federal Regulations, Purchaser must either conduct the Inspection in accordance with the terms of this Section 43 or waive the right to conduct the Inspection. If Purchaser waives the right to conduct the Inspection, then this Agreement shall remain in full force and effect without any Inspection contingency. If Purchaser elects to conduct the Inspection, the same shall be performed in accordance with the following terms and conditions:

(i) Purchaser and Purchaser's consultant ("Inspector") must conduct the Inspection within ten (10) calendar days of the date of this Agreement (the "Inspection Period"), failing which Purchaser will be deemed to have waived the right to conduct the Inspection and this Agreement shall remain in full force and effect without any Inspection contingency;

(ii) Seller shall give Purchaser and the Inspector reasonable access to the Unit and the Building's Common Areas at a mutually convenient time and date within the Inspection Period between 9 a.m. and 5 p.m.;

(iii) The Inspection shall be performed in a reasonable manner so as not to disturb or interfere with the use, operation, security or occupancy of the Unit or the Building. Purchaser hereby indemnifies and holds Seller harmless from, and agrees to be liable for any damages to the Unit or any portion of the Building, injuries and all claims and lawsuits caused by the Purchaser or the Consultant during or from the Inspection;

(iv) During the Inspection, no probing, penetration or disturbance of any painted or covered surface shall be permitted without Seller's prior approval;

(v) Within the Inspection Period, Purchaser or Consultant must deliver to Seller a full, accurate copy of the Inspection report, stating if any areas of the Unit or Building were found to contain lead-based paint or hazards and, if applicable, listing all areas in which lead-based paint or hazards were found. If Purchaser or the Inspector fails to deliver the Inspection report to Seller within the Inspection Period, or if the Inspection reveals that no areas of the Unit or Building were found to contain lead-based paint or hazards, then this Agreement shall remain in full force and effect without any Inspection contingency. If Purchaser or the Inspector delivers the Inspection report to Seller within the Inspection Period and the Inspection reveals that areas with lead-based paint or hazards were found, then the following terms shall apply:

a. Within five (5) business days following delivery of the Inspection report to Seller, Seller will notify Purchaser of its election to correct prior to the Closing or to not correct the lead-based paint or hazards identified in the

Inspection report ("Seller's Election Notice"). Seller has no obligation to correct any hazards identified in the Inspection report.

b. If Seller elects to correct the hazards identified in the Inspection report prior to the Closing, then such obligation shall be part of this Agreement and this Agreement shall remain in full force and effect, and Seller shall provide Purchaser at or before the Closing with a certification from the Inspector or Seller's risk assessor or inspector that the condition has been remedied.

If Seller does not elect to correct the hazards identified in the Inspection report, then Purchaser must choose to either purchase the Unit in its "as is" condition, without any credits against or reductions to the Purchase Price, or terminate this Agreement, in either case by giving written notice to Seller of Purchaser's choice within five (5) business days following deliver to Purchaser of Seller's Election Notice. If Purchaser elects to purchase the Unit in its "as is" condition, or if Purchaser fails to timely give notice terminating this Agreement in strict compliance with the terms of this paragraph, then this Agreement shall remain in full force and effect without any Inspection contingency. If Purchaser terminates this Agreement in strict compliance with the terms of this paragraph, then the Down Payment (and any interest earned thereon) shall be returned to Purchaser within five (5) days following such termination.

44. Rider(s). This Agreement is continued on the Rider(s) annexed hereto and made a part hereof. If there is any conflict between the terms of the main body of this Agreement and the terms of the Rider(s), the terms of the Rider(s) shall in all events prevail.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, the parties have executed this Agreement this ____ day of _____, 202__.

Purchaser: _____

Purchaser: _____

Accepted:

524 Halsey LLC

By: _____
Name:
Title:

Escrow Agent (as to Section 17 only):

Marcus Attorneys PLLC

By: _____
Name:
Title:

EXHIBIT A

FORMS W-8 AND W-9

EXHIBIT B

PURCHASE AGREEMENT
OPTIONAL EXTRAS

Re: Unit # _____ Date: _____

I request that you supply and install the following optional extras:

_____
Purchaser's Signature

_____
Purchaser's Signature

Accepted:

524 Halsey LLC

By: _____

EXHIBIT C

FINAL INSPECTION SHEET

Unit: _____

Date of Inspection: _____

Time of Inspection: _____

Present: _____

_____

_____

_____

Defects or Flaws:

_____

_____

_____

_____

_____

Purchaser(s) hereby state that he, she or it accept the Unit "as is" with the exception of the above listed items and that upon reasonable completion of the above listed items the Seller shall have no further obligations to the Purchaser(s) hereunder. Seller shall complete the above listed items as promptly as reasonably possible.

Purchaser:_____ Seller: 524 Halsey LLC

By: _____

Purchaser:_____

EXHIBIT D

BROKER

Name of Broker: _____

Address of Broker: _____

_____

_____

Telephone Number of Broker: _____

Name of Co-Broker: _____

Address of Co-Broker: _____

_____

_____

Telephone Number of Co-Broker: _____

EXHIBIT E

Permitted Exceptions to Title

- The Declaration,
- The Floor Plans,
- The By-Laws,
- The state of facts an accurate survey of the Property would show, provided such state of facts would not prevent the use of the Unit for its stated purposes,
- The Power of Attorney as required in the Purchase Agreement, a form of which Power of Attorney is included in Part II of the Plan,
- Mortgages and UCC financing statements, if any, against the Property, or portions thereof other than the Unit (and its undivided interest in the Common Elements) which are subordinated to the Declaration,
- Standard printed exceptions contained in the form of title insurance policy then issued by the title insurance company insuring the Purchaser's interest in the Unit,
- Building restrictions and zoning regulations and ordinances and any amendments thereto now or hereafter adopted by any governmental or quasi-governmental authority having jurisdiction which are not violated by the Buildings and which do not prevent the use of the Buildings described in the Plan,
- Existing violations against the Property (other than the Unit) of building, fire, electrical and similar codes, laws, rules and regulations, subject to the Sponsor's obligation to cure violations as described in the section of the Plan entitled “Rights and Obligations of Sponsor,” or which are the obligation of the Board of Managers or another Unit Owner to correct
- Encroachments of retaining walls, fences, bay windows, fire escapes, stoops, banisters, areas, cellar steps, doors, railings, air conditioners, balconies, drain, vent and other pipes, electrical conduits, lights, trim, foundation, cornices, if any, and similar projections on, over and under the Property and encroachments on to streets, highways and adjoining premises by improvements on the Property, and the rights of governmental authorities to require the removal of any such projections and variations beyond record lines of the Property,
- Consents by the Sponsor or the owner 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,

- Any other covenants, restrictions, easements or agreements of record, if any, which are not violated by the Buildings or their use described in the Plan,

- Any state of facts a physical inspection of the Property would disclose,

- The terms and conditions of this Plan and any amendments thereto,

- The revocability of the right to maintain street vaults and other areas under or projections over any sidewalk, if any, and the lien of unpaid vault charges (which are to be paid by the Board of Managers),

- Any easement or right of use created in favor of any public utility company and the right to install, use, maintain, repair and replace wires, lines, facilities, connections, equipment and the like upon, under and across the Property,

- Service, maintenance, employment, management and license contracts and agreements, if any, described in the Plan,

- The lien of unpaid water charges and sewer rents, which shall be paid by the Board of Managers,

- The lien of unpaid Common Charges and real estate taxes, which shall be apportioned as of the Closing,

- The lien of any unpaid assessments payable in installments, except the Sponsor will pay all such installments due and payable prior to the Closing date, and the Purchaser will be obligated to pay all installments due at or subsequent to the Closing Date (however, the then current installment shall be apportioned at the Closing),

- Any other matter or encumbrance as to which the Title Company or any other reputable title insurance company licensed to do business in New York would be willing, in a fee title insurance policy issued by it to the Purchaser, to insure the Purchaser that such matter or encumbrance (a) will not be collected out of the Unit if it is a lien, and (b) will not prevent the use of the Unit for dwelling purposes,

- Any other declaration or other instrument affecting the Property that the Sponsor deems necessary or appropriate to comply with any Legal Requirement.

EXHIBIT F

Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards

Lead Warning Statement

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligent quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and to notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Seller's Disclosure (initial)

_____(a) Presence of lead-based paint and/or lead-based paint hazards (check one below):

☐ Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).

_____

_____

_____

☑ Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

_____(b) Records and reports available to the seller (check one below):

☐ Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below).

_____

_____

_____

☑ Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing, although the premises were built prior to 1978.

Purchaser's Acknowledgment (initial)

_____(c) Purchaser has received copies of all information listed above.

_____(d) Purchaser has received the pamphlet Protect Your Family from Lead in Your Home.

_____(e) Purchaser has (check one below):

☐ Received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or

☐ Waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards

Agent's Acknowledgments (initial)

_____(f) Agent has informed the seller of the seller's obligations under 42 U.S.C. 4852(d) and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information provided by the signatory is true and accurate.

Seller:

By: _____ Date

_____ Seller Date

_____ Agent Date

_____ Agent Date

_____ Purchaser Date

_____ Purchaser Date

_____ Purchaser Date

_____ Purchaser Date

SECTION B

POWER OF ATTORNEY

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UNIT OWNER'S POWER OF ATTORNEY

All terms used in this Unit Owner's Power of Attorney that are used (a) in the Declaration establishing a Plan for condominium ownership of the premises known both as 524 Halsey Condominium and by the street number 524 Halsey Street, Brooklyn, New York (the "Condominium") under Article 9-B of the Real Property Law of the State of New York, dated _____ _____ and recorded in the Office of the City Register, Borough of Brooklyn on _____ as CRFN _____ (hereinafter referred to as the "Declaration"), or (b) in the By-Laws of the Condominium and the By-Laws of the residential portion of the Condominium (hereinafter referred to together as the "By-Laws") attached to, and recorded together with, the Declaration shall have the same meanings in this Unit Owner's Power of Attorney as in the Declaration or the By-Laws.

The undersigned _____, with an address at _____, the owner of the Condominium Unit (hereinafter referred to as the "Undersigned's Unit") designated and described as Unit No. _____ in the Declaration and also designated as Tax Lot _____ in Block ____ of the Borough of Brooklyn on the Tax Map of the City of New York, (does) (do)* hereby irrevocably nominate, constitute and appoint the persons who may from time to time constitute the Board of Managers (the "Board"), true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with the power of substitution, in their own names, as members of the Board or in the name of their designee (corporate or otherwise), on behalf of (me) (us)* and all Unit Owners, in accordance with the Unit Owners' respective Common Interest, subject to the provisions of the By-Laws and the Declaration then in effect, (1) (a) to acquire or lease any Unit, together with the Appurtenant Interests in connection with any Right of First Refusal, (b) to acquire any Unit, together with its Appurtenant Interests, whose Owner elects to abandon or surrender the same pursuant to the terms of the By-Laws, (c) to acquire any Unit, together with its Appurtenant Interests, that becomes the subject of a foreclosure or other similar sale, on such terms and (with respect to any transfer pursuant to the terms of subdivision (a) or (c) of this Paragraph) at such price or at such rental, as the case may be, as said attorneys-in-fact shall deem proper, and (2) thereafter to convey, sell, lease, mortgage or otherwise deal with (but not vote the interest appurtenant to) any such Unit so acquired by them, or to sublease any Unit so leased by them, on such terms as said attorneys-in-fact may determine, granting to said attorneys-in-fact the power to do all things in respect to any such Unit that the undersigned could do if the undersigned were personally present and (3) to execute, acknowledge and deliver any (a) consent, covenant, restriction, easement, application, certification, declaration or other instrument affecting the Condominium and the Property necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution, guideline or requirement of the City or State of New York or of the federal government or any public department, agency or authority thereof, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Property or any use thereof permitted pursuant to the Declaration or the By-Laws, or (b) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Condominium or the Common Elements that the Board deems necessary or appropriate.

The acts of majority of such persons constituting the Board shall constitute the acts of said attorneys-in-fact.

The undersigned (does) (do)* hereby irrevocably nominate, constitute, and appoint 524 Halsey LLC (hereinafter referred to as the "Sponsor"), as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, (1) to amend from time to time said Declaration, By-Laws and the Rules and Regulations, or any of said documents, when such amendment (a) shall be required to reflect any changes in Unsold Units and/or re-apportionment of the Common Interest of the affected Unsold Units resulting therefrom made by the Sponsor or its designee in accordance with the Declaration or (b) shall be required by (i) any governmental agency having regulatory jurisdiction over the Condominium, or (ii) any title insurance company selected by the Sponsor to insure title to any Unit, provided, however, that any amendment made pursuant to the terms of subdivision (a) or (b) of this Paragraph shall not (x) change the Common Interest of the Undersigned's Unit, (y) require material physical modification to the Undersigned's Unit or (z) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by a bank, savings bank, insurance company, government agency, investment bank with a net worth in excess of $100,000,000, or a mortgage company affiliated with any of the foregoing covering the Undersigned's Unit unless the undersigned (in the event described in subdivision (x) or (y) of this Paragraph) or the holder of such mortgage (in the event described in subdivision (z) of this Paragraph) shall consent thereto in writing and (2) to execute, acknowledge and deliver (a) any consent, covenant, restriction, easement, application, certification, declaration or other instrument affecting the Condominium and the Property that the Sponsor deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution, guideline or requirement of the City or State of New York or of the federal government or any public department, agency or authority thereof, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Unsold Units or any use thereof permitted pursuant to the Declaration or the By-Laws, or (b) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Unsold Units or any of them, as shall be permitted by the Declaration and the By-Laws. 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 its designees shall cease to own any of the Units in the Condominium.

IN WITNESS WHEREOF, the undersigned (has) (have) executed the Unit Owner's Power of Attorney as of the day of , 202__.

_____

_____

STATE OF NEW YORK)
)ss.:
COUNTY OF)

On the day of , 201__, before me, the undersigned personally appeared , personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed 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 on behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

STATE OF NEW YORK)
)ss.:
COUNTY OF)

On the day of , 201__, before me, the undersigned personally appeared , personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed 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 on behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

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SECTION C

FORM OF UNIT DEED

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UNIT DEED

THIS INDENTURE, made the _____ day of _____, 201__, between 524 Halsey LLC having an address at 80 4th Street, Brooklyn, New York 11231 ("Grantor"), and _____, having an address at _____ ("Grantee"),

W I T N E S S E T H :

That the Grantor, in consideration of Ten Dollars ($10.00) and other valuable consideration paid by the Grantee, receipt of which is hereby acknowledged, does hereby grant and release unto the grantee, the heirs or successors and assigns of the Grantee, forever:

The Unit known as Unit No. _____ (hereinafter called "the Unit") in the building (hereinafter referred to as the "Building") known as 524 Halsey Condominium, 524 Halsey Street, Brooklyn, New York, referred to in the declaration establishing 524 Halsey Condominium (which Building together with the land hereinafter described is hereinafter called the "Condominium Property"), made by the Grantor under the Article 9-B of the Real Property Law of the State of New York), dated ___ _____, recorded in the Office of the City Register, Borough of Brooklyn on _____ as CRFN _____ and designated as Tax Lot ___ in Block ____ of the Borough of Brooklyn on the Tax Map of the City of New York.

The land area (the "Land") of the Condominium Property is described on Schedule A attached hereto and made a part hereof.

TOGETHER with the benefits, rights, privileges, easements and subject to the burdens, covenants, restrictions, by-laws, rules, regulations and easements all set forth in the Declaration and documents attached thereto and recorded therewith as the same may be amended from time-to-time;

TOGETHER with the appurtenant interests as described in the Declaration and by-laws of the Condominium and the by-laws of the residential portion of the Condominium (together the “By-Laws”) as the same may be amended from time-to-time;

TOGETHER with an undivided _____% interest appurtenant to the Unit in the Common Elements of the Condominium Property (hereinafter called the "Common Elements");

TOGETHER with an easement for the continuance of all encroachments by the Unit on any adjoining Units or Common Elements or Limited Common Elements now existing as a result of construction of the Building or which may come into existence hereafter as a result of settling or shifting of the Building, or as a result of repair or restoration of the Building, the Common Elements or the Unit after damage or destruction by fire or other casualty, or after a taking in condemnation or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements, so that any such encroachments may remain, so long as the Building shall stand;

TOGETHER with an easement in common with the owners of other Units to use any pipes, wires, ducts, cables, conduits, utility lines, equipment and facilities, flues and other Common Elements located in any of the other Units or elsewhere on the Condominium 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 a right of way through the Common Elements to the public streets;

TOGETHER with the right, if any, of the use of the Limited Common Elements as is set forth in the Declaration and subject to the rights of other Unit Owners to use the Limited Common Elements appurtenant to their Units, if any, as set forth in the Declaration, as the same may be amended from time-to-time;

TOGETHER with the easements created by the Declaration, which are incorporated herein by references as though fully set forth herein, as the same may be amended from time-to-time;

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: (1) any state of facts an accurate survey would show; and (2) any other covenants, restrictions, easements, liens, agreements, documents and instruments that Grantor or the Board of Managers of the Condominium (the "Board of Managers") may record against the Condominium Property for the construction of improvements and the use, maintenance and operation thereof;

SUBJECT also to easements in favor of adjoining Units and in favor of the Common Elements and Limited Common Elements for the continuance of all encroachments of such Units or Common Elements or Limited Common Elements on the Unit now existing as a result of construction of the Building, or which may come into existence hereafter as a result of settling or shifting of the Building, or as a result of repair or restoration of the Building or any Unit or the Common Elements or Limited Common Elements after damage or destruction by fire or other casualty or after a taking in condemnation or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements, so that any such encroachments may remain so long as the Building shall stand;

SUBJECT also to an easement in favor of the owners of other Units and the Board of Managers to use, maintain, repair, remove, replace and relocate the pipes, wires, ducts, conduits, cables, utility lines, equipment and facilities, flues and other Common Elements now or hereafter located in the Unit or elsewhere on or in the Condominium Property and serving such other Units;

SUBJECT also to the terms, conditions, covenants and provisions of the Declaration and of the By-Laws, as the same may be amended from time-to-time, which terms, conditions, covenants and provisions shall run 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 herein;

SUBJECT also to the Power of Attorney(s) from Grantee to the Board of Managers relating, among other things, to disposition of Units acquired or leased by the Board of Managers;

SUBJECT also to the rights reserved in the Declaration, as the same may be amended from time-to-time, to establish, grant and create additional utility easements in, under and through the Condominium Property including the Unit, to relocate existing utility easements in any portion of the Condominium Property including the Unit and to dedicate any or all of such easements and/or facilities or equipment therein to any governmental body, public benefit corporation or utility company;

SUBJECT also to easements for ingress and egress for construction, installation, operation and maintenance of municipal service facilities and utilities;

SUBJECT also to rights of owners of other Units and the Board of Managers through the Common Elements to the public streets;

TO HAVE AND TO HOLD the same unto the Grantee, and the heirs or successors and assigns of the Grantee forever.

The use for which the Unit is intended is that permitted by the By-Laws and the Declaration, as the same may be amended from time-to-time.

The Grantor covenants that it has not done or suffered anything whereby said premises have been encumbered in any way, except as aforesaid.

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 before using any part of the same for any other purpose.

The Grantee accepts and ratifies 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.

This conveyance is made in the regular course of business actually conducted by the Grantor herein.

The terms "Grantor" and "Grantee" shall be read as "Grantors" and "Grantees" whenever the sense of this deed so requires.

The term “Board of Managers” shall mean the Board of Managers.

IN WITNESS WHEREOF, the Grantor and the Grantee have duly executed this deed the day and year first above written.

524 Halsey LLC

By: _____

Grantee:

_____

Grantee:

_____

STATE OF NEW YORK)
)ss.:
COUNTY OF)

On the day of , 201__, before me, the undersigned personally appeared , personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed 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 on behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

STATE OF NEW YORK)
)ss.:
COUNTY OF)

On the day of , 201__, before me, the undersigned personally appeared , personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed 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 on behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

STATE OF NEW YORK)
)ss.:
COUNTY OF)

On the day of , 201__, before me, the undersigned personally appeared , personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed 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 on behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

SCHEDULE A
524 Halsey Street
Brooklyn, New York

The Unit known as Unit No. _____ in the building known as and by the street number 524 Halsey Street, Brooklyn, New York, designated and described as Unit No. in the Declaration establishing a plan for condominium ownership of said building and the land on which it is erected made by 524 Halsey LLC under the Condominium Act of the State of New York (Article 9-B of the Real Property Law of the State of New York) dated _____ recorded in the office of the Register of the City of New York in the County of Kings on _____ as CRFN _____ and designated as Tax Lot No. _____ in Block ___ of the Borough of Brooklyn on the Tax Map of the Real Property Assessment Department of the City of New York and on the Floor Plans for the Building filed in the office of the Register of the City of New York, County of Kings on _ _____ as Condominium Plan No. _____.

TOGETHER with an undivided _____% interest in the Common Elements.

THE Land on which the Building lies is described as follows:

SECTION D

DESCRIPTION OF PROPERTY AND SPECIFICATIONS OR BUILDING CONDITION

Page without text

IN THE MATTER OF THE CONDOMINIUM OFFERING FOR 524 HALSEY STREET, BROOKLYN NY, 11233

Description of Property and Specifications per Part 20 of Title 13 NYCRR Section 20.7

(A) Location and use of property:

(1) Address:
The building will be located at 524 Halsey Street, Brooklyn, NY 11233 in the Borough of Brooklyn, New York, between Stuyvesant Avenue and Lewis Avenue.
(2) Block and lot number:
The block is 1665; lot is 33.
(3) Zoning and Permissible use:
The property is located within R6B Zoning District. The Zoning Resolution of the City of New York permits residential and community facility uses "as of right" in R6B zones.
(4) The property will comply with Chapter 11 of the 2014 Building code for handicapped access and design.
(5) The property is not located in a FEMA Flood Zone.
(6) The project has been filed with the Department of Buildings and is not self certified and has been reviewed and approved by a Department of Buildings plan examiner.
(7) The building is located in a zone where Quality House is mandatory. This project is developed under this program. The Quality Housing requires double glazed window units, minimum size of dwelling units, street tree planting, a recreation area and planting areas.
The project is in compliance with the Quality House requirements.
(8) The property when completed will comply with all zoning and use requirements at closing.

(B) Status of Construction:

(1) Year built:
The original structure was built in approximately 1921.

The existing building will be substantially renovated and completed approximately 6/23, subject to construction delays and other delays by weather, strikes, lockouts, acts of God, shortages of, or inability to obtain materials, equipment or labor, governmental restrictions, approvals or preemption, damages by fire or the elements or any other cause over which the Sponsor has no control. The start date for the renovation was 09/21.
(2) Class of construction:
The structural system of the building will be a steel beam and column structure with metal deck and concrete slabs. The building is a Type IIA -1 hour protected (non-combustible) construction. The primary structure will

be 1hr rated, load bearing walls will be 1hr rated, non-load bearing exterior walls will not be rated, unit separation walls will be 2hr rated, floor construction will be 1hr rated, and roof construction will be 1hr rated. Per Table 503 of the 2014 Building Code, there are no restrictions to building area and a 6 story height restriction.

(3) Certificate of Occupancy, type, and number:
524 Halsey Street has no existing Certificate of Occupancy on file with the Department of Buildings.

The sponsor will receive a new Certificate of Occupancy from the Department of Buildings. Prior to the first unit closing, the sponsor shall obtain either a temporary Certificate of Occupancy for the condominium units that are to be closed or a permanent Certificate of Occupancy covering all units. If a temporary Certificate of Occupancy is obtained, sponsor will continue to extend the same until a final Certificate of Occupancy is issued, unless prevented from doing so by violations that are the responsibility of the Condominium's Board of Managers or the Unit Owners and that are noted or issued for any reason not having to do with the sponsor, in which case the sponsor shall extend the temporary Certificate of Occupancy or obtain the final Certificate of Occupancy, as the case may be, within a commercially reasonable time after all such violations are cured and cleared by the party responsible for doing so.

(4) Permit numbers:
The proposed vertical enlargement and gut renovation project has been filed with the Department of Buildings and permits have been issued under the applications below:
321078374-AL: General Construction (Alt 1)
321078374-PL: Plumbing (Alt 1)
321312245-EW OT: Support of Excavation and SOE (Alt 2)
321095079-AL: Builders Pavement Plan (Alt 2)
321310835-EW FA: Fire Alarm (Alt 2)
321572543-EQ-FN: Construction Fence (Alt 2)

(5) Where materials, appliances, equipment, fixtures and other construction and design materials and details are specified in this report, the offering plan and/or other condominium or construction related documents, the sponsor reserves the right, in all cases, to substitute in their places similar materials, appliances, equipment and/or fixtures of equivalent or better quality

(C) Site:

(1) Size:
The land and premises are situated on 524 Halsey Street between Stuyvesant Avenue and Lewis Avenue.

The area of the lot is approximately 16,500 SF (165'x100'). The gross square footage of the building is approximately 53,820 SF.
(2) Number of buildings and use:
There will be one building for residential use only.
(3) Street owned or maintained by the project:
Streets are owned and maintained by the City of New York.
(4) Drives, sidewalks and ramps:
(i) Paving
The concrete sidewalks bordering the front façade of the property are owned by the City of New York but maintained by the Condominium.
The existing sidewalks are concrete slabs in fair condition and will be replaced as required to comply with all applicable codes. The sidewalks providing access to the building will be free of tripping hazard and ponding. The condominium shall be responsible for maintaining the sidewalk as per the requirements of DOT.
Sidewalks will be sloped as required from the building toward the street to drain water away from the foundation of the building.
(ii) Curbing
The existing curbs are concrete in fair condition and will be replaced or repaired as required.
(iii) Catch basins, drainage (location and condition)
Street drain by and maintained by the City of New York.
(iv) Street lighting (material, type, location, and condition):
Street lighting is provided and maintained by the City of New York.
(v) These items are in conformity with local fire district and building code.

(D) Utilities:

WATER: Provided by the City of New York and distributed through copper piping. This utility is metered collectively and is part of the common charges.

ELECTRIC: Provided by Con Edison or equivalent. Each condominium unit is individually metered and billed directly by Con Edison. A separate meter will be provided for common electrical requirements for the elevators, common area lighting, operation of exhaust and ventilation fans and pumps, common area heating and cooling, and other common area needs. This metered electricity for the common areas and systems will be part of common charges.

CABLE: A minimum of one cable receptacle will be provided in each apartment. Cable service provided by Spectrum or equivalent.

SEWAGE SYSTEM: There are six (6) common waste stacks serving the residential condominium units. The waste lines will connect to a new 6" combined sewage main in the cellar level. This sewage main will connect to the existing public sewer line with one connection beneath Halsey Street.

All costs for the sewage connection billed collectively and are contained within the water and sewage bill and are paid proportionally by unit size in the common charges of the Condominium.

GAS: There is no gas service in the building.

(E) Sub-Soil conditions:
Soil Borings have been performed by Aquifer Drilling and supervised by GZA, which issued a geotechnical report issued on August 16,2019. GZA evaluated the site soil conditions. See attached Geotechnical Report of Exploration. No land subsidence, expansive soils, hazardous materials or environmental restrictions are present on the property. The structural foundation was designed by Madsen Engineering, per the engineer's design, the foundation is adequately sized to support a building of this size. There is minimal flood risk as this property is not located in a flood zone and the water table was not encountered during construction. The foundation is waterproofed by a fluid applied waterproofing membrane on the outside of the foundation wall, Miraseal by Carlisle Coatings and Waterproofing Inc. There has not been any foundation movement or settlement to my knowledge. There has not been any evidence of moisture seepage or ground water infiltration to my knowledge.

(F) Landscaping and enclosures:

(1) Grass cover: The private rear yards of Units 101- 105 will feature Synlawn artificial turf.
(2) Plantings: Two (2) landscaping area will be provided between street line and street wall.
(3) Trees: There will be seven (7) new trees in front façade of the property.
(4) Parking: Parking is not provided.
(5) Fencing: Rear yard perimeters will feature typical 6' high wood fences on 4" X 4" wood posts.
(6) Gates: None
(7) Garden walls: None
(8) Retaining walls: Not applicable
(9) Display Pools and Fountains: None

(G) Building size:

(1) Total Height:
When completed the building will be 47'- 4" high.
(2) Crawl spaces (floor to ceiling, height):
Not applicable.
(3) Number of sub-cellars and cellars:
There is one cellar in the building, and portions of Units 101-103, 105-109, TH1 & TH2 are located in the cellar.
(4) Number of floors (actual including penthouses):
The building will have four (4) floors and one (1) cellar.
(5) Equipment rooms (location and use):

The building will have one (1) elevator and (2) interior egress stairs. There will be one (1) utility room which will house five (5) electric hot water tanks. There will be (1) trash compactor in cellar and four (4) refuse rooms, one on each floor. There will be (1) fire pump room and (1) electrical meter room. Cellar will house a storage room and bike parking area for seventeen (17) bicycles. There will be a mailbox and package room in building lobby. There will be (1) common recreation area located on the roof.

Car parking will not be provided for the building.

(6) Parapet (height above roof)
All terraces, and roofs will have either a minimum 42" tall railing or 42" tall parapet as required by the New York City Building Code. A masonry parapet 3-6" high above finished floor roof will be provided. Elevation drawings are provided with the floor plans.

(H) Structural System:

Design of New Foundation Walls and Footings:
New Foundation walls and footings will be cast in place concrete and waterproofed from the outside. A 2" thick rigid 2 LB Density EPS insulation with a continuous R-10 value will be provided on the outside of foundation walls, protected with a drainage/protection board (to enable vertical and horizontal flow for subsoil water).

Existing Foundation Walls and Footings.
The existing foundation wall and footings are rubble stone. A portion of the existing foundations adjacent to Halsey St shall be underpinned. This concrete underpinning shall be appx 8' deep and 2'-8" wide. The remaining foundation shall remain. After the building is complete, there is no potential danger of building structural failure or hazardous conditions. Temporary structural bracing shall be installed as shown on the SOE and underpinning plans to brace and support the existing foundation during construction. A subgrade drainage system is not provided.

Structural Steel:
The building will be built out of steel columns and beams. The structural system of the floors will be built out of 2" 19 G.A. metal deck with 2.5" concrete slab that span from structural beam to structural beam. Lateral support will be provided through metal cross bracing framing.

The finished flooring shall be engineered wood floor planks, glued down to a 12mm QTscu rubber floor underlayment. The underlayment shall be glued down to the concrete slab. Floor/ ceiling assemblies shall have a minimum IIC of 50 in compliance with the N.Y. City Building Code.

(1) Exterior of buildings

(i) Walls

The building is not subject to regulations of Local Law 11/1998.

New non-load bearing exterior masonry cavity walls at north (front), west (side) and south (rear) are framed with cold-formed steel studs and are 1hr fire rated. The existing load bearing exterior wall at the east façade is to remain and consists of three masonry wythes. The existing masonry walls are in good condition and shall be repointed.

All exterior masonry cavity walls at the penthouse level are framed with steel studs and are 1hr fire rated.

New exterior walls shall have 2" continuous cavity insulation (R10) and 3.5" mineral wool insulation (R15) between furring studs. Existing masonry walls shall have 3.5" mineral wool insulation (R15) between furring studs.

(ii) Windows

The windows and doors in the building will be manufactured by Adler Windows or approved equal. All apartment windows will be made of wood or aluminum clad wood and have double pane glazing. The window and door hardware will be corrosion resistant. The window lintels and shelf angles shall be corrosion resistant steel. Insect screens will be provided. The windows shall not have a thermal break. There is a one-year manufactures warranty on parts and labor from the time the windows are installed. There are no lot line windows proposed.

(iii) Landmark Status

Building is located within the Bedford Stuyvesant Historic Landmarks District.

(2) Parapets and Coping

The roof parapets on the building will be pre-cast concrete coping. The top of parapet wall will be minimum 3'-6" above finished floor of the roof.

(3) Chimneys and Caps

There are no flues or chimneys in the building. The building does not have any boilers.

(4) Balcony and Terraces

There are no balconies. There will be a total of (10) private roof terraces for units TH1, TH2, PH1,PH2, PH3, PH4, APT 307 and APT 308. Also, there will be one (1) common recreation roof terrace. All roof terraces will be separated by 3'-6" galvanized railing. The private and common accessory terraces are listed on the Certificate of Occupancy Schedule A. Purchasers

cannot place obstacles in the Fire Department access path as shown on the drawings in this offering plan.

(i) Deck Finish (material)
Not applicable.

(ii) Balustrade (material)
Not applicable

(iii) Railings (material)
Metal posts, primed and painted Rust-oleum black matte sheen with teak handrail. The railing design does not create a ladder effect.

(iv) Copings (material)
Roof parapet copings will be of precast concrete.

(v) Soffits (material)
Not applicable

(vi) Doors to terraces (material)
Entry doors leading from the condominium units to terraces will be aluminum clad Adler Windows swing doors or approved equal.
All terraces doors will have double pane glazing. The terrace doors shall not have a thermal break.

(vii) Lighting
Terrace lighting will be provided by Progress Lighting or approved equivalent.

(5) Exterior Entrances

The building will have four (4) separate entrances from the street: one main building entrance will be provided for residents, one egress stair exit, one direct entry to Apt 106 and one direct entry to Apt 108.
(i) Exterior doors and frames (material, type, lock)
Doors separating the street from the lobby, egress corridor and units will be by Adler Windows and have glass vision panels. Entry doors are solid wood and shall not have a thermal break.
The main building entry hardware shall be provided will be electrified mortise locks.
(ii) Vestibule doors and frames (material, type, lock)
N/A
(iii) Exterior stairs (material, location)
There will be one (1) metal utility exterior stairs connecting 3rd floor to roof of Bulkhead.
(iv) Railings (material, location)

Corrosion protected metal railing 42" A.F.F. high will be provided at terraces and around mechanical equipment on the main roof. Rear yard perimeters will feature 6' high wood fences on 4" X 4" wood posts.

(v) Mailboxes (type, location)

Mailboxes will be provided at entrance area of lobby in accordance with US Postal Service Rules and Regulations.

(vi) Lighting (type, location)

Lighting at front entrances will be provided by Progress Lighting or approved equivalent.

Entrance lighting, interior and exterior will be provided per New York City Code requirements. Lighting for exterior entrances and lobbies in front of elevators will be provided.

(6) Service entrances

Not provided.

(7) Roof and roof structures

(i) Type roofs for all areas

(a) Material

All building flat roofs and roof terraces will be waterproofed with a "Firestone" Modified Bitumen waterproofing membrane over a protection board over taper insulation.

(b) Insulation (size, type, and insulating value)

Insulation shall be Polyiso installed to provide an R-value of 40. Roof top mounted condensers will be properly isolated and insulated to prevent vibration and noise from reverberating to the units below.

(c) Surface finish

Roof terraces will be finished with concrete or porcelain pavers on adjustable pedestals. The concrete roof pavers are suitable for daily foot traffic. Installation of concrete pavers is acceptable by the manufacturer to retain the roof warranty. The main roof is not intended for common use.

(d) Bond or guarantee

The Firestone water proofing system will have a 1-year manufacturer warranty for workmanship and materials from the date of installation.

(e) Flashing material including counter flashing

Flashing and counter flashing will be according to the specified Firestone waterproofing system

(f) The main roof and bulkhead roof are allocated as accessory to the residential space in the Certificate of Occupancy.

(ii) Drains

(a) Location, material, and type

The surface of the roof will be pitched to internal roof drains. Each metal roof drain has an adjacent overflow drain per PC 1107. The main roof of the building has (3) pairs of roof drains. The 3rd floor has (7) pairs of roof drains. These drains connect to schedule 40 black iron 4" drainage leaders. Where roof drains are above residential units, there is no back up or leak management system. Drains shall be maintained by the building's condominium board and same board shall be liable to repairing leak damage to a residential unit.

(b) Gutters and leaders (type, material)

External gutters and leaders shall be aluminum.

(iii) Skylights (location, type, material)

There will be four (4) skylights located on the main roof over TH1 and TH2. These skylights shall be fixed and have tempered glazing. Skylight shall be Velux or equal and have a one-year warranty. The skylights are approximately 48"x48".

(iv) Bulkheads

(a) Stairs (material)

Stairway access complies with FC Chapter 10.

(b) Elevator (material)

Elevator bulkhead will be constructed of cold formed steel studs and steel beam and column framing. Elevator bulkhead to be accessed via stair bulkhead.

(c) Other

(v) Metal work at roof levels:

(a) Exterior metal stairs (material)

None

(b) Vertical ladders, including gooseneck (material)

A steel ladder painted black shall provide access from the 3rd fl roof terrace to the main roof.

(c) Railings (material)

A painted metal railing 42" A.F.F. high will be provided around the perimeter of the building's roof.

(vi) Rooftop facilities

A common roof deck and ten (10) private unit-assigned rooftop terraces will be provided on the main roof. Elevator access will be provided to these spaces. These spaces are separated from each other by a 3'-6" opaque metal railing with access doors for the FDNY 6'-0" path. There will be a total of ten (10) private roof terraces for units TH1, TH2, PH1, PH2, PH3, PH4, APT 307, APT 308 and two private roof terraces that will be sold as separate tax lots to tenants in the building. There is a 60 people maximum allowable occupancy for the common roof area. Occupancy limits are not assigned to private roof areas. Areas and percentages of these rooftop facilities can be seen in the schedule A of this offering plan. The private and

common accessory terraces are listed on the DOB Certificate of Occupancy Schedule A. There is no easement between the LCE roof and common roof.

There are no rooftop antennas, cell phone towers, satellite dishes or lighting protection equipment.

The rooftop is designed in compliance with 2014 NYC Fire Code section 504.4 (Rooftop Access). Purchasers cannot place obstacles in the Fire Department access path as shown on the drawings in this offering plan.
The main roof the building is unoccupied and is the location of the building condensers.

(8) Fire escapes

Not applicable

(9) Yards and courts

(i) Paving (material)

Existing cobblestone pavers and bluestone slabs to be reinstalled at the front sidewalk of the building. New Bluestone pavers to be installed at the rear yards for units the private yard spaces.

(ii) Drainage (type and material)

A yard drain and leader will be made of corrosion protected metals will be provided to drain the back private yards.

(iii) Railings (material)

A corrosion resistant metal partition 60" A.F.F. high will be provided around perimeter of each private rear yard space.

(iv) Stairs (material)

Not applicable

(v) Fencing (type and material)

Rear yard perimeters will feature 6' high wood fences on 4" X 4" wood posts.

(vi) Walls (type and material)

Not applicable

Each private rear yard space is accessed through the unit to which they belong. The dimensions are listed on the floor plans in this offering plan. Private rear yard spaces are limited common element and public front yard spaces are common element.

(10) Stairs

(i) Number of stairs of each type

There will be four (4) common interior egress stairs: one (1) scissor style stairs will serve the basement- 3rd floor, one (1) scissor style stairs will serve the basement- roof and two (2) scissor style stairs will serve the cellar-basement. In addition, there will be one interior stair in each of Unit TH-1 and TH-2 connecting the cellar-3rd floor.
There will be nine (9) interior stairs connecting the cellar and basement levels of Apt 101 –Apt 103 and Apt 105- Apt 110. There will be two (2) interior stairs connecting the 2nd 3rd fl of units Apt 307 and Apt 308. The

interior winder stairs in Units 101, 102, 103, 105, 106, 108 and 109 are not egress stairs and do not have to comply with Section 1009.4.2, Exception 7 of the NYC Building Code, which dictates egress stair requirements. The winder stair tread is less than 6" deep, which may pose a stumbling and falling hazard at the narrowest end of the tread.
All stairs will be steel.
(ii) Enclosure
The common interior egress stairs are enclosed in 2 hr fire rated drywall partitions.
(iii) Stair construction (material)
The common egress stairs shall be of metal construction with poured concrete treads. The interior non egress stairs shall be metal construction with wood cladded treads and risers.
(iv) Stringers (material)
Metal stringers shall be provided for all stairs.
(v) Treads (material)
Cast in place concrete treads will be provided for the common egress stairs. Wood treads will be provided for interior non egress stairs.
(vi) Risers (material)
Metal risers will be provided for the common egress stairs. Wood risers will be provided for interior non egress stairs.
(vii) Guard rails (material)
Metal guard rails will be provided for the common egress stairs. Wood guard rails will be provided for interior non egress stairs
(vii) Balustrade (material)
Not applicable

(11) Interior doors and frames
(i) Unit entrance and interior doors and frames
All unit entrance 1.5 hr fire-rated hollow metal doors with welded or knock down metal frames.
(ii) Corridor doors and frames
All interior corridor doors located in the cellar are 1.5 hr fire-rated hollow metal doors with welded or knock down metal frames.
(iii) Stair hall doors and frames
All interior stair doors located in the cellar are 1.5 hr fire-rated hollow metal doors with welded or knock down metal frames.
(vi) Roof doors and frames
N/A
(v) Other
The demising walls in between apartments and public areas will be 2 hr fire rated metal frame/gypsum board partitions. SEE WALL TYPE 5 and 6.
The apartment ceilings will be painted dropped gypsum wallboard.
Sound insulation: The building shall have batt insulation inside demising walls to acoustically isolate the apartments. Shaft and apartment demising partitions shall achieve sound transmission class (STC) 50 or better.

(12) Elevators

Exterior elevator shaft walls on the first floor will be insulated with 2" thick rigid XPS extruded polystyrene insulation with an R- value of 10.

(i) Number of passenger and service elevators
The Building will be served by one (1) passenger elevators.
No service elevator will be provided.
(ii) Manufacturer and capacity
Kone EcoSpace, 3,500LB capacity, 150 FPS, or approved equal.

(iii) Type of operation
Machine room less
(iv) Automatic (type of controls)
ESI Microprocessor
(v) Floors served
The elevators will on the following floors, cellar, basement, 1st, 2nd, and 3rd floor.
(vi) Type
Machine room less
(vii) Doors
The doors will be painted steel or stainless-steel sliding doors.
The saddles will be aluminum.
(viii) Location of machine rooms
The elevator control closet is provided adjacent to the shaft at the cellar.
(ix) DC motor (manufacturer)
Not applicable
(x) AC motor-generator set (manufacturer)
KONE NMX14 or equal.
(xi) Other
Machinery and cab will be new as part of the construction.
Signage will be provided on every floor as required by code.
Sponsor will procure a maintenance contract for the provided elevators for a minimum of 1 year. Monthly fees will be handed over to the condo board and made part of the monthly maintenance expenses.

(12) Elevator cabs

(i) Kind (manufacturer)
Kone or approved equal.
(ii) Floor (material)
Floor finish will be porcelain tile or approved equal.
(iii) Walls (material)
Interior finishes will consist of stainless-steel finish or approved equal.
The hand railings will be stainless steel.
(iv) Ceiling (material)
The ceiling will be suspended with white frames.

(v) Lighting
LED lighting and exhaust fan for ventilation will be provided
(vi) Alarm, safety system
Gradual type Safety will be placed under the car.
In connection with this safety a speed governor shall be mounted at the top of the elevator shaft, designed to operate from any excessive speed on the down motion of the car to bring the car to a stop.

(13) Other
Handicap access:
The building has been designed to comply with chapter 11 of NYC Building Code.

Controlled/Special Inspections:
The sponsor has retained the service of a DOB approved engineer/special inspection agency to perform the following controlled/special inspections and progress inspections in accordance with the requirements of the NYC Building Code.

STRUCTURAL STEEL - WELDING BC 1704.3.1
STRUCTURAL STEEL - DETAILS BC 1704.3.2
STRUCTURAL STEEL - HIGH STRENGTH BOLTING BC 1704.3.3
STRUCTURAL COLD FORMED STEEL BC 1704.3.4
CONCRETE - CAST IN PLACE - BC 1704.4
MASONRY - BC 1704.5
SUBGRADE INSPECTION - BC 1704.7.1
SUBSURFACE CONDITIONS - FILL PLACEMENT & IN PLACE DENSITY BC 1704.7.2
SUBSURFACE INVESTIGATIONS (BORINGS/TEST PITS) - BC 1704.7.4
MECHANICAL SYSTEMS - BC 1704.16
STRUCTURAL STABILITY - EXISTING BUILDINGS - BC 1704.20.1
EXCAVATION - SHEETING, SHORING AND BRACING - BC 1704.20.2
UNDERPINNING - BC 1704.20.3
PRIVATE ON-SITE STORM WATER DRAINAGE DISPOSAL SYSTEMS AND DETENTION FACILITIES INSTALLATION - BC 1704.21.2
SPRINKLER SYSTEM - BC 1704.23
POST INSTALLED ANCHORS (BB#2014-018,2014-019)
FIRE-RESISTANT PENETRATIONS AND JOINTS - BC 1704.27
TR2 CONCRETE TEST CYLINDER REPORT - BC 1905.3
TR3 CONCRETE DESIGN MIX REPORT - BC 1905.6
FOOTING AND FOUNDATION INSPECTION - BC 110.3.1
ENERGY CODE COMPLIANCE INSPECTIONS - BC 110.3.5
FIRE RESISTANCE RATED CONSTRUCTION - BC 110.3.4

(i) Auxiliary Facilities:
(1) Laundry rooms

(i) Location and number of rooms
Laundry areas will be provided in each unit. The sponsor will provide a stackable washer and dryer.
(ii) Clothes washers, number, and type
A stackable electric vent less dryer and washing machine will be provided in each dwelling unit.
TYPE Bosch WAT28401VC or approved equal
(iii) Clothes dryers
TYPE Bosch WTG86401VC or approved equal
(iv) Room ventilation (method and final exhaust)
(v) Dryer ventilation (method and final exhaust)
Laundry room doors will be wood with louvers for ventilation. All dryers are electric and ventless.

(2) Refuse disposal
There will be recycling/refuse room on basement –3rd floor. In addition, there will be a trash compactor (Model:SE-150) room in the cellar.

Refuse will be picked up on the sidewalk in front of the building by the New York City Sanitation Department. Building staff will be required to collect trash from cellar level and transport it to the sidewalk. Unit owners will be required to comply with NYC Sanitation Department regulations on recycling and storing refuse within their units until regularly scheduled pickup days. Refuse must not be placed on the sidewalk except on day of collection under penalty of fine.

(3) Bicycle area
There will be a 17-bicycle parking space provided in the cellar.
The bicycle parking spots shall be assigned by the board of managers. The bicycle storage room shall be an enclosed room with a painted wall board finish. The door to the room shall be fire rated with a levered passage hardware. There is no bike or storing system provided.

(4) Storage
There will be 14 storage units provided in the cellar of varying sizes. These units will be enclosed in chain link fencing and have a private keyed access.

(5) Package room
There is one package room provided adjacent to the lobby. Access will be restricted and only given if a tenant has a package inside a room via an electronic intercom system.

(J) Plumbing and drainage
All domestic water, fire protection, storm drainage, waste and vent piping will be as described below:

(1) Water supply:

One (1) new 3" diameter domestic water service and one (1) new 6" diameter fire standpipe/sprinkler water service shall be provided from Halsey Street. Double detection check valves with bypass meter will be installed in cellar. Water service is metered in the cellar and will be part of the common charges.

The main shut off valve and back flow prevention check valves for the water supply will be located in the meter room in the cellar.

Hot & Cold-water piping shall be insulated throughout.

The circulating hot water systems piping shall be insulated with a minimum of 1-inch fiberglass pipe insulation with an R-value of 5.

The circulating cold water systems piping shall be insulated with a minimum of ½" inch fiberglass pipe insulation with an R-value of 2.4.

(2) Fire protection system:

The building will have a sprinkler system and fire alarm system.

(i) Standpipes (material, size, location):
A 4" and 6" metal fire standpipe risers are provided inside the egress staircases.

(ii) Hose racks, hoses, and nozzles (location):
Not applicable

(iii) Sprinkler heads (type, system, location):
The following types of sprinkler heads shall be used: concealed, pendant, upright and sidewall sprinkler heads. Sprinkler heads will be in public stairs, storage and meter rooms, hallways, lobby, and in individual units in the kitchens, living rooms, bedrooms, dining rooms, and utility rooms. There is one fire pump, A-C Fire Series 1580 or approved equal. There is one jockey pump, Grundfos Model CR1-9 or approved equal. Both pumps have a one-year warranty.

(vi) Siamese connection (type, location):
A 6" x 3" x 3" combined sprinkler and standpipe Fire Department Connection will be provided on the front façade street wall facing Halsey Street.

(3) Water storage tank(s) and enclosures:

There will be a cast in place concrete storm detention tank in the rear yard. The tank has a 610.6 cubic feet capacity.

(4) Water pressure and how maintained

Water pressure as required by the New York City Building Code will be provided by a combination of street water main pressure and (three) Quantumflo Prodigy Triplex water pumps or approved equals. The pumps shall have a one year warranty.

The water pressure/flow shall be verified to be adequate at the highest discharge point.

(5) Sanitary sewage system:

There are four (6) common no hub cast iron waste stacks serving the building connecting to the sanity main and house traps in the cellar.

(i) Sewage piping (materials):
The waste stacks are cast iron, "no hub," complying with the New York City Code.

(ii) Sewage pumps (if any):
None proposed.

(iii) Sewage disposal (public/private; treatment; drain field; sewer):
This sewage main connects to the public combined sewer line beneath Halsey Street.

(6) Permit(s) required. List and date(s) obtained:

- Plumbing: 11/25/2020
- Standpipe: 11/30/2020
- Sprinkler: 11/30/2020

(7) Storm drainage system:

The building will cover approximately 74% of the lot.
The storm main connects to the public combined sewer line beneath Halsey Street.

(i) Catch basins (locations):
All roof drains and area connected to the storm drain stacks within the building or exterior leaders lead to an storm water detention tank and then discharged to the public sewer.
Yard and roof drains (locations):
(5) drains located in the cellar level areaways, (6) drains located at the basement level, (14) drains located on the roof terraces.
(6) drains located on the main roof.

(ii) Piping (materials):
The storm stacks will be common no hub cast iron.

(iii) Eject or sump pumps: There is a duplex pump sump pump serving the areaway drains. Model number is Weil Pump Co. Model 1413-500SS or approved equal.
There is one elevator sump pump in the elevator pit which will operate in the event of water in the elevator shaft. Model number Ebara Model ESS100-EPD5MS1. The pumps shall have a one-year warranty.

(K) Heating and Cooling:

Each unit is provided with its own outdoor electric heat pump condenser unit located on the main roof that will be connected to air handlers in the units to provide air heating and cooling.
The main roof will also house condensers to condition the elevator machine room and common spaces such as entrance lobby and 3rd floor corridor.
Operating and maintenance manuals shall be provided to the condominium management.
Equipment schedules provided are intended to display equipment standards. Specific model and/or manufacturer are subject to change during construction.
The heating system shall be able to maintain 68-degree interior temperature during -4-degree exterior temperature. The cooling system shall be able to maintain 68-degree interior temperature during 122-degree exterior temperature.
Interior air handler units are a combination of concealed ducted units and ceiling recessed ductless units and are controlled by a thermostat. Units are located in bedrooms,living rooms and other select rooms throughout the apartment.
All equipment shall have a one-year warranty.
Condensers model numbers are below:
Mitsubishi PUY-A12NHA7 (12,000 BTU/h)
Mitsubishi PUZ-HA30NHA5 (28,500 BTU/h Cooling, 32,000 BTU/h Heating)
Mitsubishi PUMY-HP36NKMU1(36,000 BTU/h Cooling, 42,000 BTU/h Heating)
Mitsubishi PUMY-HP48NKMU1 (48,000 BTU/h Cooling, 54,000 BTU/h Heating)
Mitsubishi PUZ-HA42NKA (42,000 BTU/h Cooling, 48,000 BTU/h Heating)
Mitsubishi PUZ-HA24NHA (24,000 BTU/h Cooling, 28,000 BTU/h Heating)
Mitsubishi PUZ-HA36NHA (33,500 BTU/h Cooling, 38,000 BTU/h Heating)
Mitsubishi PUZ-HA30NKA (30,000 BTU/h Cooling, 32,000 BTU/h Heating)
Duct Insulation:
All interior ducts insulated with R4 insulation.

Rooftop Equipment:
Rooftop equipment shall be supported with isolators matching operating weight to prevent equipment vibration and noise from reverberating in the units below. There shall be at least 6” of rigid insulation and an 4.5” concrete slab to further dampen any vibration effects. All fasteners shall be stainless steel or aluminum for corrosion resistance.
All refrigerant piping shall be insulated by 1” AP Armaflex insulation with a R value of 4.2.
Exterior condensers shall have an energy rating value of between SEER 15.2 and 21.1.

Drainage:

Condensation from equipment will be directed into indirect waste traps.

Hot water heaters:

Five (5) 120 gallon common electric energy efficient hybrid heaters will be provided. Hot water will be distributed via circulating loops. Hot water heaters to have an energy factor of .92. Hot water system shall be capable of providing peak required service. The HWH model number is A.O. Smith Model DSE-120A. The hot water heaters shall have a one-year warranty.

(I) Gas supply (if not described above):

No gas service is provided. Future gas service may be setup and provided for an additional cost if desired by the condominium board.

(M) Air conditioning:

See above (K)

(N) Ventilation:

Habitable spaces are ventilated via windows opening onto the rear yard or street.
Cellar spaces that are part of dwelling units are ventilated through windows or through mechanical units with exterior fresh air connections to comply with code and provide adequate ventilation.
Interior apartment corridors are open to living rooms and are ventilated through adjacent spaces.

The common corridors shall be ventilated through a ducted fresh air supply system.

Equipment schedules provided are intended to display unit standards. Specific model and/or manufacturer are subject to change during construction.

Elevator shafts will be ventilated mechanically at the top of the shaft as per code.

Kitchens are ventilated through 200 CFM exhaust hood system. Bathrooms are ventilated through an 80 CFM (.3 sone) exhaust system. The bathroom and kitchen exhaust ducts connect to a common building riser and then discharged to the exterior.

(O) Electrical system:

Light fixtures provided are either exposed LED bulbs in a ceramic base or recessed ultra-thin LED light or approved equal and include at least (1) in each bathroom, (1) in each kitchen, and (1) in any walk-in closets and mechanical rooms and hallways.

(1) Service from main service

There is one main building electric service supplied by Con Edison. Switchgear will be in the cellar with individual metering, plus an additional meter for common building electrical uses. There is an 800A switch to serve the apartments. There is a 400A switch to serve the common areas.

(2) Service to individual units:

Thirty-two (32) electrical risers will be provided to serve the individual units. Each residential unit will be supplied with 150 amperes, 110/208 volt, 1 phase 3-wires in circuit breaker panel. Each unit will have separate fixtures and convenience outlets installed in accordance with the NYC Electrical Codes including separate outlets for air conditioning equipment.

(3) Compartment switch gear:

A meter bank for the residential units will be provided in the cellar and one for the common space with 500A 3 phases with 200A single phase.

(4) Unit Service:

Each residential unit is provided with a breaker panel, and the minimum number of convenience outlets and light fixtures required by the New York City Building Code. There are approximately 30 circuits per apartment.

(5) Adequacy:

(i) All wiring shall be copper. Service

Each unit will receive a minimum 150A circuit panel with thirty circuits minimum which is adequate for the build-out of a modern residential dwelling. If a new load is added the existing service will have to re-calculated by an engineer.

(ii) Lighting and fixtures

Light fixture schedule:

Note: All light fixtures in common areas will be as indicated in the table below or better. Light fixtures selected are to establish a standard only and are subject to change.

(iii) Convenience outlets, appliance outlets:

All receptacles next to wet locations shall be provided with GFCI as required by code. All receptacles in the residential living rooms and bedrooms shall be provided with AFCI. There will be no tamper nor water resistant outlets except the GFCI.

(iv) Wire material and size

12/2BX for outlets and lights

12/2MC for air handlers
10/3MC for electric dryers
6/2MC for HVAC condensers

(v) There is no generator provided for electricity supply during outages.

(6) Renewable energy resources: None provided

(P) Intercommunication and/or Door Signal Systems, Security Closed Circuit TV:

The building will have one (1) lobby/entrance area with a voice/video intercom system by Butterfly MX or equal. Risers for cable TV and telephone will be provided throughout the building. There are security cameras throughout the building by Hikvision, which are connected to a DVR in the cellar mechanical room. The intercom and security system will have a 1yr warranty.

(Q) Public Area Lighting:

Adequate lighting as required by the New York City Building Code will be provided outside the residential entrance and at all common areas of the building. Public area lighting shall be Aspect LED Ultra-thin recessed light or equivalent.

(R) Garages and Parking Areas:

Not provided.

(S) Swimming Pool(s):

Not provided.

(T) Tennis Courts, Playgrounds, and Recreation Facilities

(1) Tennis Courts:

None provided.

(2) Other Recreation Facilities:

An outdoor public roof terrace is available on the 3rd floor of the building. The space is 1,427 square feet and has a maximum occupancy of 60 people No furnishings or equipment shall be provided by the sponsor for this roof terrace.

A 776 SF fitness center is provided in the cellar of the building. The following fitness equipment shall be provided by the sponsor: (2) treadmills, (2) exersice bikes, bench and free weights and (1) elliptical machine. Fitness center is ventilated through a mechanical unit with exterior fresh air intake.

(U) Permits and Certificates:

The following permits are required for the completion of the project and will be obtained in the course of the work:

- General Construction Permit (including Foundation/Earthwork HVAC, structural and Construction equipment)
- Plumbing
- Sprinkler
- Standpipe
- Electrical
- Elevator
- Sidewalk

The NYC Department of Buildings has jurisdiction over the above permits.
The Department of Buildings will inspect and sign off on all general construction and elevator work. The HVAC and structural work will be inspected and signed off by the Department of Buildings or by engineers licensed in the state of New York. The sprinkler and plumbing work will be signed off by installers licensed in the City of New York.

Certificates:
The sponsor will obtain from the NYC Department of Buildings a Temporary Certificate of Occupancy and then a final Certificate of Occupancy for the proposed work. The Department of Buildings will issue a final Certificate of Operation for the Elevators. There are no specific certificates for the plumbing and sprinkler work.

Recurring Inspections/Maintenance:
The following recurring inspections/contracts shall be required after the certificate of occupancy is issued:

1. Annual elevator inspection.
2. Monthly Fire alarm maintenance contract
3. Annual NFPA 80 Fire door inspection
4. Annual Backflow prevention device inspection
5. Annual Sprinkler flow control valves.

(V) Violations:

Currently there are four DOB violations (34628004M, 0302MC, 0303MC, 0301MC) and one Landmarks violation (16-1053).

All current violations and any violations acquired during construction will be resolved prior to the receipt of the permanent Certificate of Occupancy by the sponsor.

(W) Unit Information:

The condominium will consist of (32) residential units. Condominium units will be of varying size and design, as designated on floor plans provided. Each unit will be provided with a minimum of two (2) bathrooms, which complies with minimum size and specification to meet NYC code except for units 104, 204, 209, 304 and PH1, which have one (1) bathroom.

Gross square footage of apartment does not include the area of elevator shaft. Gross square footage of apartment includes exterior walls and half of shared demising walls.

Unit owners are required to keep the common path of egress and FDNY roof passages (as indicated on plans) free of furnishings, objects, or debris at all times.

(1) Type and grade of finish materials used in each type of unit and number of coverings given (include paint, wall, and floor coverings, as well as specifying the type of flooring, walls, and ceiling used):
All interior walls and ceilings in the units are smooth painted gypsum wall board or exposed sealed concrete walls or painted gypsum board ceilings. The primer and paint are by Benjamin Moore. The floors within the units will be pre-finished engineered white oak by Madera, 5/8" thick and 7" wide, or approved equal. The flooring does not have a warranty. The floors in the bathrooms will be tiled. The walls in the bathrooms will be tiled. All bedrooms, bathrooms and closets will be provided with painted gypsum board ceilings. All bathrooms will have cement board as the wall board material for walls and ceilings.
All Gypsum board/drywall incorporated into the building shall be non-corrosive and sulfide free.

(2) Presence, type, and condition of all bathroom and kitchen fixtures:
Note: The following list of fixtures and finishes intends only to define a standard and is subject to change. All plumbing and fixtures are new; there will be no leaks.
Bathtub: Duravit
Toilet: Waterworks
Lavatory Faucet: Waterworks
Tub Shower Set: Waterworks
Kitchen Sink: Blanco
Kitchen Faucet: Waterworks

(3) Presence, type, and condition of all kitchen and laundry equipment:

Painted plywood cabinets with a Carrara stone honed countertop or equal. A single basin sink will be provided. An electronic connection for a cooking appliance will be provided.
Kitchens will be provided with the following appliances.
Note: The following list of appliances intends to define a standard only and is subject to change.
A 36" & 30" Bosch stainless steel refrigerator or equivalent
A 36" & 30" slide in Bertazonni range or equivalent
A 36" Faber recirculating range hood or equivalent
A 24" Bosch dishwasher or equivalent with custom panel to match cabinets
A Bosch & Whirlpool Washer and Electric Dryer or equivalent

(4) Ceiling Heights
Apt 101-Apt 103 & Apt 105-Apt 110: Cellar 8'-0", Basement 12'-0"
Apt 104: 12'-0"
TH-1 & TH-2: Cellar 8'-0"
Basement 12'-0"
First Floor 10'-6"
Second Floor 9'- 0"
Third Floor 9'- 0"
Apt 201- Apt 208: 10'- 6"
Apt 301- Apt 305: 9'- 6"
Apt 306- Apt 308: 9'- 0"
PH1- PH3: 9'- 6"
PH4: 8'- 6"
All ceiling heights are approximate.

(X) Finish schedule of spaces other than units:
The walls in the lobby are smooth painted gypsum wallboard. The floors will be tiled, and the ceiling will be finished with oak wood siding or approved equal. The balcony areas will have concrete floors and ceilings. The cellar meter and mechanical rooms will have sealed concrete floors and ceilings with white paint.

(Y) Safety and Warning Devices:

Hard-wired smoke detectors will be provided in each unit.
It is the responsibility of the unit owner to install additional hard-wired smoke detectors, as required by the New York City Building Code, to conform to the final arrangement of rooms that might be added by the unit owner.
Emergency lighting with battery backup will be provided in all egress stairs and in the building lobby. Ionization Combination Smoke and Carbon Monoxide Alarm/Hardwire Battery Back-up

with Front Pull Tab (Manufacturer: Kidde, Code: KN-COSM-1B or approved equal).
The unit owner will be responsible to keep the safety warning devices operable.
A central station fire alarm system has been installed in the building. The fire alarm central station shall be located in the Lobby. The central station is by Honeywell Model ES-200X. This central station has a 1 year warranty.

(Z) Additional information required, including the following Description of Property and Building Code section of the plan:

Documents to be transferred to the Condominium Management: At the first unit closing, the sponsor shall, without any representation or warranty by, or recourse against, the sponsor, assign to the condominium board of managers any assignable manufacturers' warranties with respect to the sponsor-installed equipment in or serving the building. At the Closing of a Unit, the sponsor shall, without any representation or warranty by, or recourse against, the sponsor, assign to the purchaser any assignable manufacturers' warranties with respect to the equipment and appliances in the unit. Upon transfer of control of the board of managers from the sponsor to the unit owners, the sponsor shall also provide the board of managers with copies of any manuals in sponsor's possession for the operation and maintenance of the building's equipment and systems, as well as the building's "as-built" drawings as maintained during construction.

(bb) Further Development
If there is any "floor area" (as defined in the Zoning Resolution of the City of New York (the "Zoning Resolution")) pertaining to the Property and not used in the Building as the Building exists on the date it is completed or as a result of a future rezoning of the area on which the Property is located (the "Excess Floor Area"), the Sponsor or its designee, on behalf of itself, and acting as attorney-in-fact for the Board of Managers and each of the Unit Owners, may execute and deliver such documents and take such other actions as are appropriate to transfer, sell or permit the use of the Excess Floor Area, at any adjoining lot where the use of the Excess Floor Area is permitted pursuant to the Zoning Resolution, including, without limitation, executing and delivering on behalf of itself, the Board of Managers and each of the Unit Owners one or more declarations of zoning restrictions, zoning lot development agreements, and waiver of parties in interest. If the Excess Floor Area is used on adjoining properties, it may result in the vertical or horizontal expansion of such adjoining properties and, therefore, it may alter the views from and light into the Building. The Sponsor will not use the Excess Floor Area to expand the Building. Solely the Sponsor, and not the Board of Managers or any of the Unit Owners, has any interest in the Excess Floor Area or any proceeds from the transfer or sale or use thereof. Therefore, unless

development rights are separately acquired on behalf of the Condominium or a Unit Owner, any future expansion of the Building by the Board of Managers or of a Unit by a Unit Owner as may otherwise be permitted pursuant to applicable Legal Requirements may not be possible or may be limited. The power of attorney granted to the Sponsor or its designee in this paragraph is irrevocable and coupled with an interest.

(cc) Asbestos containing materials are not present in the building.

(dd) Lead based paint:
The original buildings that form a part of the Property were built prior to 1932. To the best of Sponsor's knowledge, belief and information, there could be lead-based paint on the walls and ceilings throughout the buildings because buildings built prior to 1979 may contain lead-based paint and buildings built prior to 1960 are presumed to contain lead-based paint. The ingestion of lead-based paint poses serious health risks, especially in children. Purchasers are advised to familiarize themselves with NYC Local Law 1 of 2004, a copy of which is included in Part II of this Plan. Purchasers for investment are advised that there are certain occupancy and turnover requirements contained therein. Purchasers for their own occupancy, particularly those with children, are additionally advised to consult with a professional to determine the existence of, and appropriate remediation for, lead-based paint. 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 those elements of the building that cannot be seen. 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.

To the best of my knowledge, belief and professional judgment, these plans and specifications are in compliance with the Energy Conservation Construction Code of New York State.

SPONSOR MAKES NO REPRESENTATION AS TO ANY MATTER IN THIS ARCHITECT'S REPORT EXCEPT AS EXPRESSLY CONTAINED HEREIN AND NO REPRESENTATION SHALL BE IMPLIED.

REGISTERED ARCHITECT
ROBERT A. LITCHFIELD
STATE OF NEW YORK

Robert Litchfield, R.A.

Date: March 8, 2023

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SECTION E

FLOOR PLANS

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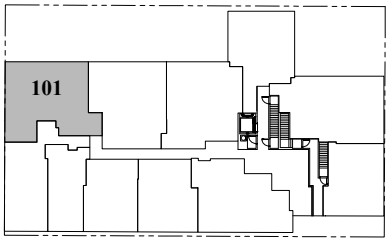


HALSEY ST

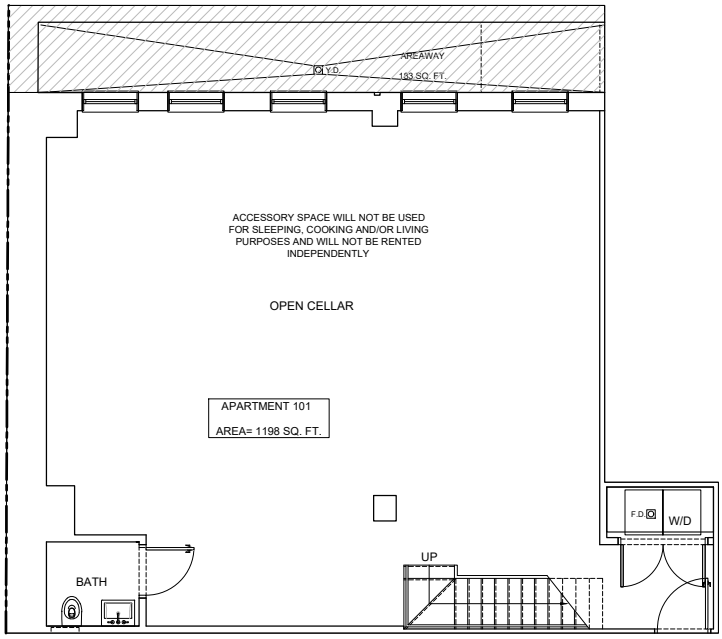
UNIT 101
CELLAR AREA: 1198 SQ. FT.
BASEMENT AREA: 1203 SQ. FT.
L.C.E. AREA: 926 SQ. FT.

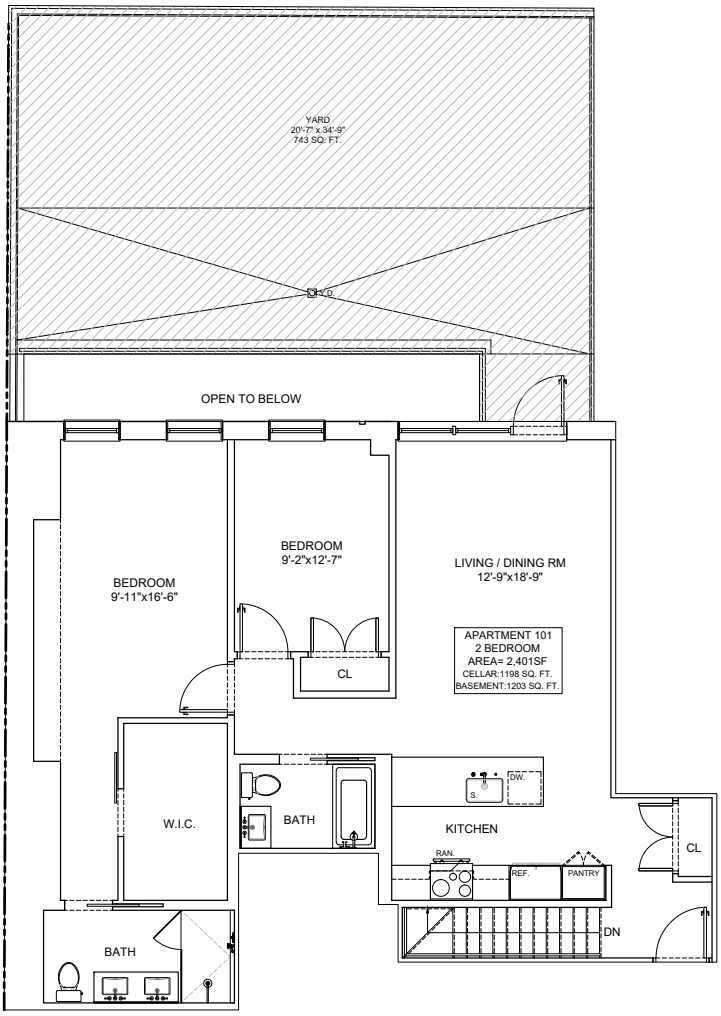
0' 1' 3' 6' 10'

LIMITED COMMON ELEMENT(L.C.E.)

GENERAL COMMON ELEMENT(G.C.E.)

NOTES:
1. ALL DIMENSIONS AND SQUARE FOOTAGES ARE APPROXIMATE.
2. TOTAL ROOMS AREA CALCULATED FROM EXTERIOR OF EXTERIOR WALLS TO CENTER LINE OF COMMON WALLS OR DEMISING WALLS.
3. ALL ROOM DIMENSIONS ARE MEASURED FROM INTERIOR FINISH TO INTERIOR FINISH.
4. THIS DRAWING IS IN COMPLIANCE WITH DOB REQUIREMENTS AND REFLECTS DOB APPROVED PLANS.





REVISIONS:	ROBERT LITCHFIELD ARCHITECT tel: 973-738-7597 - fax: 212-268-1987 email: Rlitch@litcharch.com	524 HALSEY ST BROOKLYN, NY 11233	APT 101
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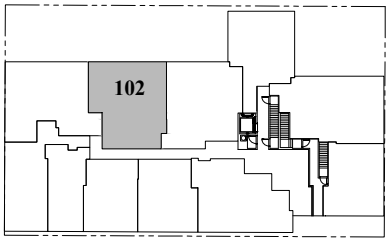


HALSEY ST

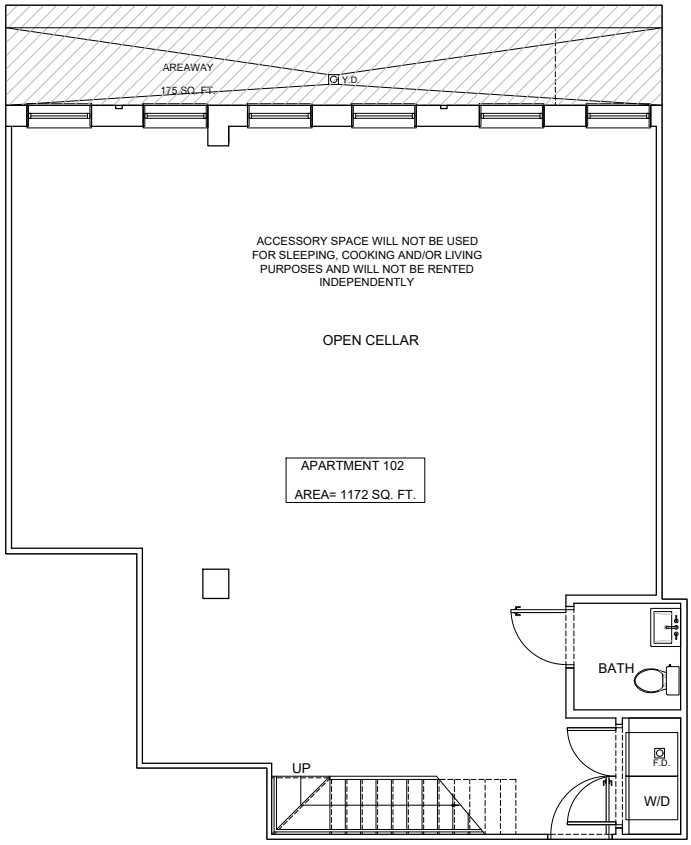
UNIT 102
CELLAR AREA: 1172 SQ. FT.
BASEMENT AREA: 1174 SQ. FT.
L.C.E. AREA: 911 SQ. FT.

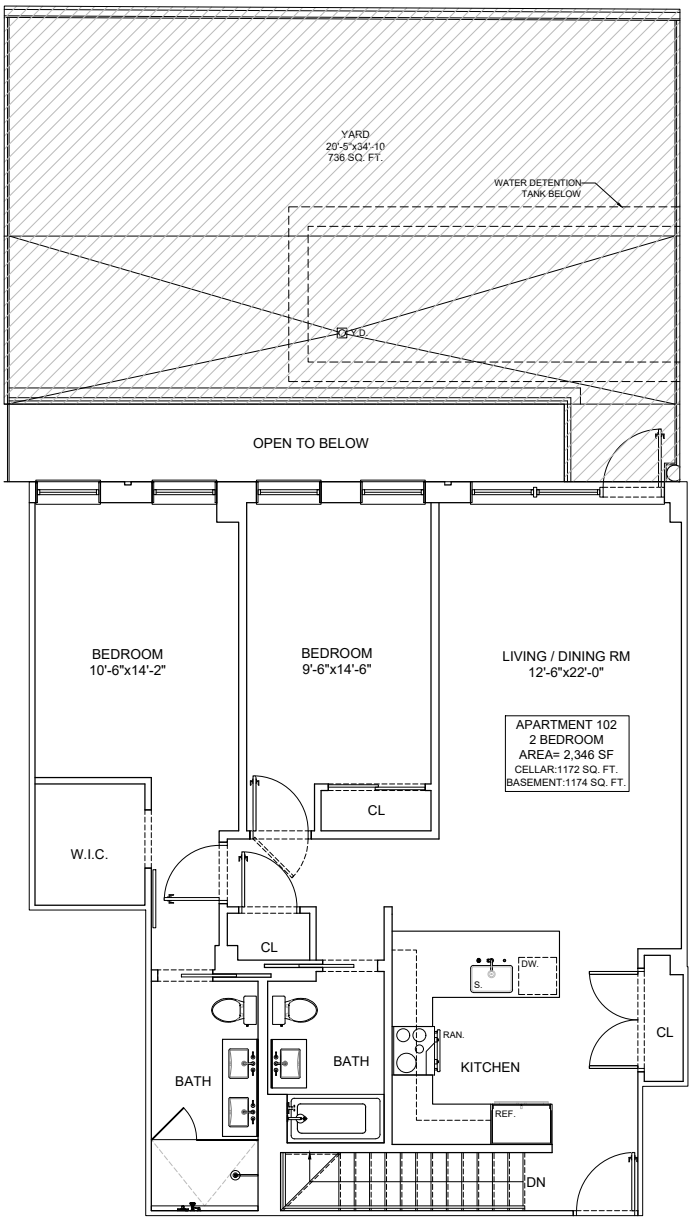
0' 1' 3' 6' 10'

LIMITED COMMON ELEMENT(L.C.E.)

GENERAL COMMON ELEMENT(G.C.E.)

NOTES:
1. ALL DIMENSIONS AND SQUARE FOOTAGES ARE APPROXIMATE.
2. TOTAL ROOMS AREA CALCULATED FROM EXTERIOR OF EXTERIOR WALLS TO CENTER LINE OF COMMON WALLS OR DEMISING WALLS.
3. ALL ROOM DIMENSIONS ARE MEASURED FROM INTERIOR FINISH TO INTERIOR FINISH.
4. THIS DRAWING IS IN COMPLIANCE WITH DOB REQUIREMENTS AND REFLECTS DOB APPROVED PLANS.





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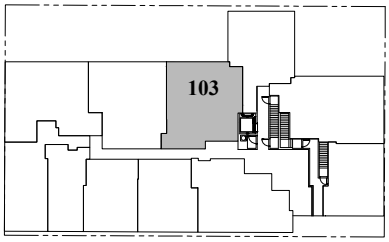
			A-2



HALSEY ST

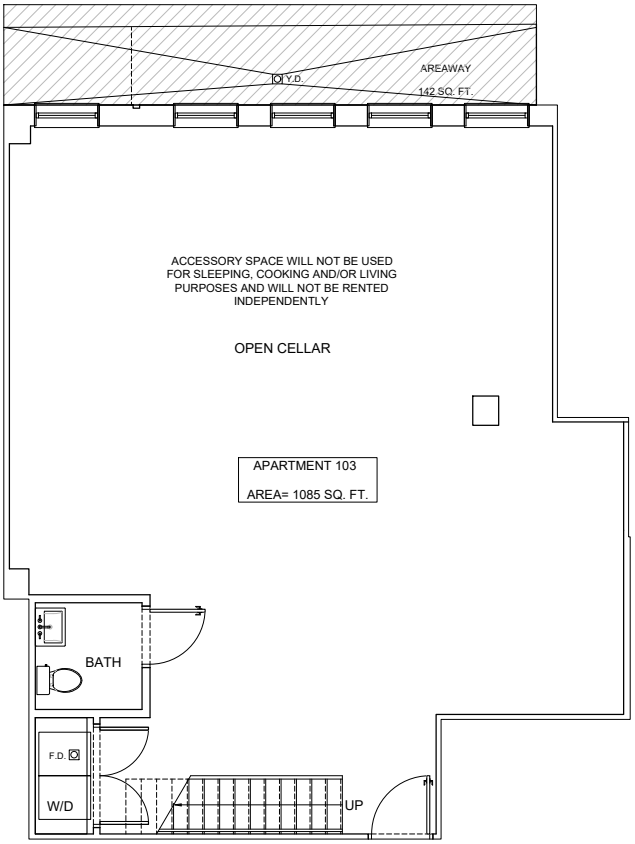
UNIT 103
CELLAR AREA: 1085 SQ. FT.
BASEMENT AREA: 1174 SQ. FT.
L.C.E. AREA: 610 SQ. FT.

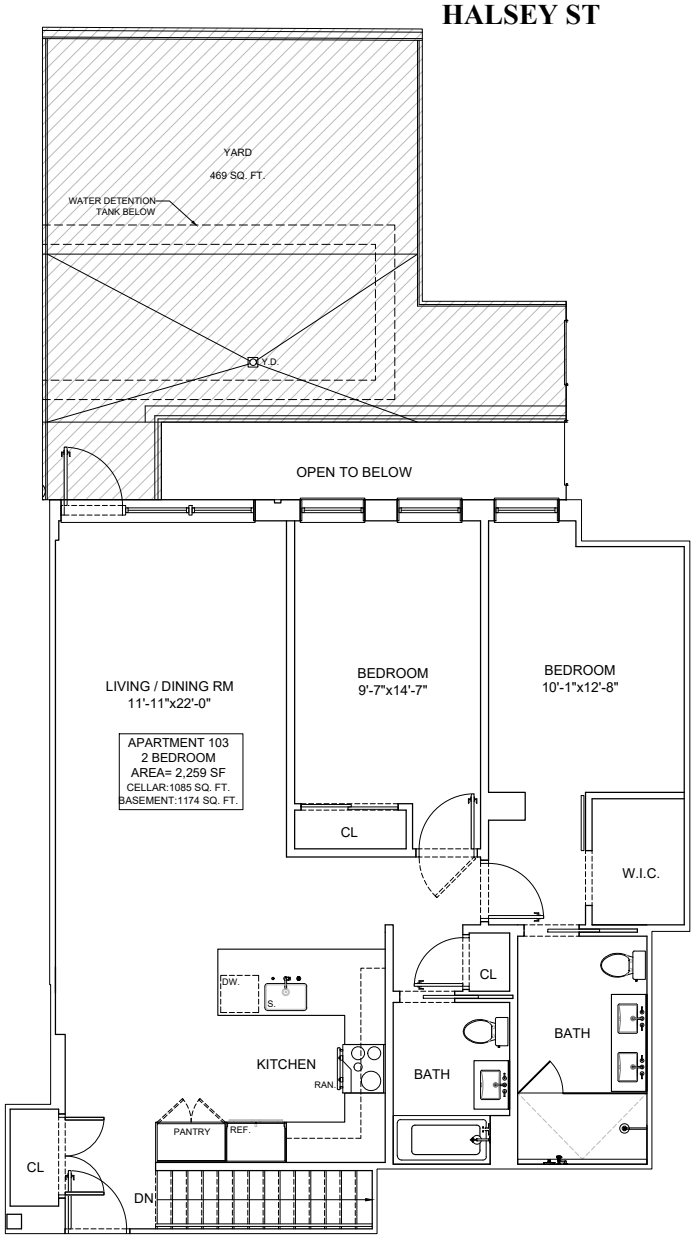
0' 1' 3' 6' 10'

LIMITED COMMON ELEMENT(L.C.E.)

GENERAL COMMON ELEMENT(G.C.E.)

NOTES:
1. ALL DIMENSIONS AND SQUARE FOOTAGES ARE APPROXIMATE.
2. TOTAL ROOMS AREA CALCULATED FROM EXTERIOR OF EXTERIOR WALLS TO CENTER LINE OF COMMON WALLS OR DEMISING WALLS.
3. ALL ROOM DIMENSIONS ARE MEASURED FROM INTERIOR FINISH TO INTERIOR FINISH.
4. THIS DRAWING IS IN COMPLIANCE WITH DOB REQUIREMENTS AND REFLECTS DOB APPROVED PLANS.





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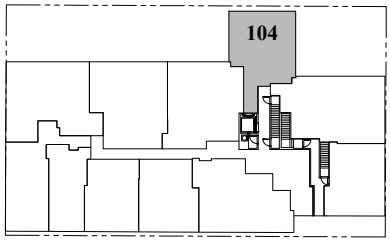
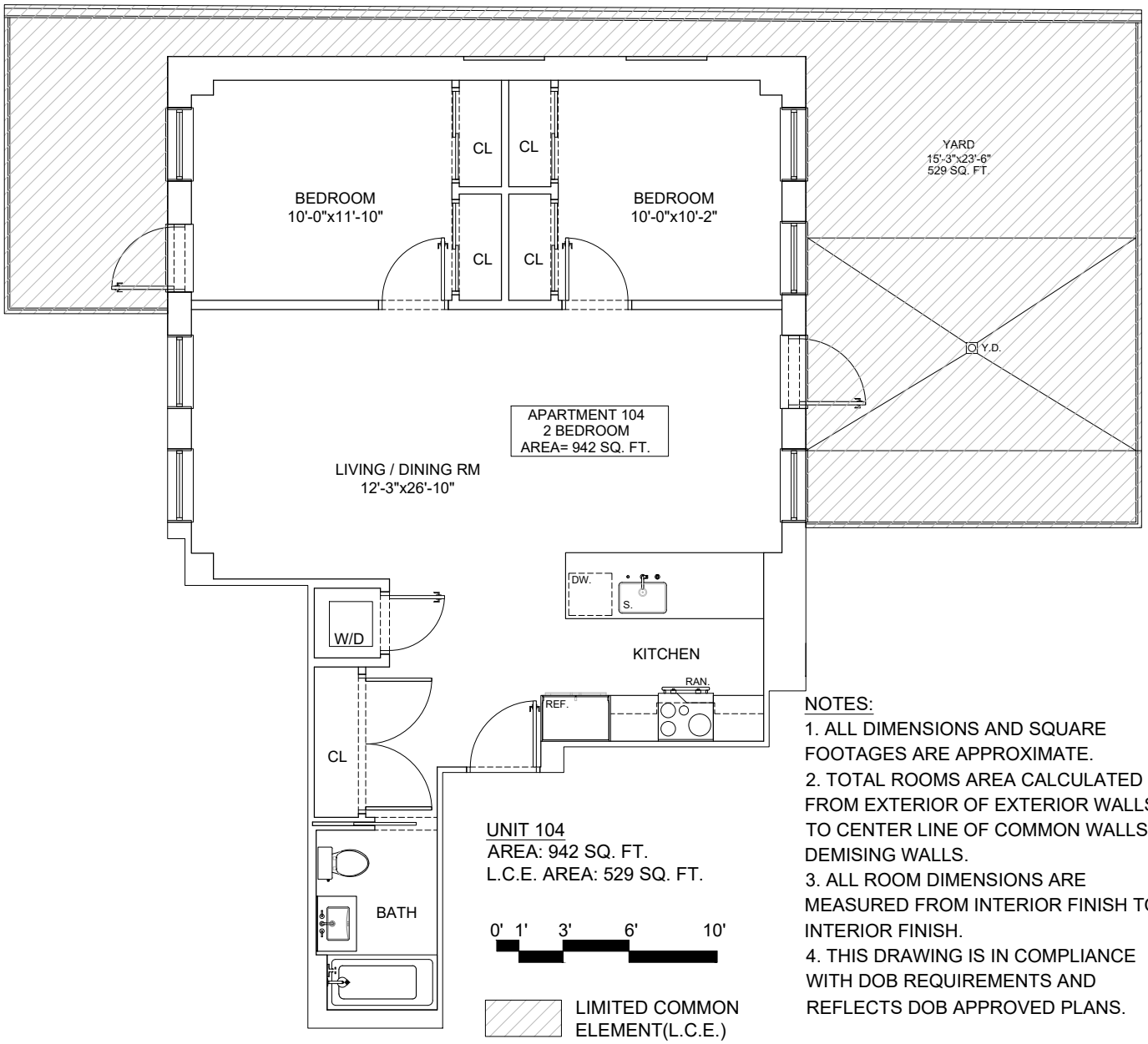


HALSEY ST



UNIT 104
AREA: 942 SQ. FT.
L.C.E. AREA: 529 SQ. FT.

0' 1' 3' 6' 10'

LIMITED COMMON ELEMENT(L.C.E.)

GENERAL COMMON ELEMENT(G.C.E.)

NOTES:
1. ALL DIMENSIONS AND SQUARE FOOTAGES ARE APPROXIMATE.
2. TOTAL ROOMS AREA CALCULATED FROM EXTERIOR OF EXTERIOR WALLS TO CENTER LINE OF COMMON WALLS OR DEMISING WALLS.
3. ALL ROOM DIMENSIONS ARE MEASURED FROM INTERIOR FINISH TO INTERIOR FINISH.
4. THIS DRAWING IS IN COMPLIANCE WITH DOB REQUIREMENTS AND REFLECTS DOB APPROVED PLANS.

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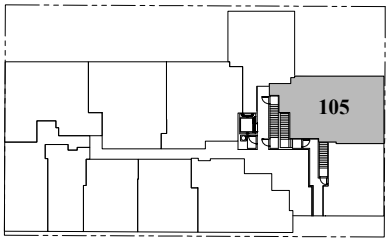
			A-4



HALSEY ST

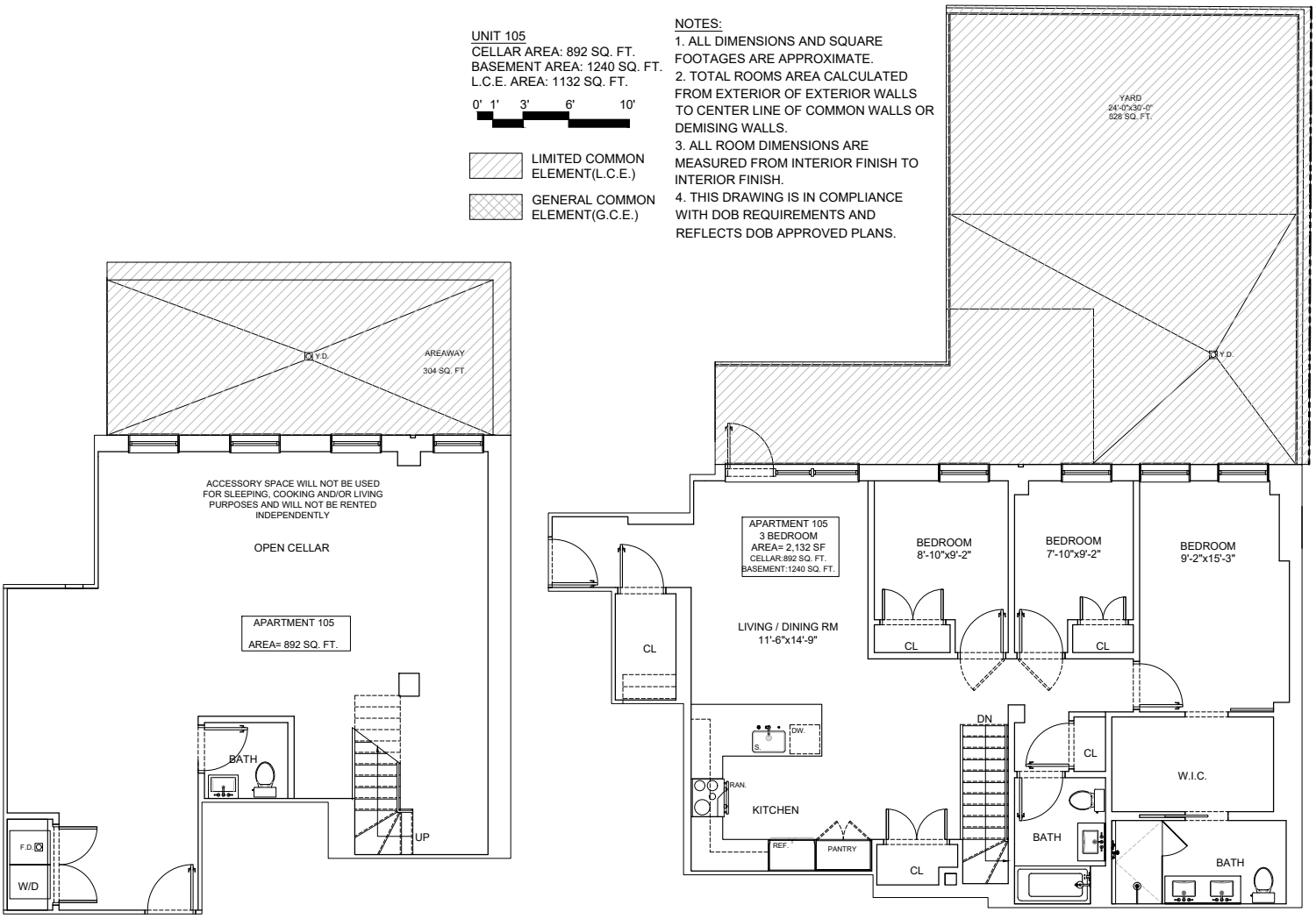
UNIT 105
CELLAR AREA: 892 SQ. FT.
BASEMENT AREA: 1240 SQ. FT.
L.C.E. AREA: 1132 SQ. FT.

0' 1' 3' 6' 10'

LIMITED COMMON ELEMENT(L.C.E.)

GENERAL COMMON ELEMENT(G.C.E.)

NOTES:
1. ALL DIMENSIONS AND SQUARE FOOTAGES ARE APPROXIMATE.
2. TOTAL ROOMS AREA CALCULATED FROM EXTERIOR OF EXTERIOR WALLS TO CENTER LINE OF COMMON WALLS OR DEMISING WALLS.
3. ALL ROOM DIMENSIONS ARE MEASURED FROM INTERIOR FINISH TO INTERIOR FINISH.
4. THIS DRAWING IS IN COMPLIANCE WITH DOB REQUIREMENTS AND REFLECTS DOB APPROVED PLANS.



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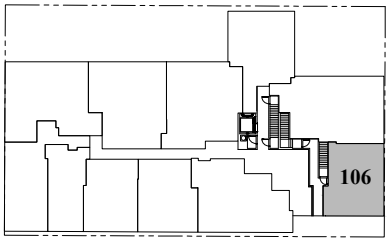

HALSEY ST

UNIT 106
CELLAR AREA: 710 SQ. FT.
BASEMENT AREA: 789 SQ. FT.

0' 1' 3' 6' 10'

LIMITED COMMON ELEMENT(L.C.E.)

GENERAL COMMON ELEMENT(G.C.E.)

NOTES:
1. ALL DIMENSIONS AND SQUARE FOOTAGES ARE APPROXIMATE.
2. TOTAL ROOMS AREA CALCULATED FROM EXTERIOR OF EXTERIOR WALLS TO CENTER LINE OF COMMON WALLS OR DEMISING WALLS.
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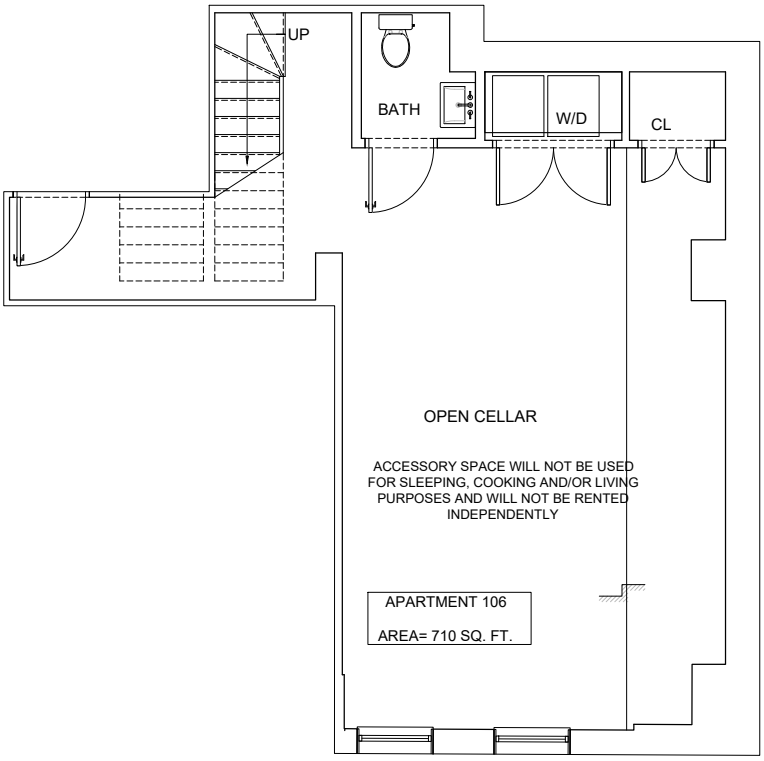
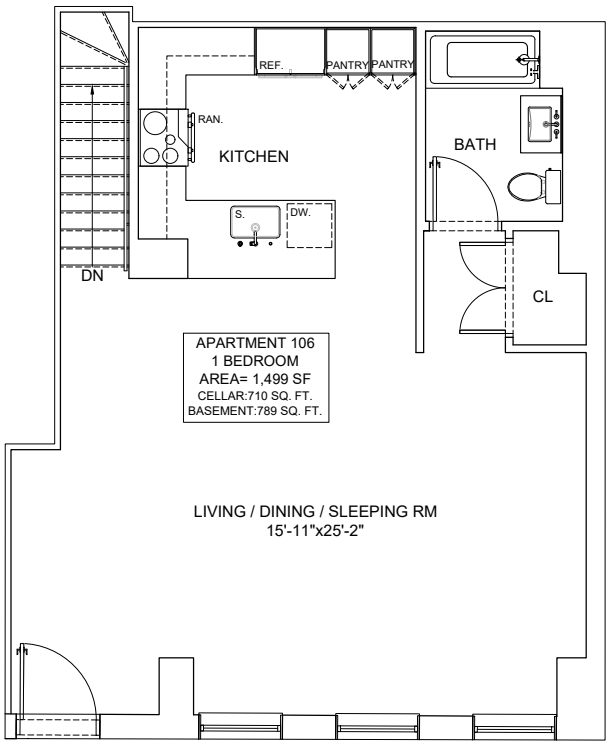
4. THIS DRAWING IS IN COMPLIANCE WITH DOB REQUIREMENTS AND REFLECTS DOB APPROVED PLANS.





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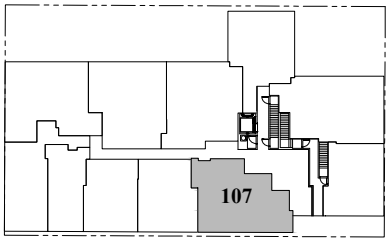


HALSEY ST

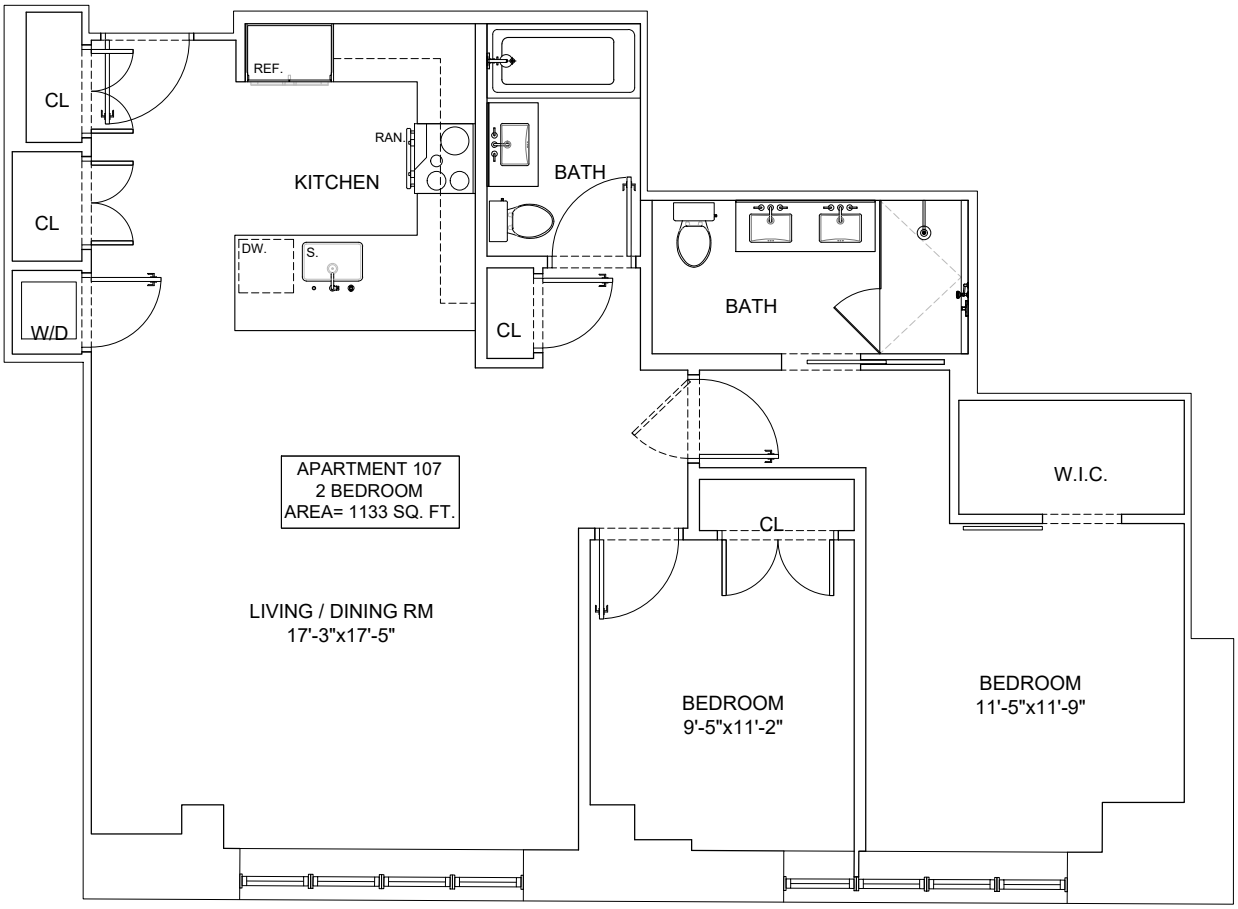
UNIT 107
AREA: 1133 SQ. FT.

0' 1' 3' 6' 10'

LIMITED COMMON ELEMENT(L.C.E.)

GENERAL COMMON ELEMENT(G.C.E.)

NOTES:
1. ALL DIMENSIONS AND SQUARE FOOTAGES ARE APPROXIMATE.
2. TOTAL ROOMS AREA CALCULATED FROM EXTERIOR OF EXTERIOR WALLS TO CENTER LINE OF COMMON WALLS OR DEMISING WALLS.
3. ALL ROOM DIMENSIONS ARE MEASURED FROM INTERIOR FINISH TO INTERIOR FINISH.
4. THIS DRAWING IS IN COMPLIANCE WITH DOB REQUIREMENTS AND REFLECTS DOB APPROVED PLANS.



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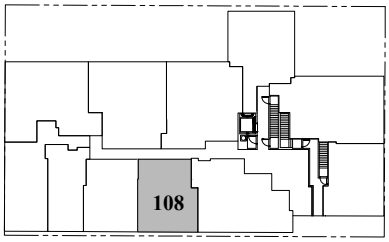

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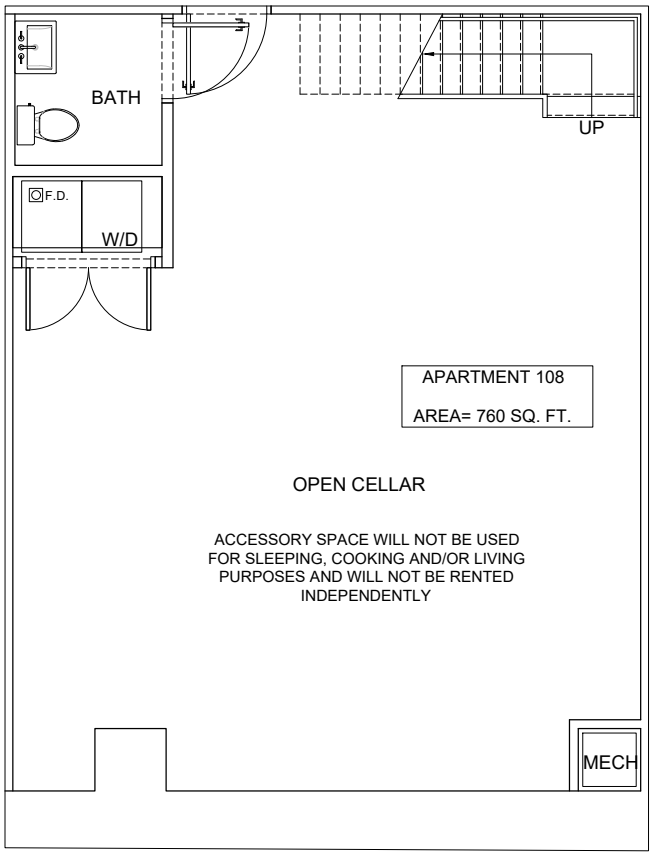

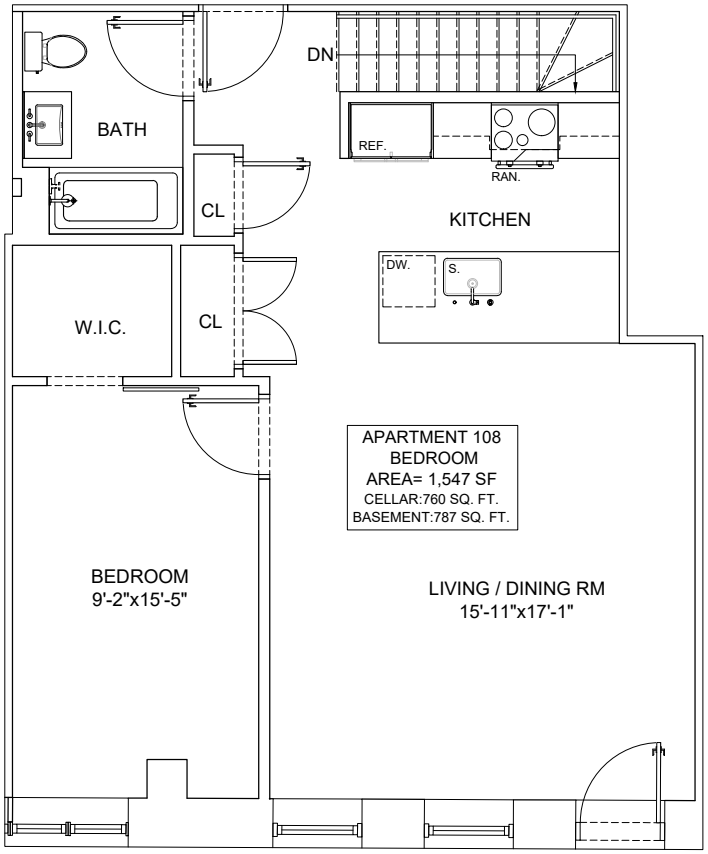

UNIT 108
CELLAR AREA: 760 SQ. FT.
BASEMENT AREA: 787 SQ. FT.

0' 1' 3' 6' 10'

LIMITED COMMON ELEMENT(L.C.E.)

GENERAL COMMON ELEMENT(G.C.E.)

NOTES:
1. ALL DIMENSIONS AND SQUARE FOOTAGES ARE APPROXIMATE.
2. TOTAL ROOMS AREA CALCULATED FROM EXTERIOR OF EXTERIOR WALLS TO CENTER LINE OF COMMON WALLS OR DEMISING WALLS.
3. ALL ROOM DIMENSIONS ARE MEASURED FROM INTERIOR FINISH TO INTERIOR FINISH.
4. THIS DRAWING IS IN COMPLIANCE WITH DOB REQUIREMENTS AND REFLECTS DOB APPROVED PLANS.

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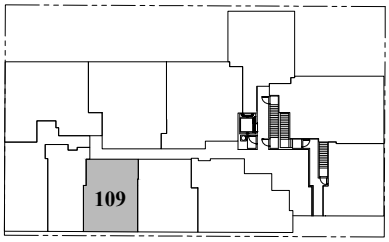

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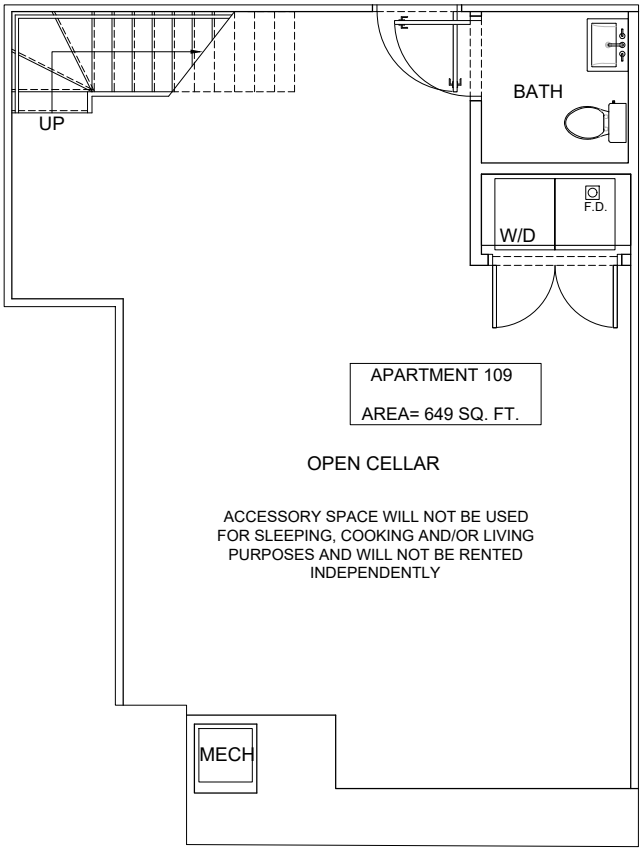

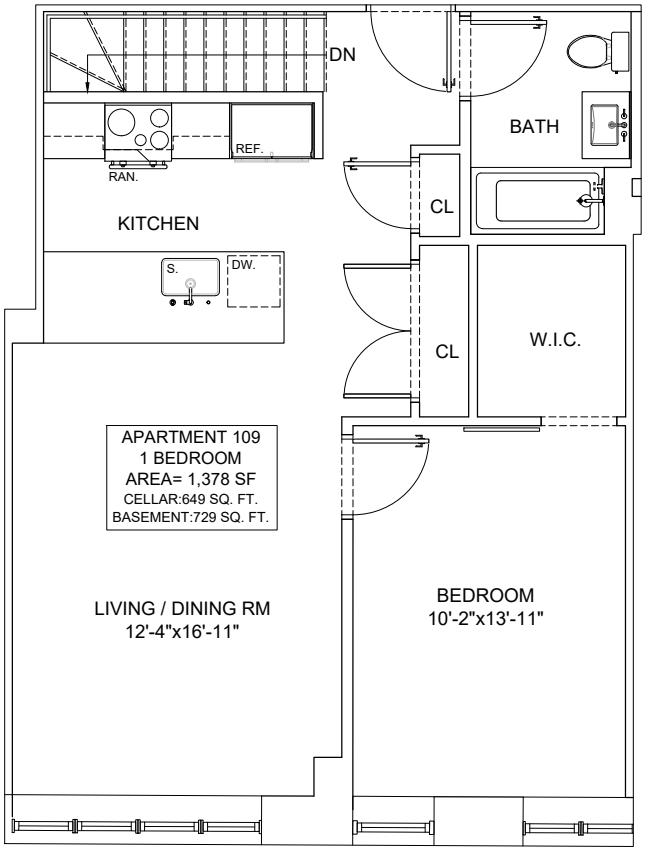

UNIT 109
CELLAR AREA: 649 SQ. FT.
BASEMENT AREA: 729 SQ. FT.

0' 1' 3' 6' 10'

LIMITED COMMON ELEMENT(L.C.E.)

GENERAL COMMON ELEMENT(G.C.E.)

NOTES:
1. ALL DIMENSIONS AND SQUARE FOOTAGES ARE APPROXIMATE.
2. TOTAL ROOMS AREA CALCULATED FROM EXTERIOR OF EXTERIOR WALLS TO CENTER LINE OF COMMON WALLS OR DEMISING WALLS.
3. ALL ROOM DIMENSIONS ARE MEASURED FROM INTERIOR FINISH TO INTERIOR FINISH.
4. THIS DRAWING IS IN COMPLIANCE WITH DOB REQUIREMENTS AND REFLECTS DOB APPROVED PLANS.

REVISIONS:	ROBERT LITCHFIELD ARCHITECT tel: 973-738-7597 - fax: 212-268-1987 email: Rlitch@litcharch.com	524 HALSEY ST BROOKLYN, NY 11233	APT 109
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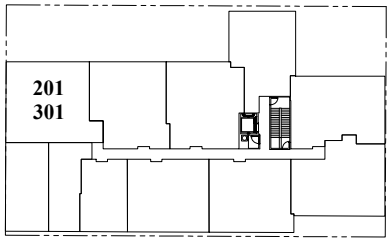

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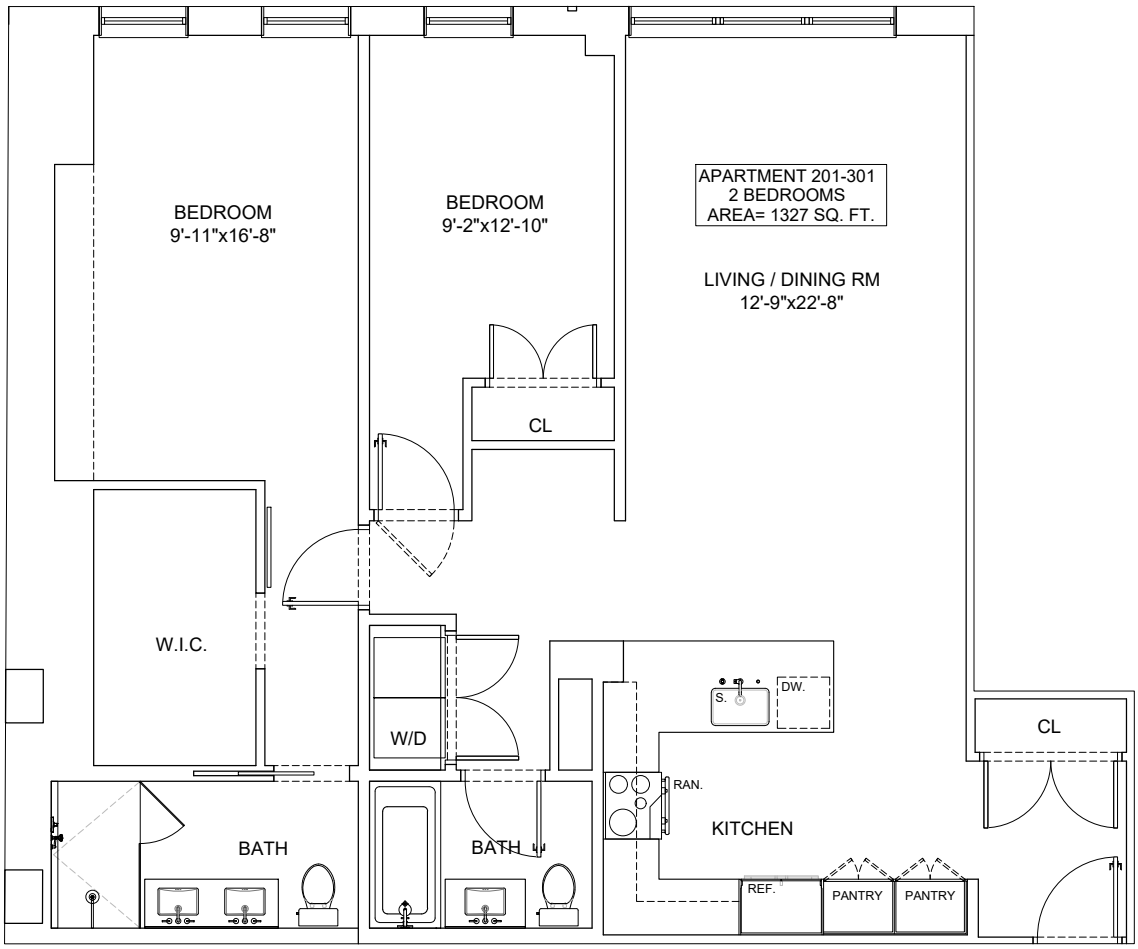

UNIT 201-301
AREA: 1327 SQ. FT.

0' 1' 3' 6' 10'

LIMITED COMMON ELEMENT(L.C.E.)

GENERAL COMMON ELEMENT(G.C.E.)

NOTES:
1. ALL DIMENSIONS AND SQUARE FOOTAGES ARE APPROXIMATE.
2. TOTAL ROOMS AREA CALCULATED FROM EXTERIOR OF EXTERIOR WALLS TO CENTER LINE OF COMMON WALLS OR DEMISING WALLS.
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4. THIS DRAWING IS IN COMPLIANCE WITH DOB REQUIREMENTS AND REFLECTS DOB APPROVED PLANS.

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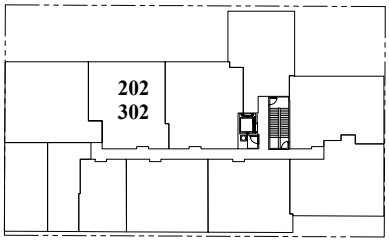

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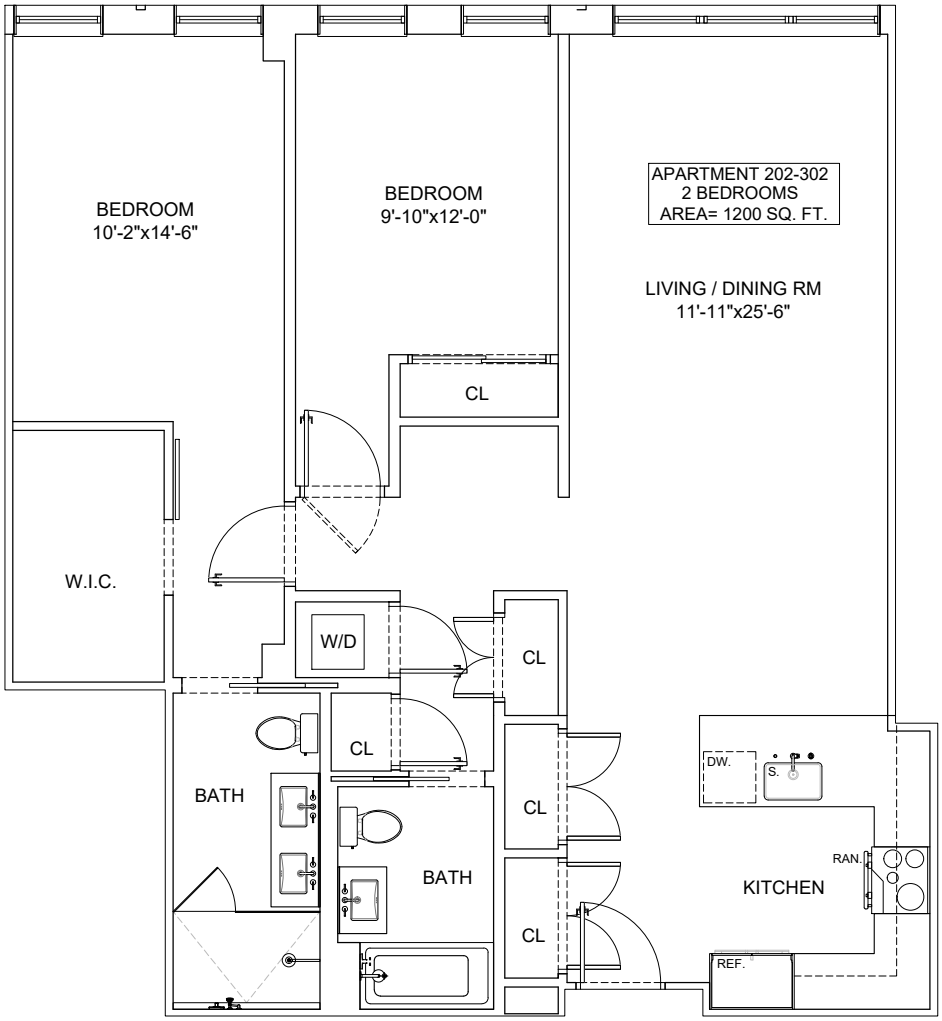

UNIT 202-302
AREA: 1200 SQ. FT.

0' 1' 3' 6' 10'

LIMITED COMMON ELEMENT(L.C.E.)

GENERAL COMMON ELEMENT(G.C.E.)

NOTES:
1. ALL DIMENSIONS AND SQUARE FOOTAGES ARE APPROXIMATE.
2. TOTAL ROOMS AREA CALCULATED FROM EXTERIOR OF EXTERIOR WALLS TO CENTER LINE OF COMMON WALLS OR DEMISING WALLS.
3. ALL ROOM DIMENSIONS ARE MEASURED FROM INTERIOR FINISH TO INTERIOR FINISH.
4. THIS DRAWING IS IN COMPLIANCE WITH DOB REQUIREMENTS AND REFLECTS DOB APPROVED PLANS.

REVISIONS:	ROBERT LITCHFIELD ARCHITECT tel: 973-738-7597 - fax: 212-268-1987 email: Rlitch@litcharch.com	524 HALSEY ST BROOKLYN, NY 11233	APT 202-302
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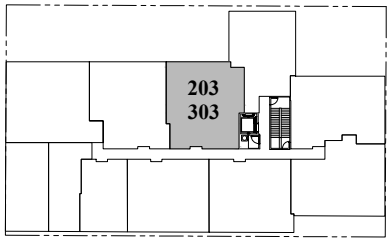

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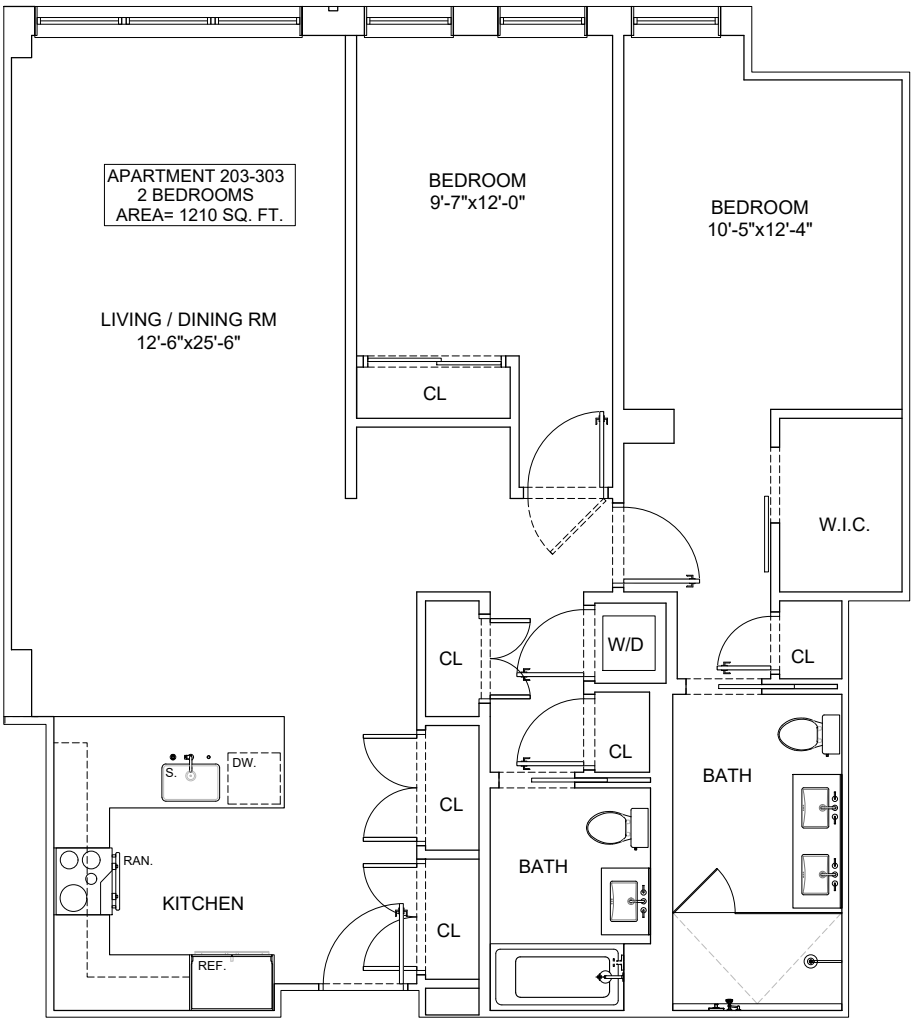

UNIT 203-303
AREA: 1210 SQ. FT.

0' 1' 3' 6' 10'

LIMITED COMMON ELEMENT(L.C.E.)

GENERAL COMMON ELEMENT(G.C.E.)

NOTES:
1. ALL DIMENSIONS AND SQUARE FOOTAGES ARE APPROXIMATE.
2. TOTAL ROOMS AREA CALCULATED FROM EXTERIOR OF EXTERIOR WALLS TO CENTER LINE OF COMMON WALLS OR DEMISING WALLS.
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4. THIS DRAWING IS IN COMPLIANCE WITH DOB REQUIREMENTS AND REFLECTS DOB APPROVED PLANS.

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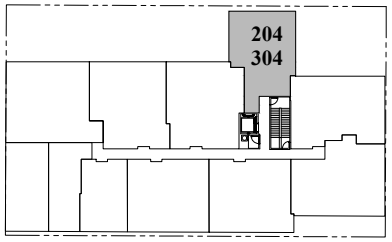

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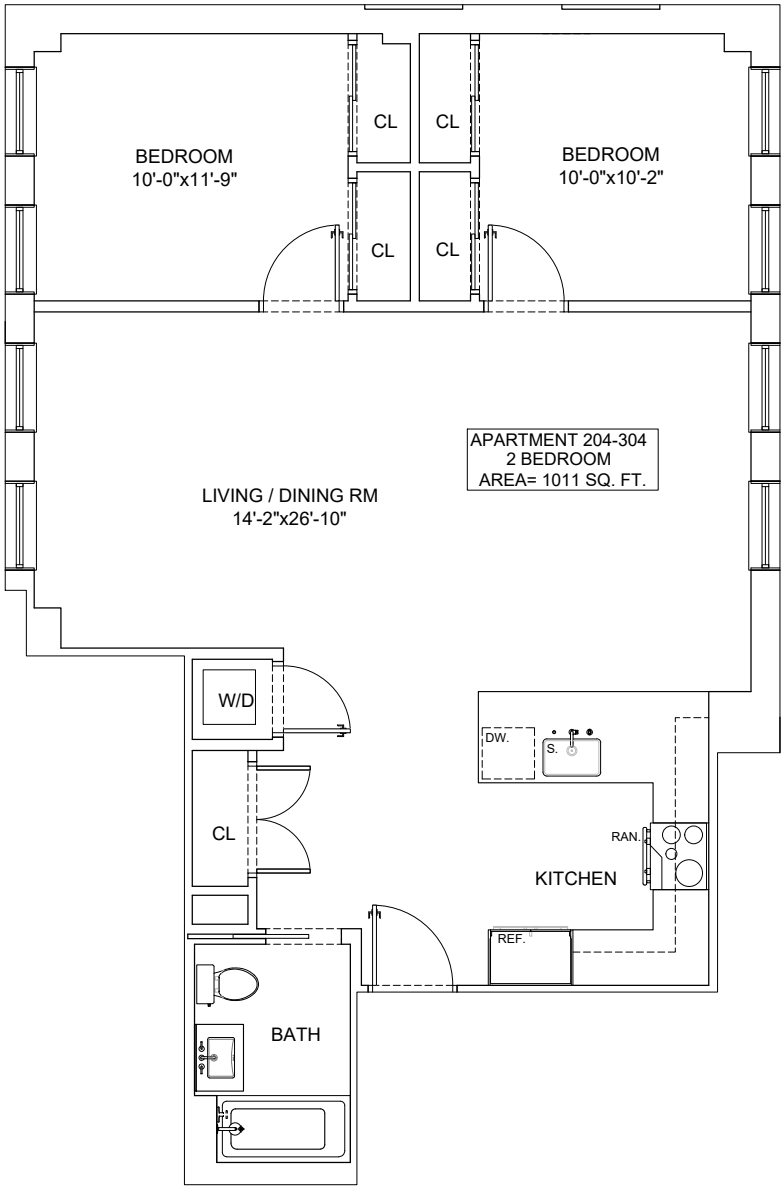

UNIT 204-304
AREA: 1011 SQ. FT.

0' 1' 3' 6' 10'

LIMITED COMMON ELEMENT(L.C.E.)

GENERAL COMMON ELEMENT(G.C.E.)

NOTES:
1. ALL DIMENSIONS AND SQUARE FOOTAGES ARE APPROXIMATE.
2. TOTAL ROOMS AREA CALCULATED FROM EXTERIOR OF EXTERIOR WALLS TO CENTER LINE OF COMMON WALLS OR DEMISING WALLS.
3. ALL ROOM DIMENSIONS ARE MEASURED FROM INTERIOR FINISH TO INTERIOR FINISH.
4. THIS DRAWING IS IN COMPLIANCE WITH DOB REQUIREMENTS AND REFLECTS DOB APPROVED PLANS.

REVISIONS:	ROBERT LITCHFIELD ARCHITECT tel: 973-738-7597 - fax: 212-268-1987 email: Rlitch@litcharch.com	524 HALSEY ST BROOKLYN, NY 11233	APT 204-304
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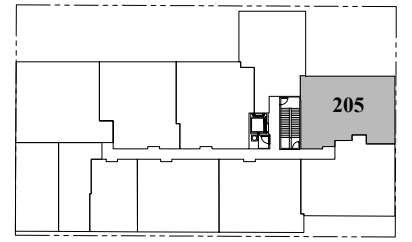
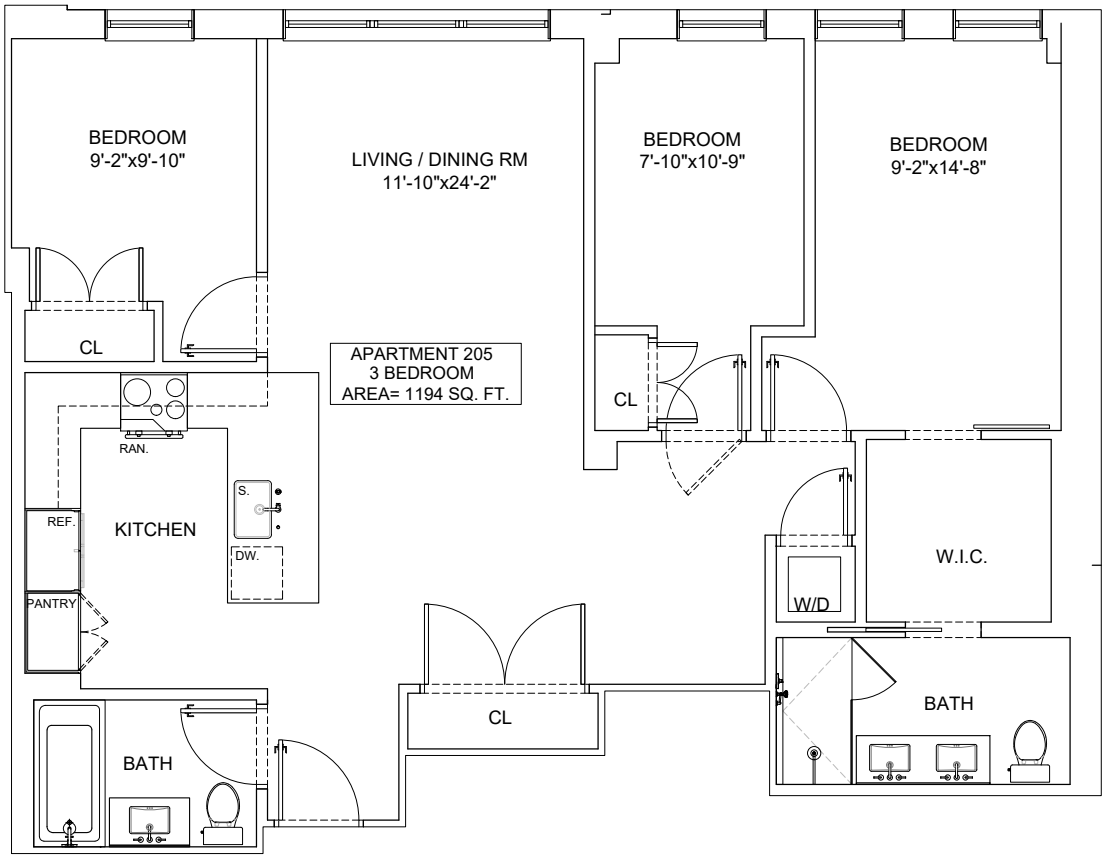


HALSEY ST



UNIT 205
AREA: 1194 SQ. FT.

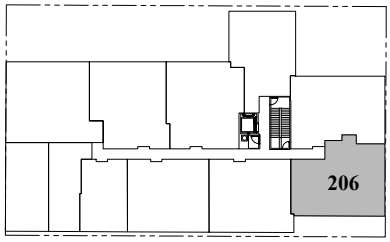
0' 1' 3' 6' 10'

LIMITED COMMON ELEMENT(L.C.E.)

GENERAL COMMON ELEMENT(G.C.E.)

NOTES:
1. ALL DIMENSIONS AND SQUARE FOOTAGES ARE APPROXIMATE.
2. TOTAL ROOMS AREA CALCULATED FROM EXTERIOR OF EXTERIOR WALLS TO CENTER LINE OF COMMON WALLS OR DEMISING WALLS.
3. ALL ROOM DIMENSIONS ARE MEASURED FROM INTERIOR FINISH TO INTERIOR FINISH.
4. THIS DRAWING IS IN COMPLIANCE WITH DOB REQUIREMENTS AND REFLECTS DOB APPROVED PLANS.

REVISIONS:	ROBERT LITCHFIELD ARCHITECT tel: 973-738-7597 - fax: 212-268-1987 email: Rlitch@litcharch.com	524 HALSEY ST BROOKLYN, NY 11233	APT 205
			A-14



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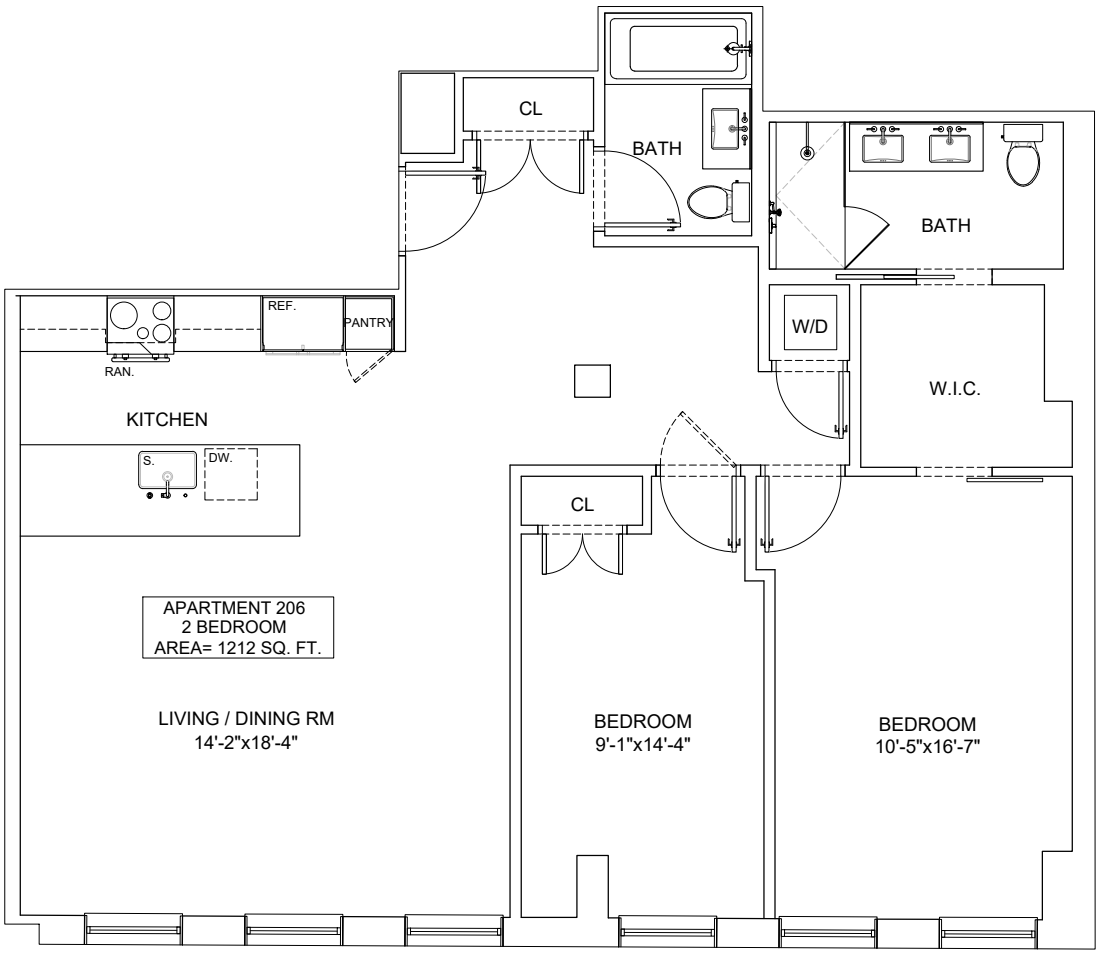

UNIT 206
AREA: 1212 SQ. FT.

0' 1' 3' 6' 10'

LIMITED COMMON ELEMENT(L.C.E.)

GENERAL COMMON ELEMENT(G.C.E.)

NOTES:
1. ALL DIMENSIONS AND SQUARE FOOTAGES ARE APPROXIMATE.
2. TOTAL ROOMS AREA CALCULATED FROM EXTERIOR OF EXTERIOR WALLS TO CENTER LINE OF COMMON WALLS OR DEMISING WALLS.
3. ALL ROOM DIMENSIONS ARE MEASURED FROM INTERIOR FINISH TO INTERIOR FINISH.
4. THIS DRAWING IS IN COMPLIANCE WITH DOB REQUIREMENTS AND REFLECTS DOB APPROVED PLANS.

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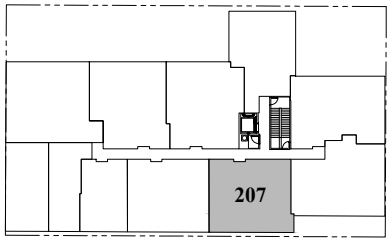
			A-15



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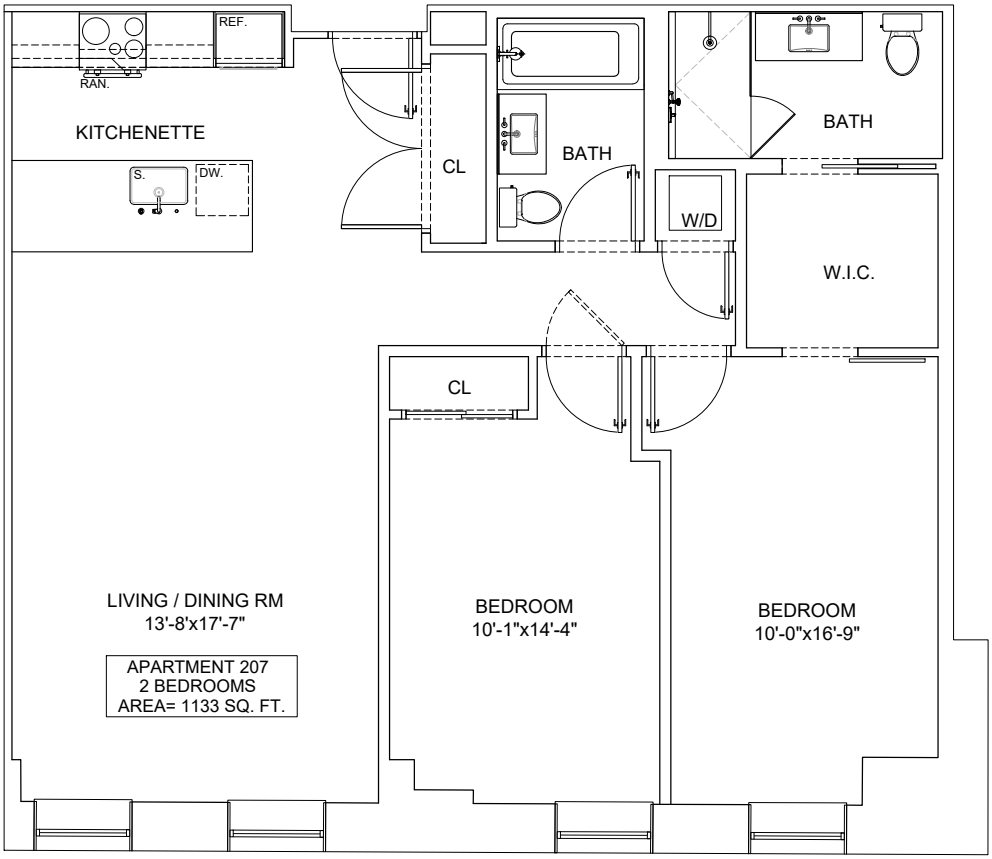

UNIT 207
AREA: 1133 SQ. FT.

0' 1' 3' 6' 10'

LIMITED COMMON ELEMENT(L.C.E.)

GENERAL COMMON ELEMENT(G.C.E.)

NOTES:
1. ALL DIMENSIONS AND SQUARE FOOTAGES ARE APPROXIMATE.
2. TOTAL ROOMS AREA CALCULATED FROM EXTERIOR OF EXTERIOR WALLS TO CENTER LINE OF COMMON WALLS OR DEMISING WALLS.
3. ALL ROOM DIMENSIONS ARE MEASURED FROM INTERIOR FINISH TO INTERIOR FINISH.
4. THIS DRAWING IS IN COMPLIANCE WITH DOB REQUIREMENTS AND REFLECTS DOB APPROVED PLANS.

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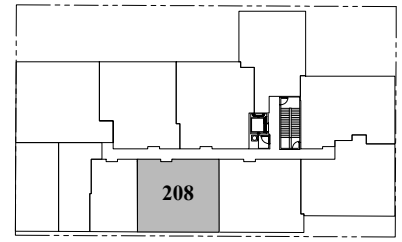

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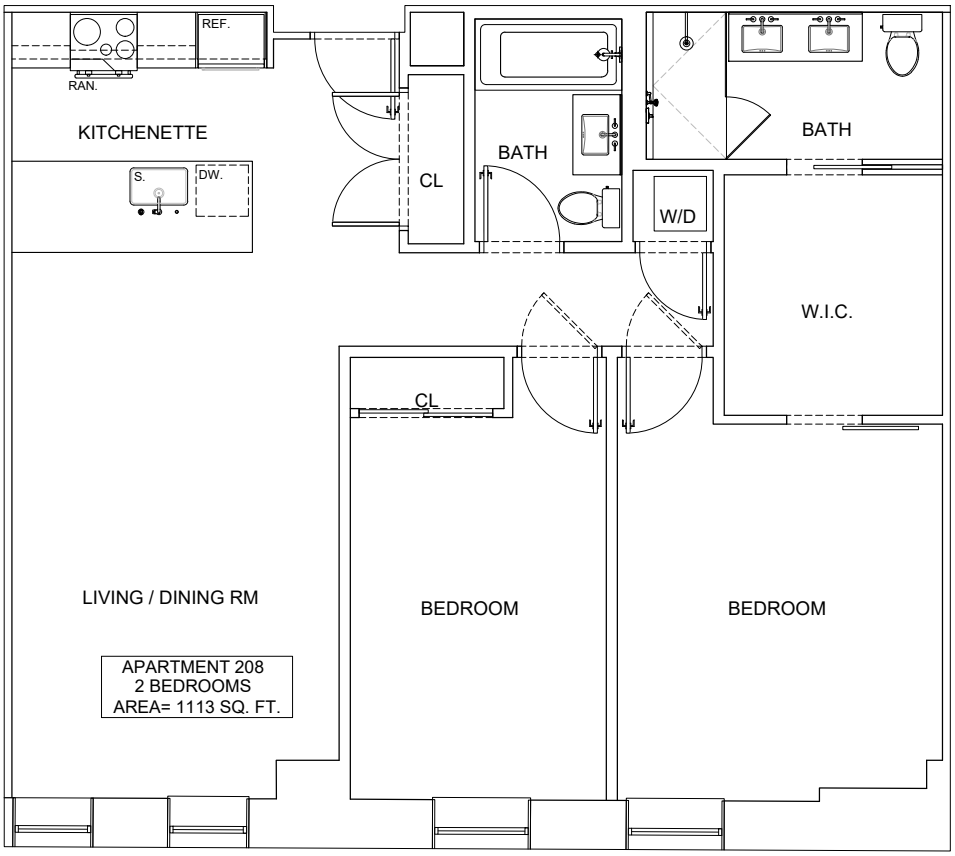

UNIT 208
AREA: 1113 SQ. FT.

0' 1' 3' 6' 10'

LIMITED COMMON ELEMENT(L.C.E.)

GENERAL COMMON ELEMENT(G.C.E.)

NOTES:
1. ALL DIMENSIONS AND SQUARE FOOTAGES ARE APPROXIMATE.
2. TOTAL ROOMS AREA CALCULATED FROM EXTERIOR OF EXTERIOR WALLS TO CENTER LINE OF COMMON WALLS OR DEMISING WALLS.
3. ALL ROOM DIMENSIONS ARE MEASURED FROM INTERIOR FINISH TO INTERIOR FINISH.
4. THIS DRAWING IS IN COMPLIANCE WITH DOB REQUIREMENTS AND REFLECTS DOB APPROVED PLANS.

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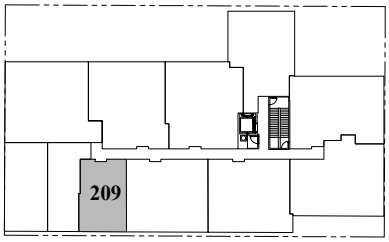
			A-17



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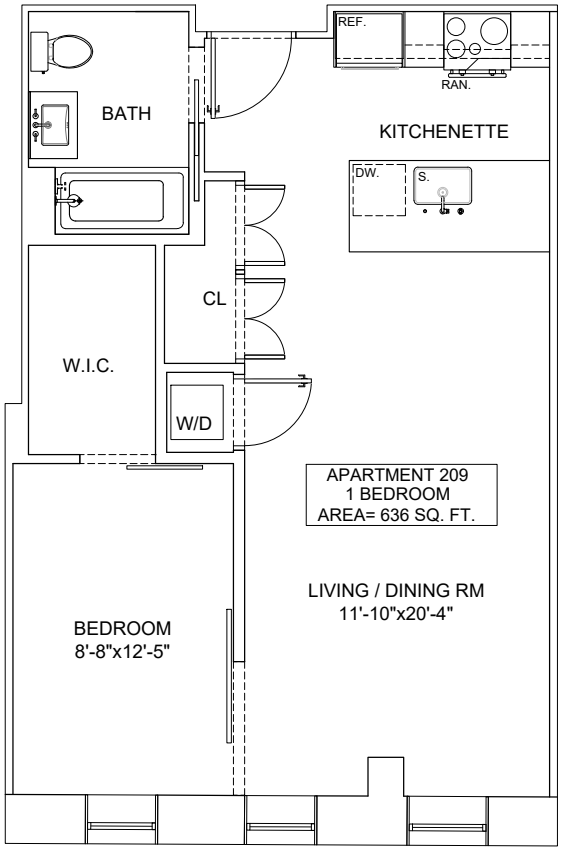

UNIT 209
AREA: 636 SQ. FT.

0' 1' 3' 6' 10'

LIMITED COMMON ELEMENT(L.C.E.)

GENERAL COMMON ELEMENT(G.C.E.)

NOTES:
1. ALL DIMENSIONS AND SQUARE FOOTAGES ARE APPROXIMATE.
2. TOTAL ROOMS AREA CALCULATED FROM EXTERIOR OF EXTERIOR WALLS TO CENTER LINE OF COMMON WALLS OR DEMISING WALLS.
3. ALL ROOM DIMENSIONS ARE MEASURED FROM INTERIOR FINISH TO INTERIOR FINISH.
4. THIS DRAWING IS IN COMPLIANCE WITH DOB REQUIREMENTS AND REFLECTS DOB APPROVED PLANS.

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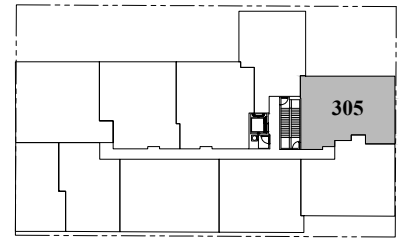
			A-18



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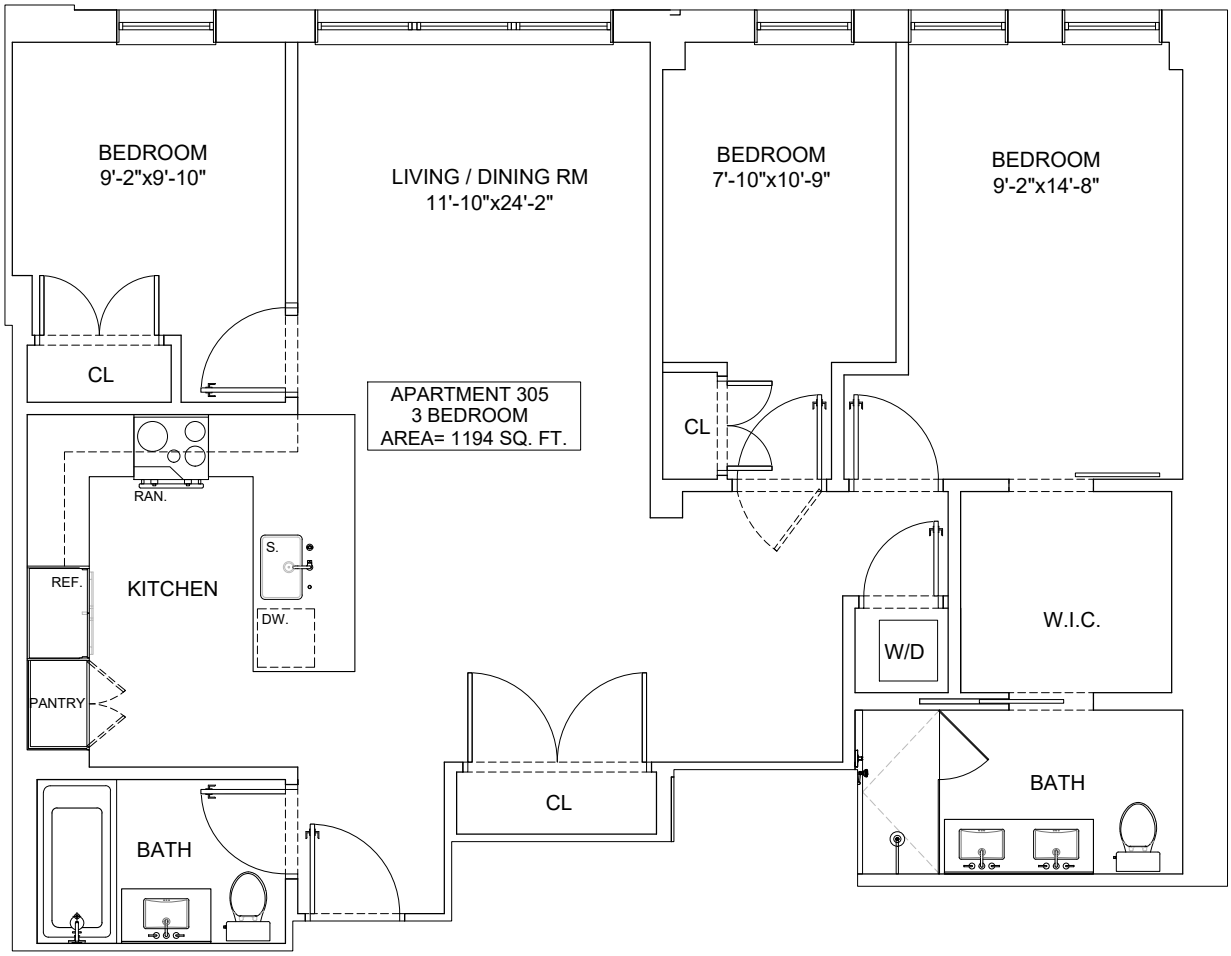

UNIT 305
AREA: 1194 SQ. FT.

0' 1' 3' 6' 10'

LIMITED COMMON ELEMENT(L.C.E.)

GENERAL COMMON ELEMENT(G.C.E.)

NOTES:
1. ALL DIMENSIONS AND SQUARE FOOTAGES ARE APPROXIMATE.
2. TOTAL ROOMS AREA CALCULATED FROM EXTERIOR OF EXTERIOR WALLS TO CENTER LINE OF COMMON WALLS OR DEMISING WALLS.
3. ALL ROOM DIMENSIONS ARE MEASURED FROM INTERIOR FINISH TO INTERIOR FINISH.
4. THIS DRAWING IS IN COMPLIANCE WITH DOB REQUIREMENTS AND REFLECTS DOB APPROVED PLANS.

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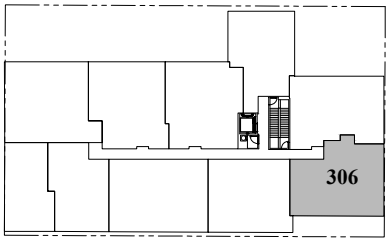
			A-19



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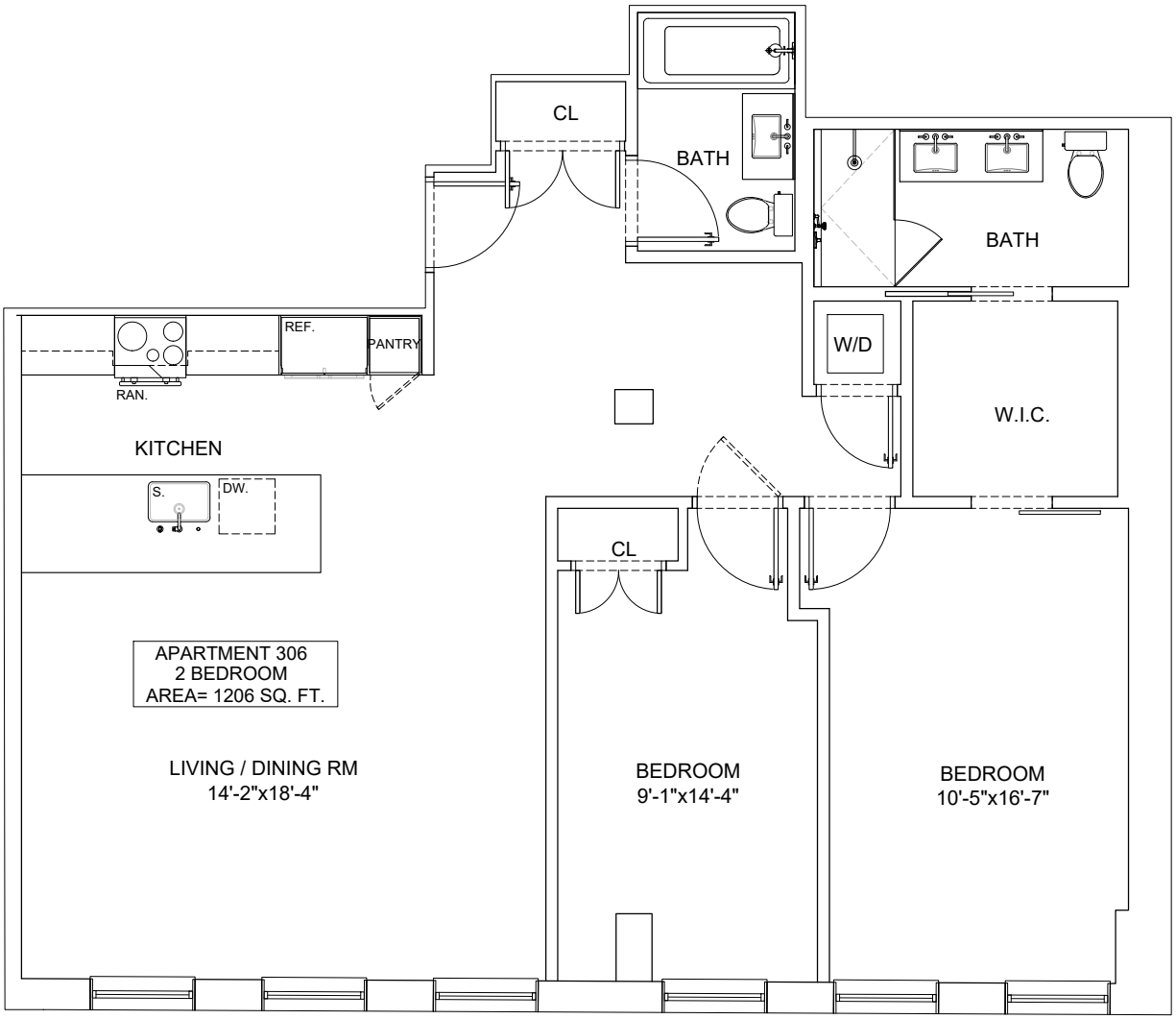

UNIT 306
AREA: 1206 SQ. FT.

0' 1' 3' 6' 10'

LIMITED COMMON ELEMENT(L.C.E.)

GENERAL COMMON ELEMENT(G.C.E.)

NOTES:
1. ALL DIMENSIONS AND SQUARE FOOTAGES ARE APPROXIMATE.
2. TOTAL ROOMS AREA CALCULATED FROM EXTERIOR OF EXTERIOR WALLS TO CENTER LINE OF COMMON WALLS OR DEMISING WALLS.
3. ALL ROOM DIMENSIONS ARE MEASURED FROM INTERIOR FINISH TO INTERIOR FINISH.
4. THIS DRAWING IS IN COMPLIANCE WITH DOB REQUIREMENTS AND REFLECTS DOB APPROVED PLANS.

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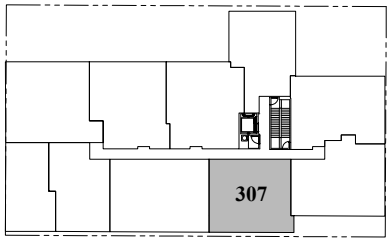
			A-20



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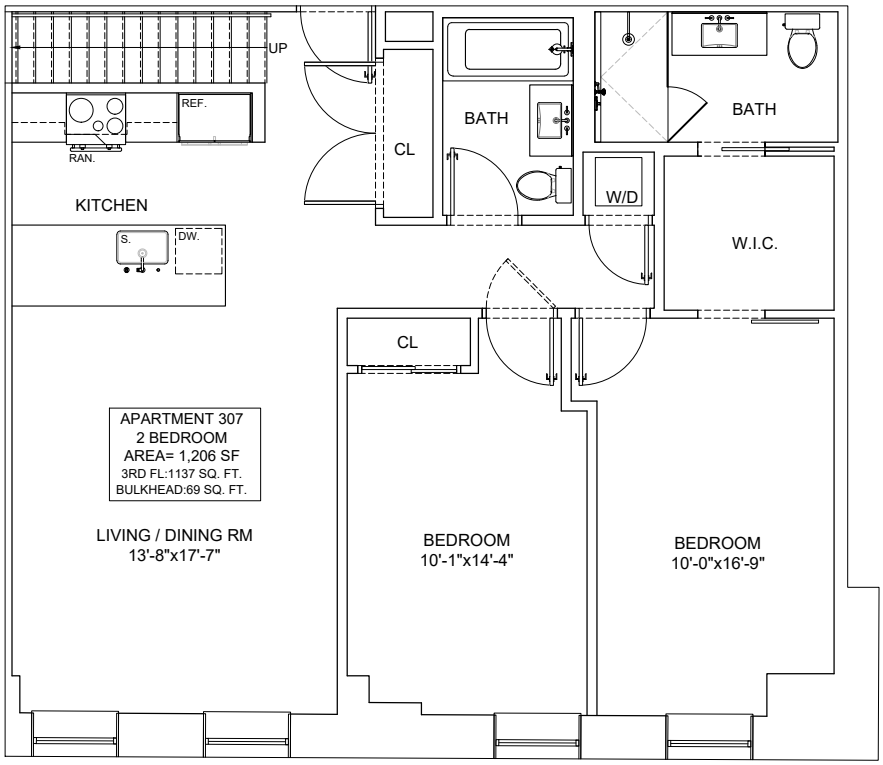

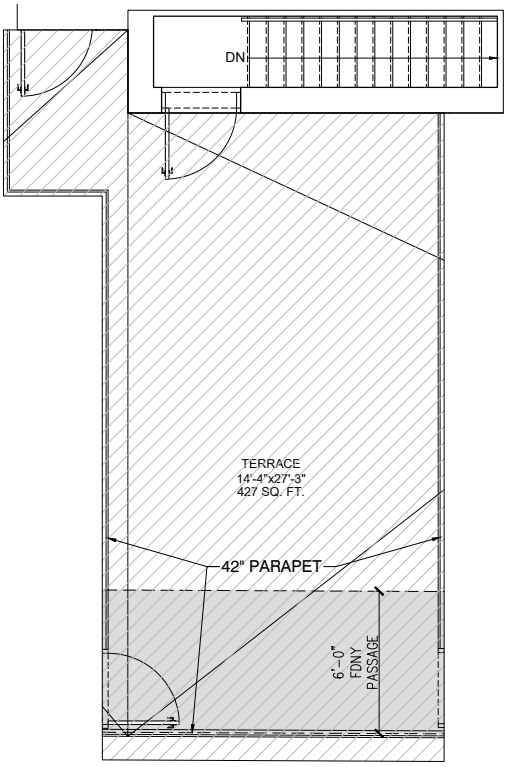

UNIT 307
3RD FL AREA: 1137 SQ. FT..
STAIR BULKHEAD: 69 SQ. FT.
TERRACE AREA: 427 SQ. FT.

0' 1' 3' 6' 10'

LIMITED COMMON ELEMENT(L.C.E.)

GENERAL COMMON ELEMENT(G.C.E.)

6'-0" FDNY PATH

NOTES:
1. ALL DIMENSIONS AND SQUARE FOOTAGES ARE APPROXIMATE.
2. TOTAL ROOMS AREA CALCULATED FROM EXTERIOR OF EXTERIOR WALLS TO CENTER LINE OF COMMON WALLS OR DEMISING WALLS.
3. ALL ROOM DIMENSIONS ARE MEASURED FROM INTERIOR FINISH TO INTERIOR FINISH.
4. THIS DRAWING IS IN COMPLIANCE WITH DOB REQUIREMENTS AND REFLECTS DOB APPROVED PLANS.

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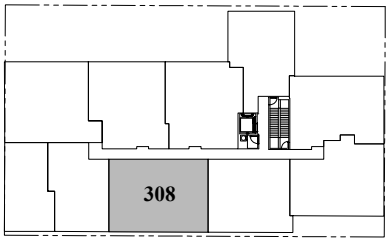
			A-21



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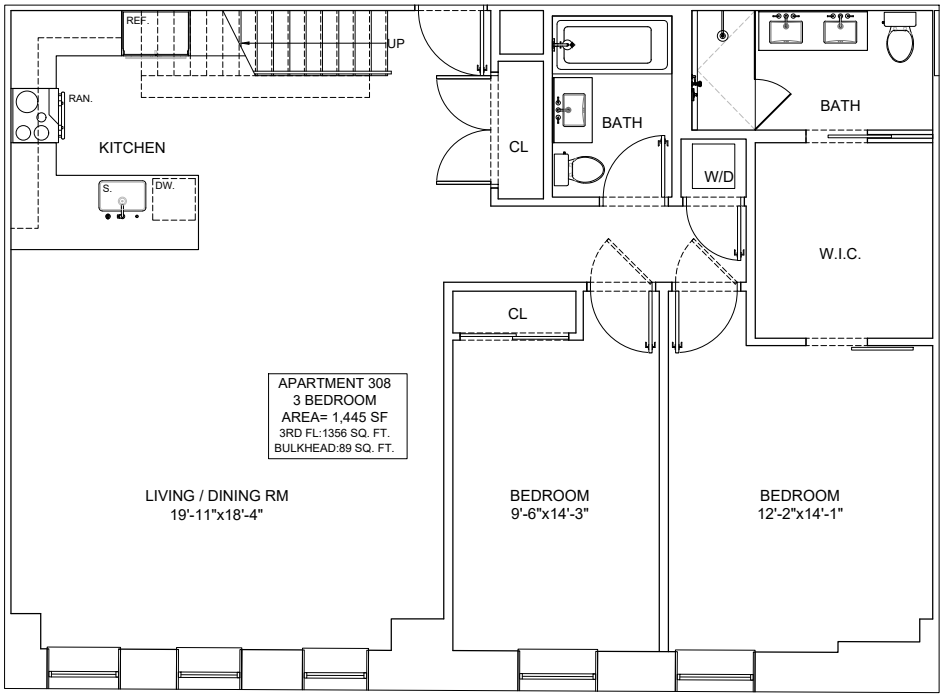

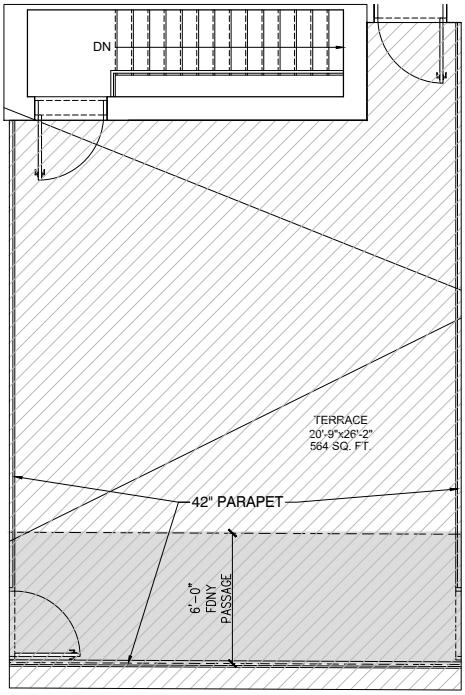

UNIT 308
3RD FL AREA: 1356 SQ. FT..
STAIR BULKHEAD: 89 SQ. FT.
TERRACE AREA: 564 SQ. FT.

0' 1' 3' 6' 10'

LIMITED COMMON ELEMENT(L.C.E.)

GENERAL COMMON ELEMENT(G.C.E.)

6'-0" FDNY PATH

NOTES:
1. ALL DIMENSIONS AND SQUARE FOOTAGES ARE APPROXIMATE.
2. TOTAL ROOMS AREA CALCULATED FROM EXTERIOR OF EXTERIOR WALLS TO CENTER LINE OF COMMON WALLS OR DEMISING WALLS.
3. ALL ROOM DIMENSIONS ARE MEASURED FROM INTERIOR FINISH TO INTERIOR FINISH.
4. THIS DRAWING IS IN COMPLIANCE WITH DOB REQUIREMENTS AND REFLECTS DOB APPROVED PLANS.

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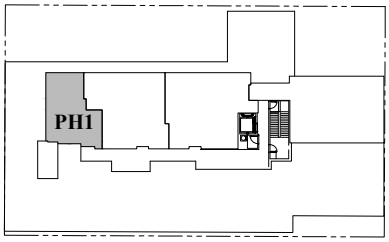

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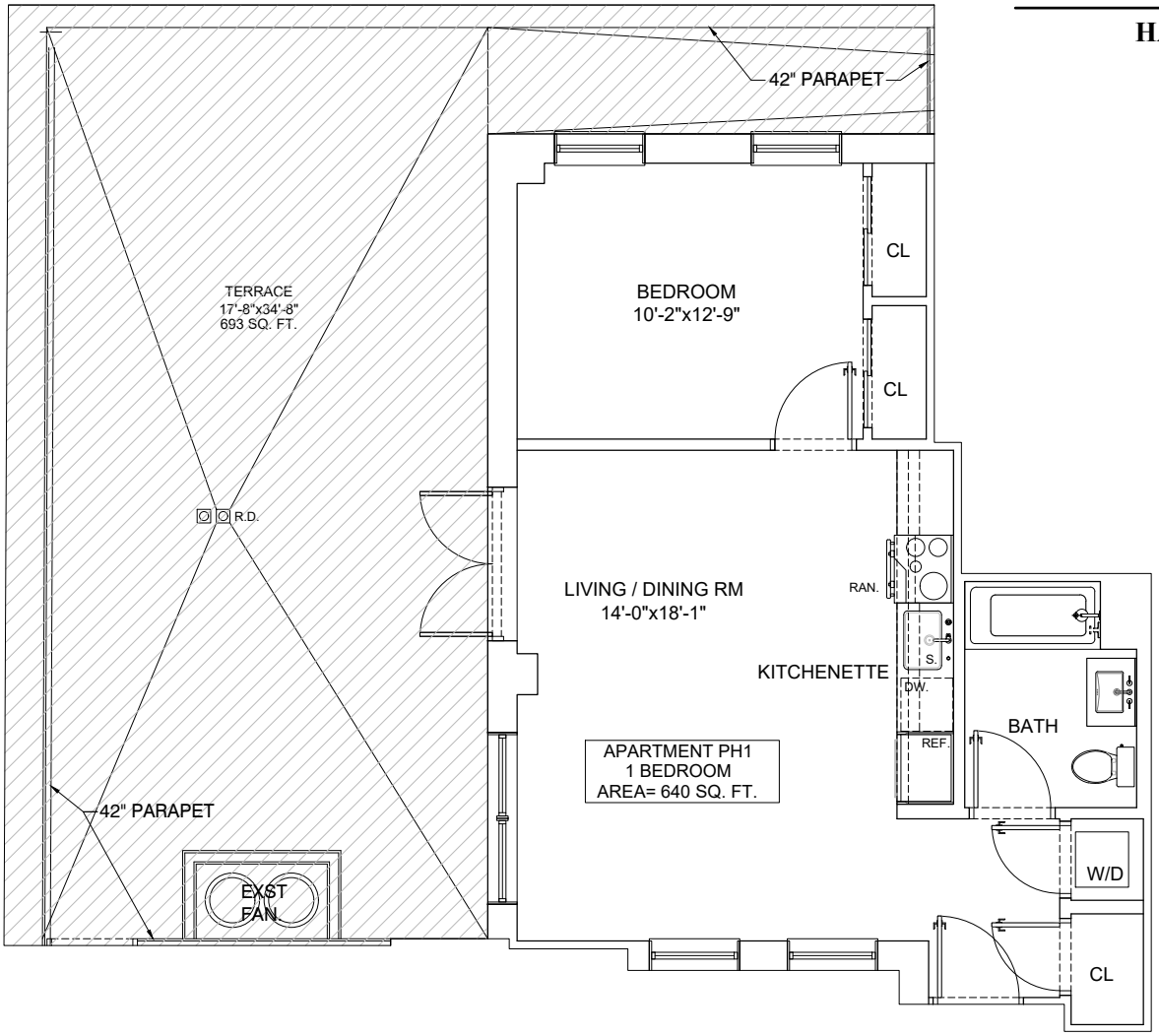

UNIT PH1
AREA: 640 SQ. FT..
TERRACE AREA: 693 SQ. FT.

0' 1' 3' 6' 10'

LIMITED COMMON ELEMENT(L.C.E.)

GENERAL COMMON ELEMENT(G.C.E.)

NOTES:
1. ALL DIMENSIONS AND SQUARE FOOTAGES ARE APPROXIMATE.
2. TOTAL ROOMS AREA CALCULATED FROM EXTERIOR OF EXTERIOR WALLS TO CENTER LINE OF COMMON WALLS OR DEMISING WALLS.
3. ALL ROOM DIMENSIONS ARE MEASURED FROM INTERIOR FINISH TO INTERIOR FINISH.
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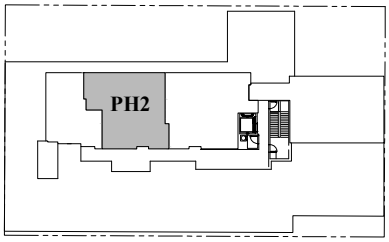

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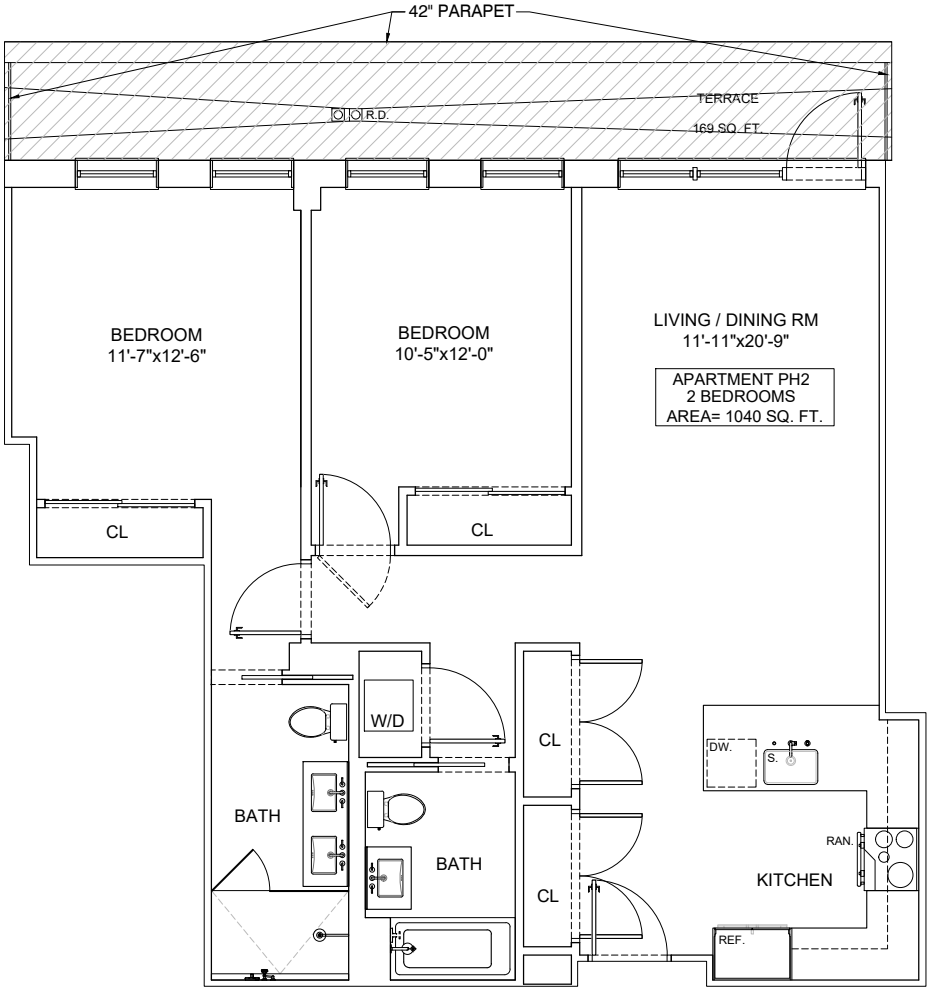

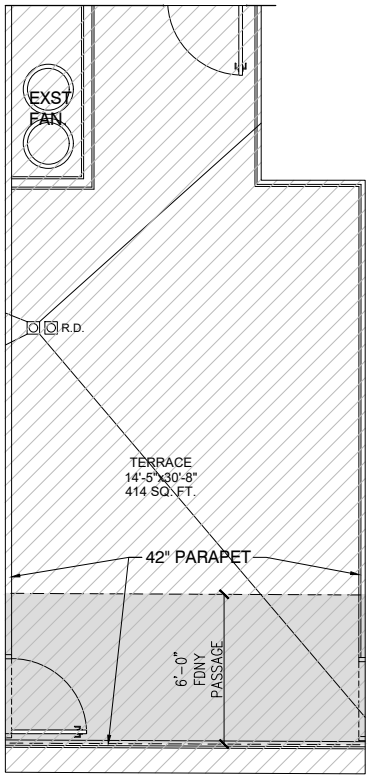

UNIT PH2
AREA: 1040 SQ. FT..
TERRACE AREA: 583 SQ. FT.

0' 1' 3' 6' 10'

LIMITED COMMON ELEMENT(L.C.E.)

GENERAL COMMON ELEMENT(G.C.E.)

6'-0" FDNY PATH

NOTES:
1. ALL DIMENSIONS AND SQUARE FOOTAGES ARE APPROXIMATE.
2. TOTAL ROOMS AREA CALCULATED FROM EXTERIOR OF EXTERIOR WALLS TO CENTER LINE OF COMMON WALLS OR DEMISING WALLS.
3. ALL ROOM DIMENSIONS ARE MEASURED FROM INTERIOR FINISH TO INTERIOR FINISH.
4. THIS DRAWING IS IN COMPLIANCE WITH DOB REQUIREMENTS AND REFLECTS DOB APPROVED PLANS.

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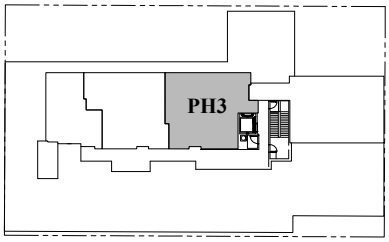

HALSEY ST

UNIT PH3
AREA: 1134 SQ. FT..
TERRACE AREA: 517 SQ. FT.

LIMITED COMMON ELEMENT(L.C.E.)

GENERAL COMMON ELEMENT(G.C.E.)

0' 1' 3' 6' 10'

NOTES:
1. ALL DIMENSIONS AND SQUARE FOOTAGES ARE APPROXIMATE.
2. TOTAL ROOMS AREA CALCULATED FROM EXTERIOR OF EXTERIOR WALLS TO CENTER LINE OF COMMON WALLS OR DEMISING WALLS.
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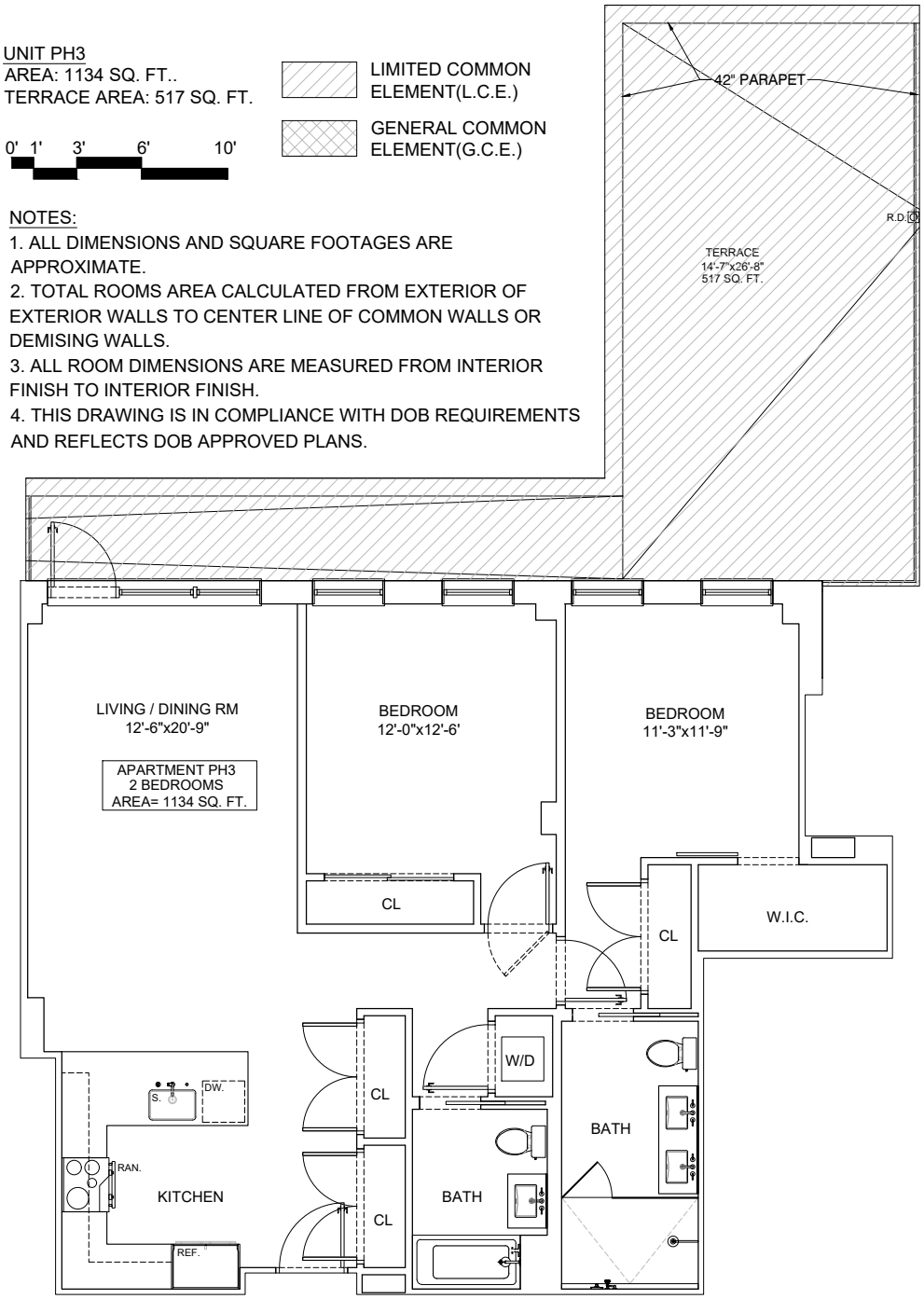

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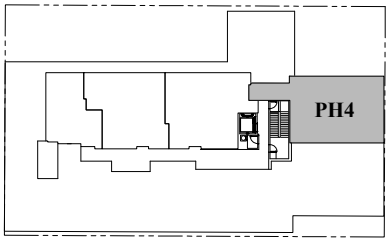


HALSEY ST

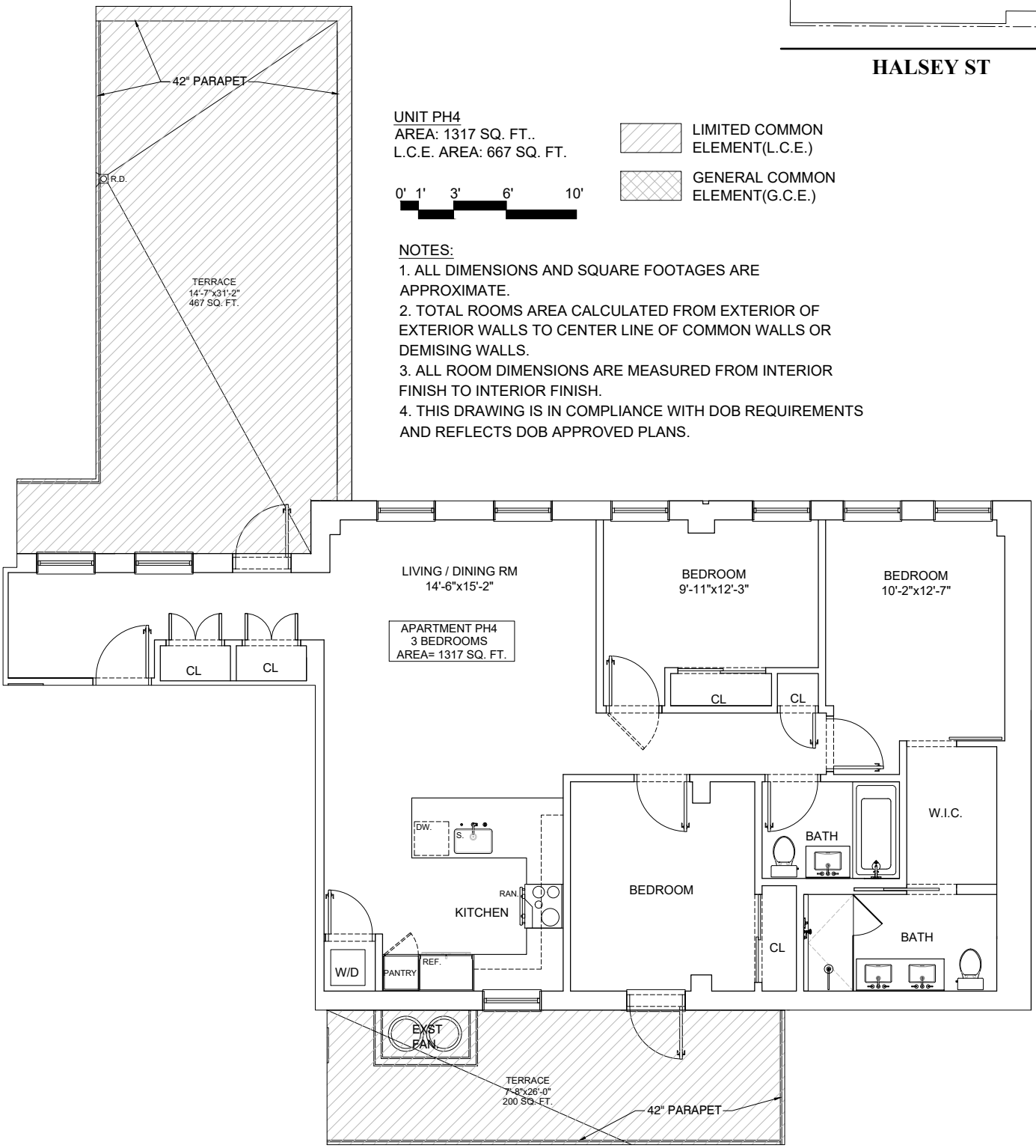
UNIT PH4
AREA: 1317 SQ. FT..
L.C.E. AREA: 667 SQ. FT.

0' 1' 3' 6' 10'

LIMITED COMMON ELEMENT(L.C.E.)

GENERAL COMMON ELEMENT(G.C.E.)

NOTES:
1. ALL DIMENSIONS AND SQUARE FOOTAGES ARE APPROXIMATE.
2. TOTAL ROOMS AREA CALCULATED FROM EXTERIOR OF EXTERIOR WALLS TO CENTER LINE OF COMMON WALLS OR DEMISING WALLS.
3. ALL ROOM DIMENSIONS ARE MEASURED FROM INTERIOR FINISH TO INTERIOR FINISH.
4. THIS DRAWING IS IN COMPLIANCE WITH DOB REQUIREMENTS AND REFLECTS DOB APPROVED PLANS.



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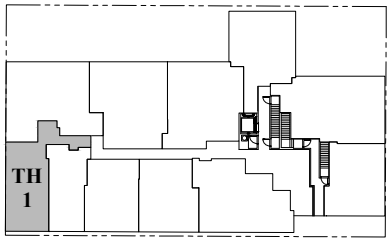

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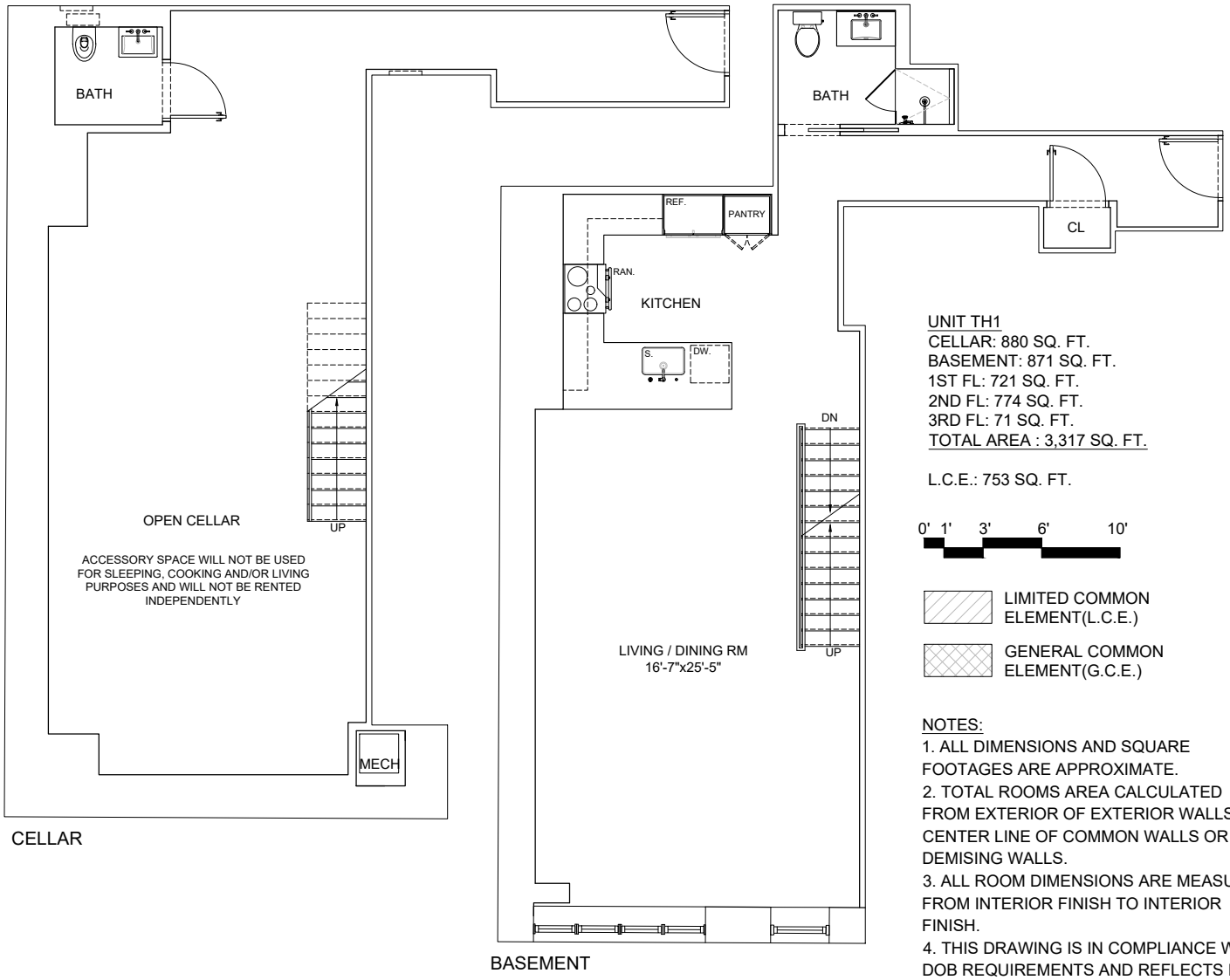

UNIT TH1
CELLAR: 880 SQ. FT.
BASEMENT: 871 SQ. FT.
1ST FL: 721 SQ. FT.
2ND FL: 774 SQ. FT.
3RD FL: 71 SQ. FT.
TOTAL AREA : 3,317 SQ. FT.

L.C.E.: 753 SQ. FT.

0' 1' 3' 6' 10'

LIMITED COMMON ELEMENT(L.C.E.)

GENERAL COMMON ELEMENT(G.C.E.)

NOTES:
1. ALL DIMENSIONS AND SQUARE FOOTAGES ARE APPROXIMATE.
2. TOTAL ROOMS AREA CALCULATED FROM EXTERIOR OF EXTERIOR WALLS TO CENTER LINE OF COMMON WALLS OR DEMISING WALLS.
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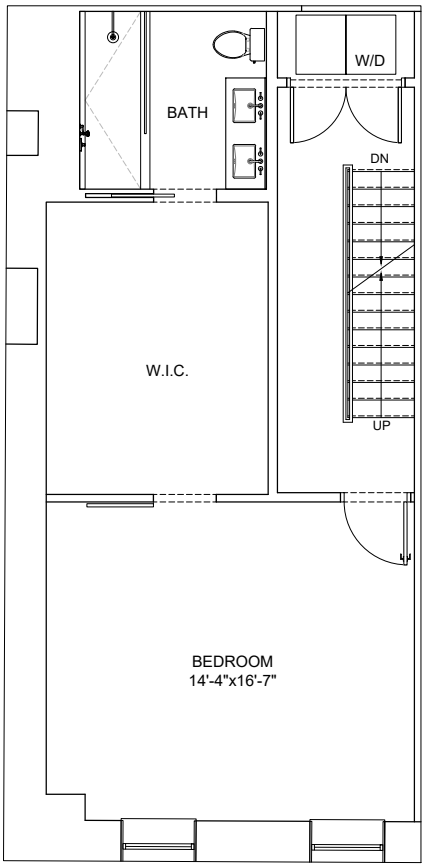
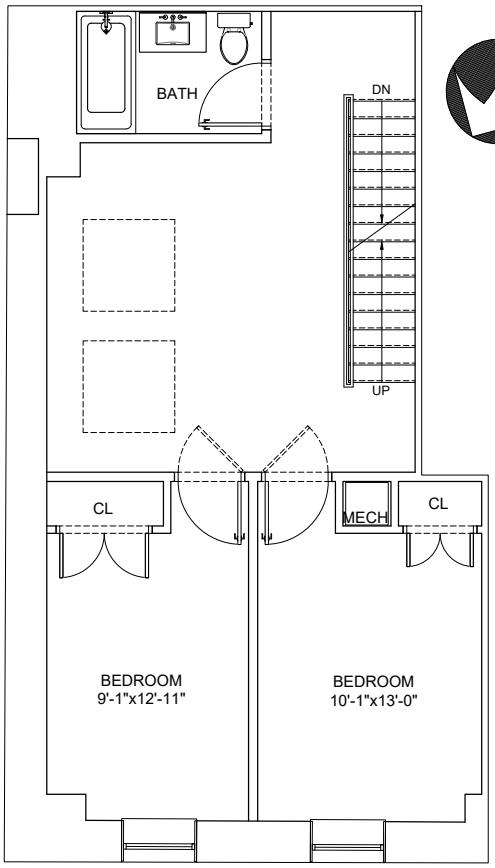
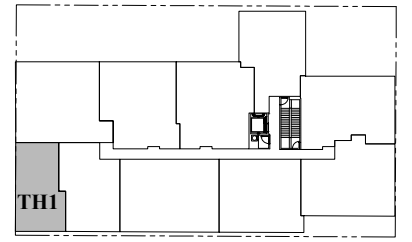


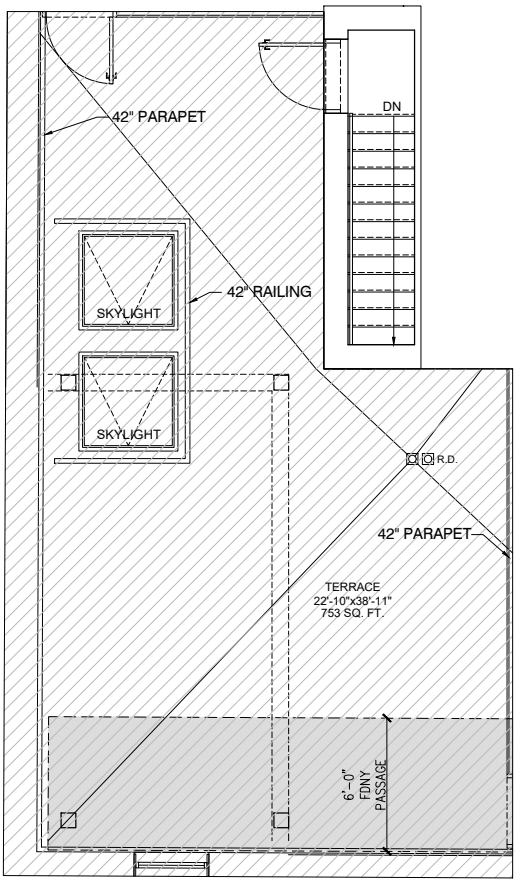
1ST FL



2ND FL



HALSEY ST



3RD FL

UNIT TH1
CELLAR: 880 SQ. FT.
BASEMENT: 871 SQ. FT.
1ST FL: 721 SQ. FT.
2ND FL: 774 SQ. FT.
3RD FL: 71 SQ. FT.
TOTAL AREA : 3,317 SQ. FT.

L.C.E.: 753 SQ. FT.

0' 1' 3' 6' 10'

LIMITED COMMON ELEMENT(L.C.E.)

GENERAL COMMON ELEMENT(G.C.E.)

6'-0" FDNY PATH

NOTES:
1. ALL DIMENSIONS AND SQUARE FOOTAGES ARE APPROXIMATE.
2. TOTAL ROOMS AREA CALCULATED FROM EXTERIOR OF EXTERIOR WALLS TO CENTER LINE OF COMMON WALLS OR DEMISING WALLS.
3. ALL ROOM DIMENSIONS ARE MEASURED FROM INTERIOR FINISH TO INTERIOR FINISH.
4. THIS DRAWING IS IN COMPLIANCE WITH DOB REQUIREMENTS AND REFLECTS DOB APPROVED PLANS.

REVISIONS:	ROBERT LITCHFIELD ARCHITECT tel: 973-738-7597 - fax: 212-268-1987 email: Rlitch@litcharch.com	524 HALSEY ST BROOKLYN, NY 11233	APT TH1 (2 OF 2)
			A-28

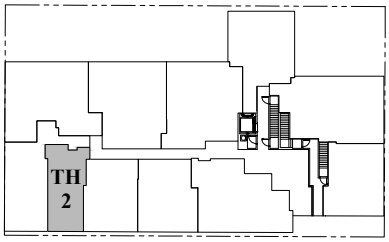
UNIT TH2
CELLAR: 702 SQ. FT.
BASEMENT: 606 SQ. FT.
1ST FL: 569 SQ. FT.
2ND FL: 911 SQ. FT.
3RD FL: 70 SQ. FT.
TOTAL AREA : 2,858 SQ. FT.

L.C.E.: 804 SQ. FT.

0' 1' 3' 6' 10'

LIMITED COMMON ELEMENT(L.C.E.)

GENERAL COMMON ELEMENT(G.C.E.)



HALSEY ST

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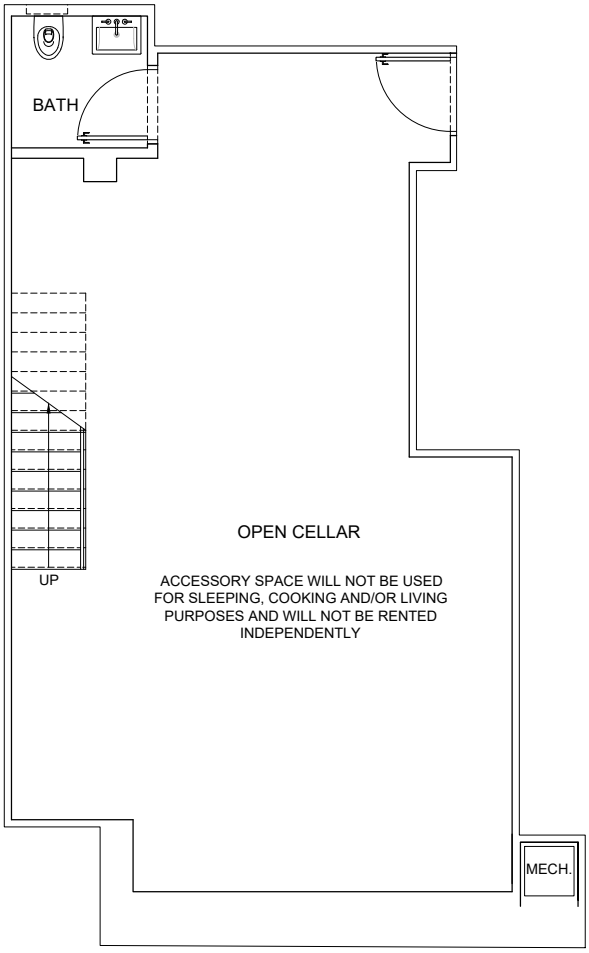
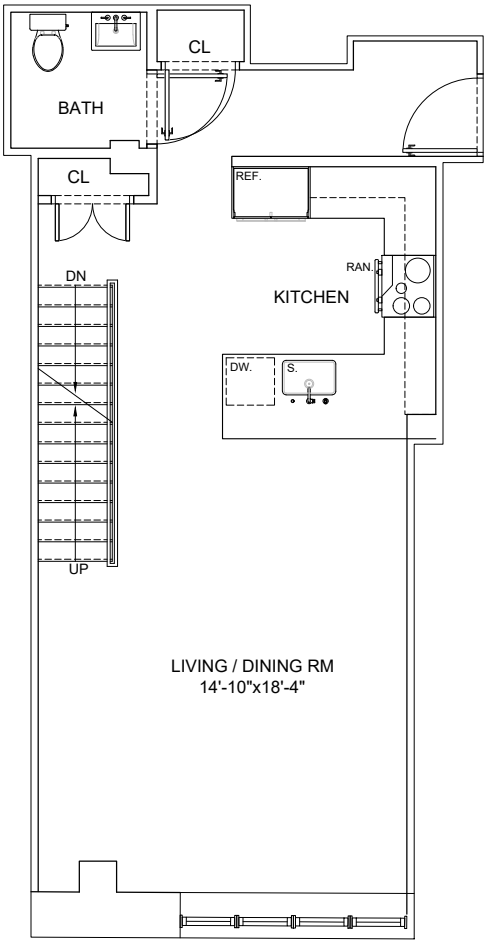
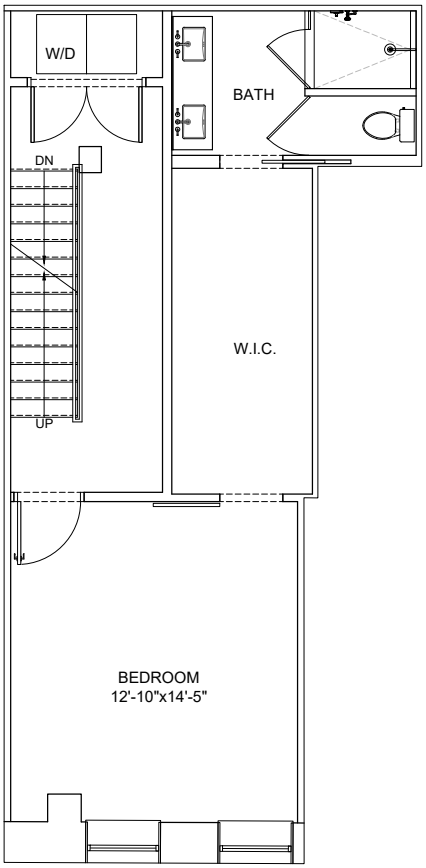


CELLAR

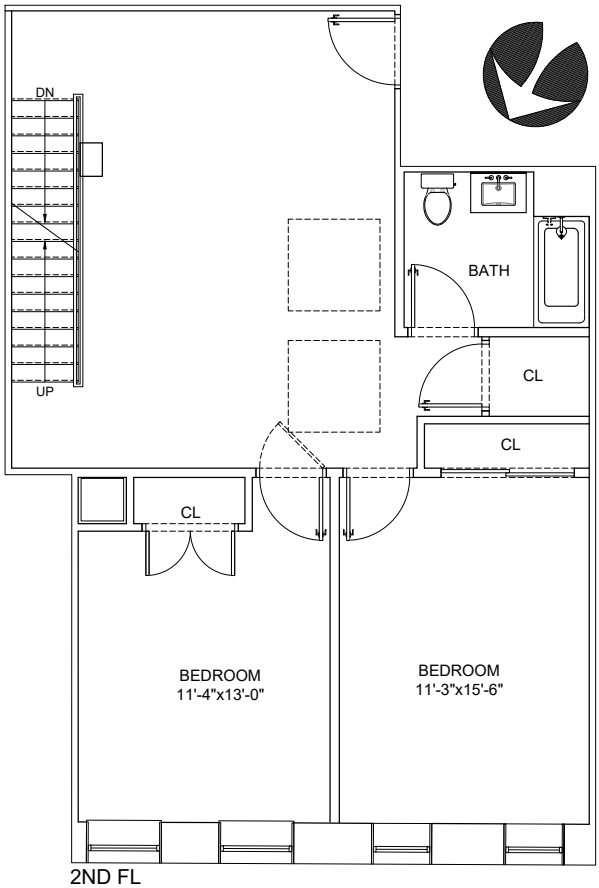


BASEMENT

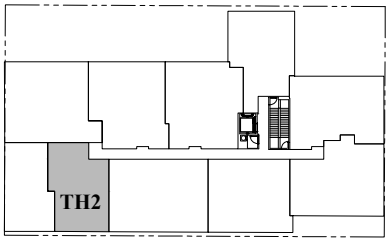
REVISIONS:	ROBERT LITCHFIELD ARCHITECT tel: 973-738-7597 - fax: 212-268-1987 email: Rlitch@litcharch.com	524 HALSEY ST BROOKLYN, NY 11233	APT TH2 (1 OF 2)
			A-29



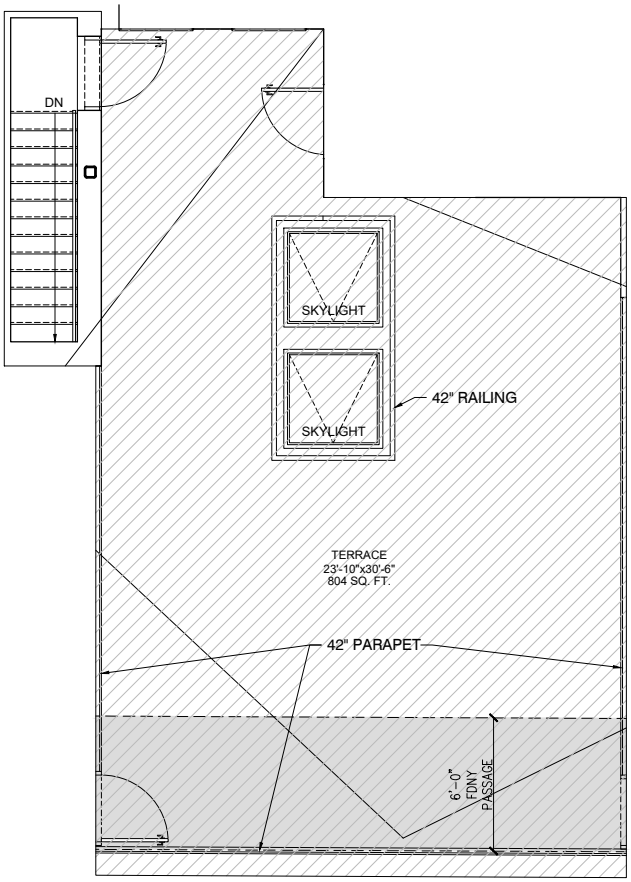
1ST FL



2ND FL



HALSEY ST



3RD FL

UNIT TH2
CELLAR: 702 SQ. FT.
BASEMENT: 606 SQ. FT.
1ST FL: 569 SQ. FT.
2ND FL: 911 SQ. FT.
3RD FL: 70 SQ. FT.
TOTAL AREA : 2,858 SQ. FT.

L.C.E.: 804 SQ. FT.

0' 1' 3' 6' 10'

LIMITED COMMON ELEMENT(L.C.E.)

GENERAL COMMON ELEMENT(G.C.E.)

6'-0" FDNY PATH

NOTES:
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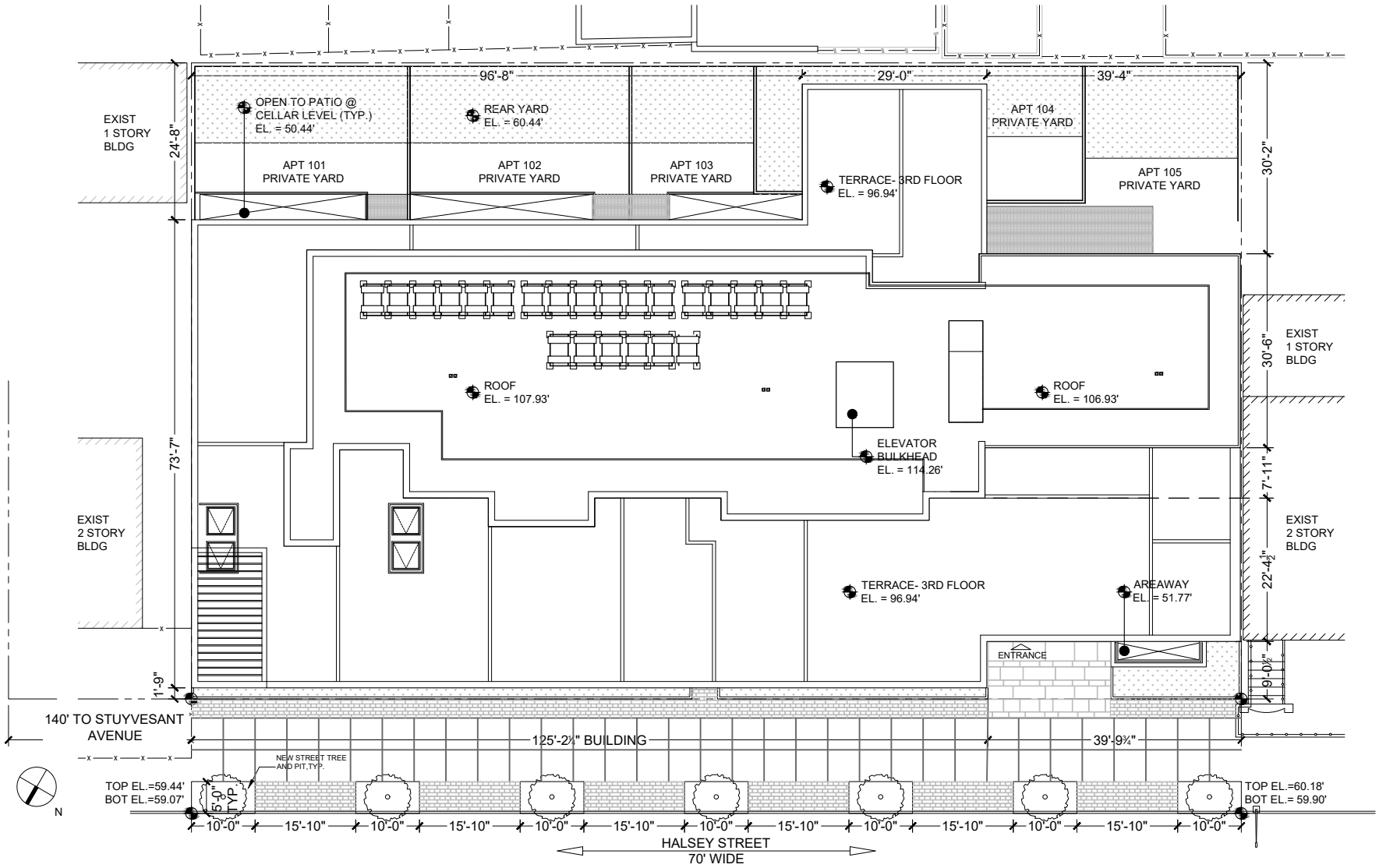


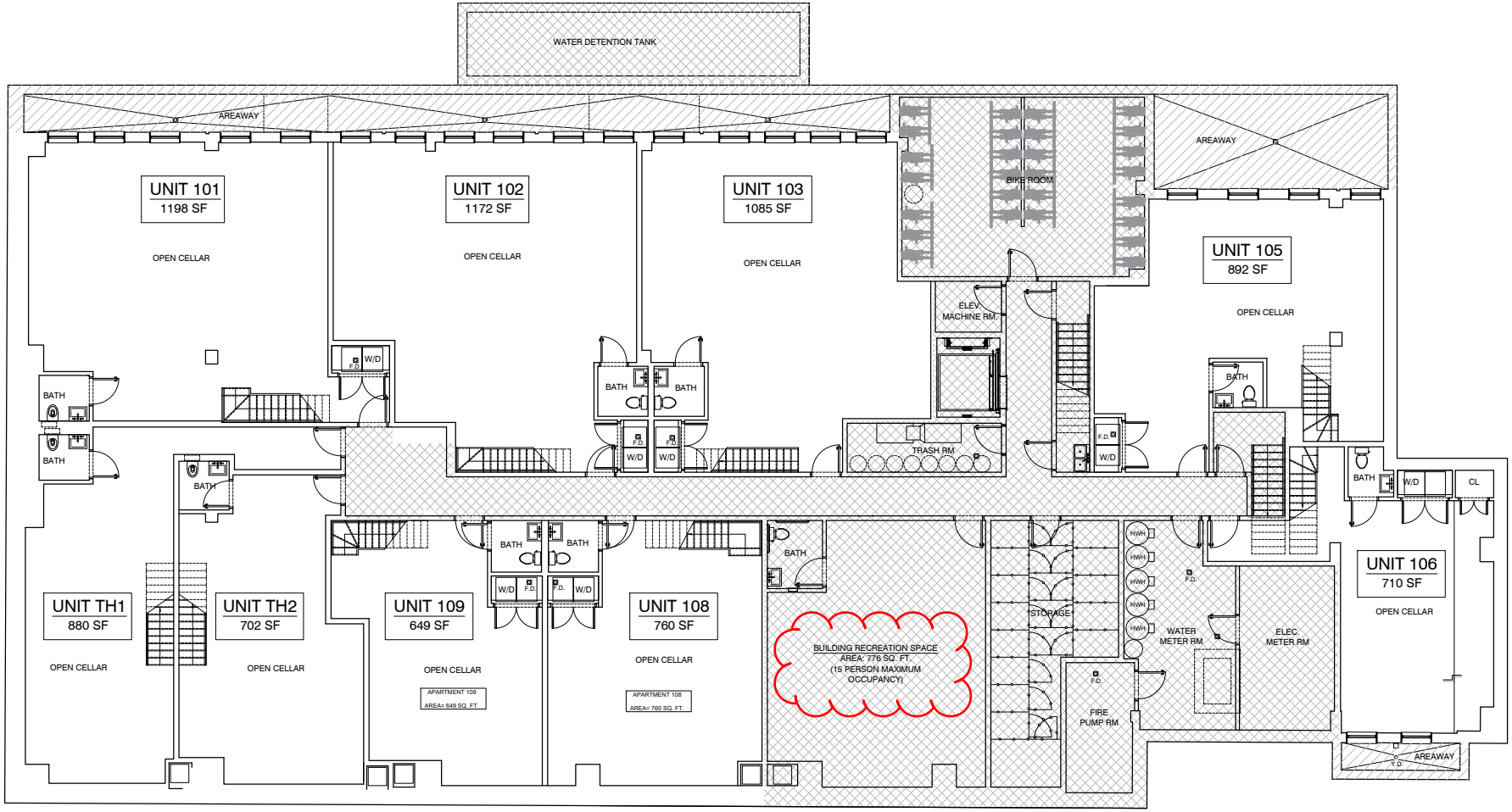
SITE PLAN

A-31

524 HALSEY ST
BROOKLYN, NY
11233

ROBERT LITCHFIELD
ARCHITECT
tel: 973-738-7597 - fax: 212-268-1987
email: Rlitch@litcharch.com

REVISIONS:



0' 2' 6' 12' 20'

LIMITED COMMON ELEMENT(L.C.E.)

GENERAL COMMON ELEMENT(G.C.E.)

6'-0" FDNY PATH

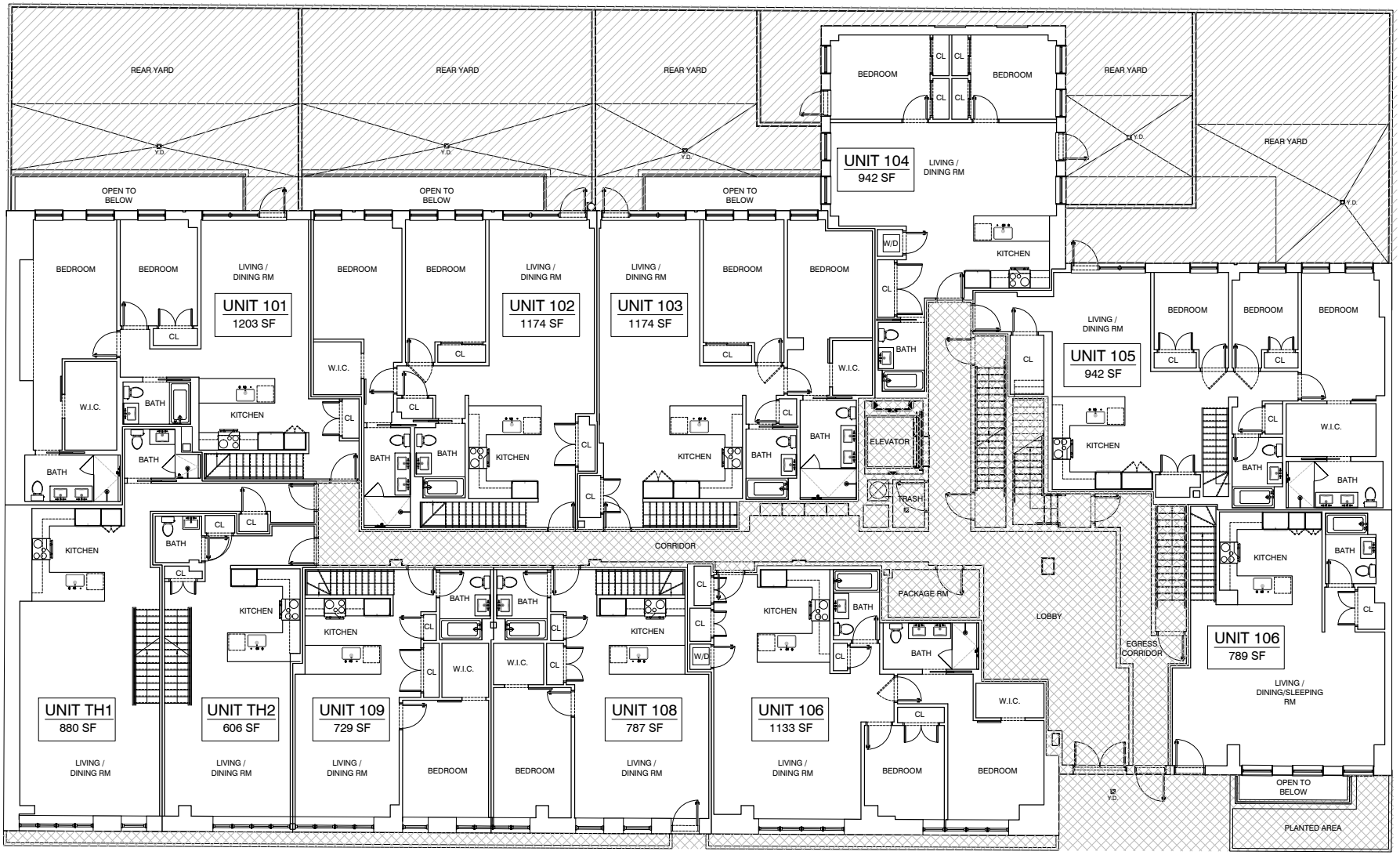
CELLAR PLAN

A-32

524 HALSEY ST
BROOKLYN, NY
11233

ROBERT LITCHFIELD
ARCHITECT
tel: 973-738-7597 - fax: 212-268-1987
email: Rlitch@litcharch.com

REVISIONS:
1/24/23



0' 2' 6' 12' 20'

LIMITED COMMON ELEMENT(L.C.E.)

GENERAL COMMON ELEMENT(G.C.E.)

6'-0" FDNY PATH

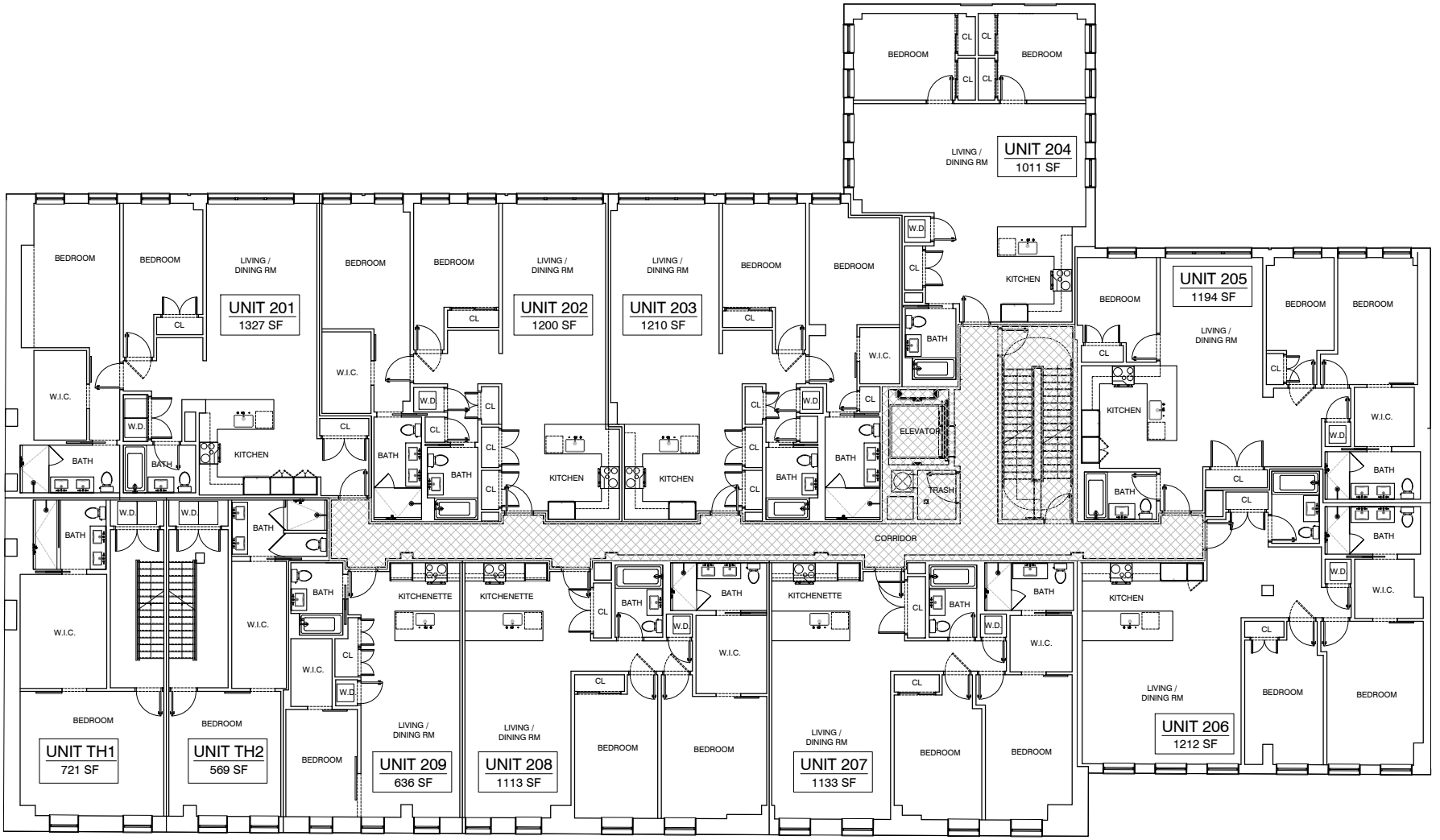
BASEMENT PLAN

A-33

524 HALSEY ST
BROOKLYN, NY
11233

ROBERT LITCHFIELD
ARCHITECT
tel: 973-738-7597 - fax: 212-268-1987
email: Rlitch@litcharch.com

REVISIONS:



0' 2' 6' 12' 20'

LIMITED COMMON ELEMENT(L.C.E.)

GENERAL COMMON ELEMENT(G.C.E.)

6'-0" FDNY PATH

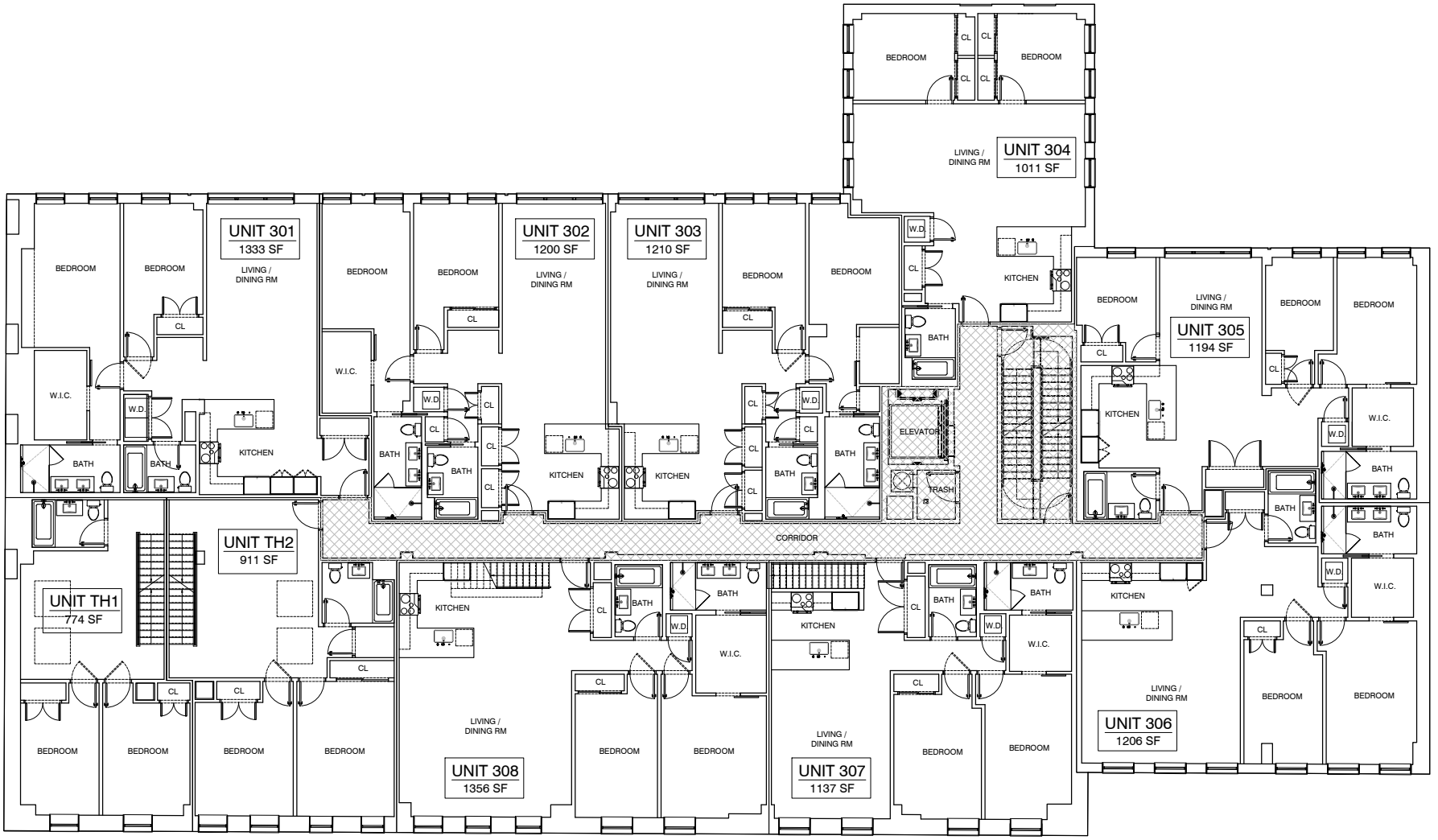
1ST FL PLAN

A-34

524 HALSEY ST
BROOKLYN, NY
11233

ROBERT LITCHFIELD
ARCHITECT
tel: 973-738-7597 - fax: 212-268-1987
email: Rlitch@litcharch.com

REVISIONS:



0' 2' 6' 12' 20'

LIMITED COMMON ELEMENT(L.C.E.)

GENERAL COMMON ELEMENT(G.C.E.)

6'-0" FDNY PATH

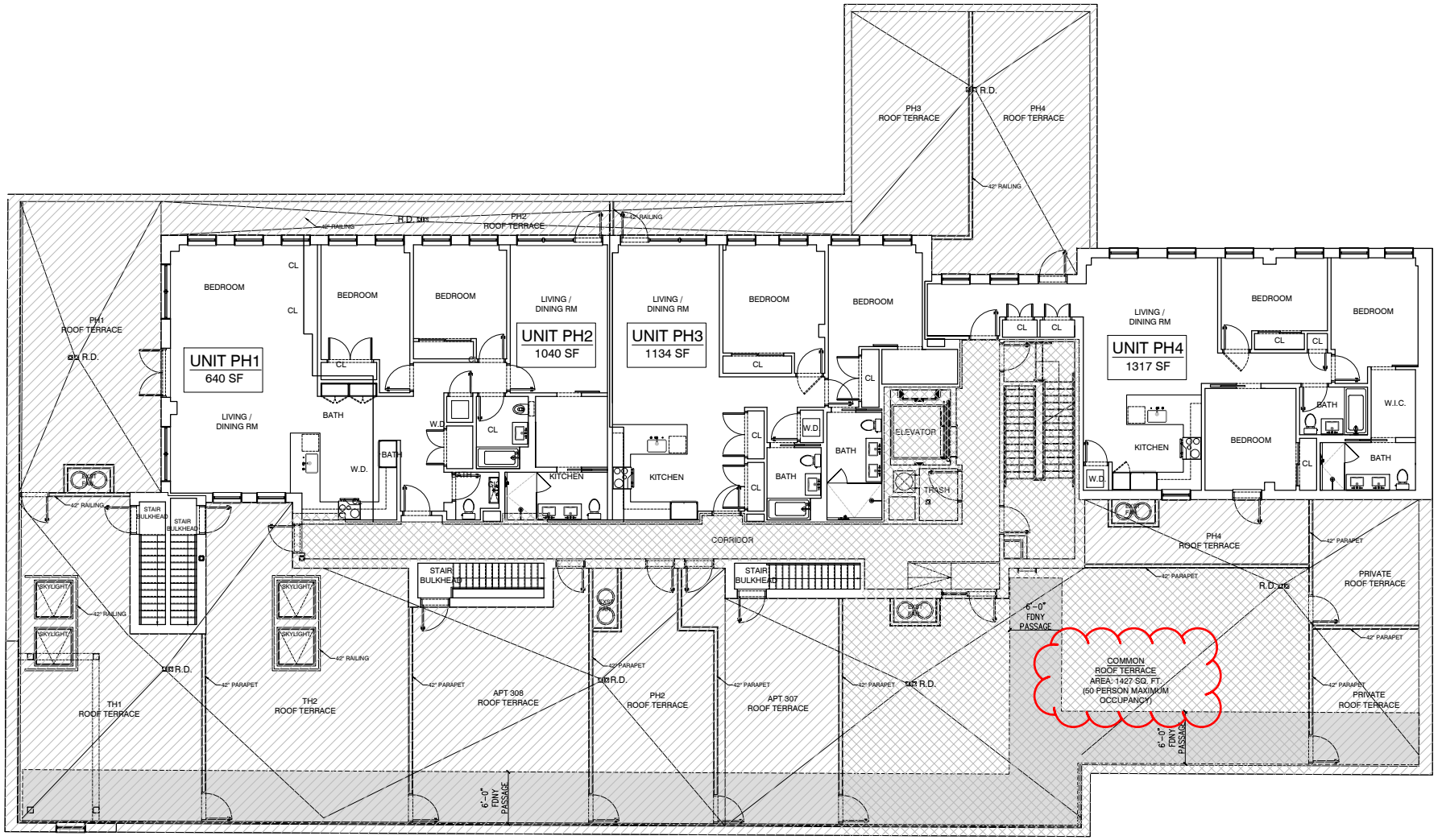
2ND FL PLAN

A-35

524 HALSEY ST
BROOKLYN, NY
11233

ROBERT LITCHFIELD
ARCHITECT
tel: 973-738-7597 - fax: 212-268-1987
email: Rlitch@litcharch.com

REVISIONS:



0' 2' 6' 12' 20'

LIMITED COMMON ELEMENT(L.C.E.)

GENERAL COMMON ELEMENT(G.C.E.)

6'-0" FDNY PATH

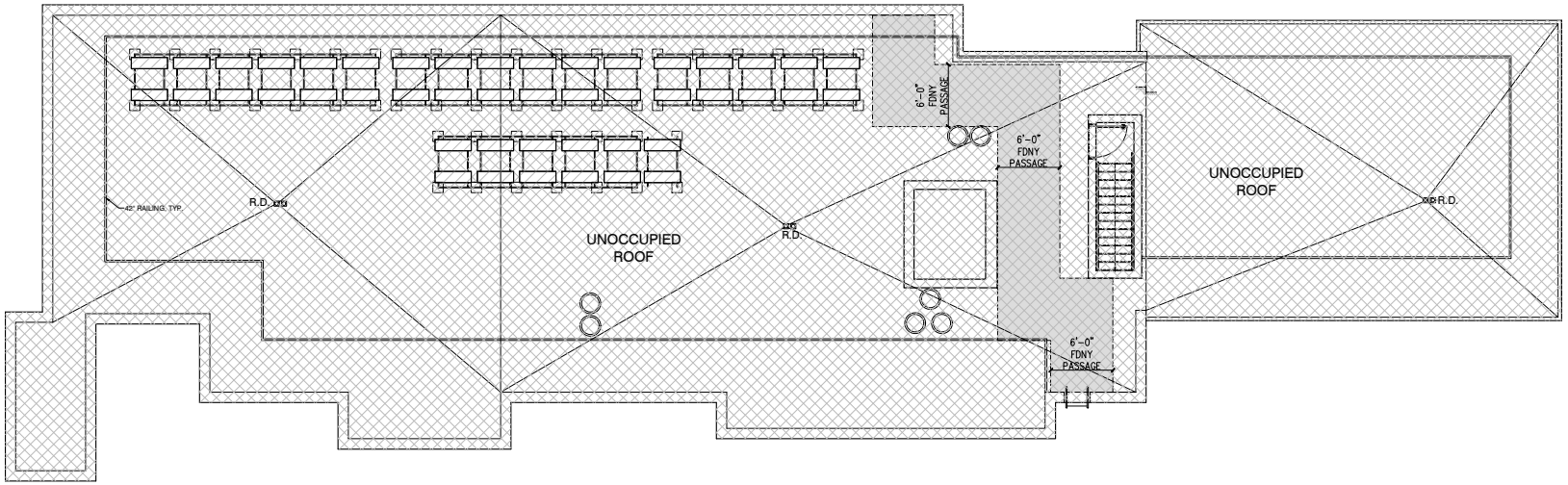
3RD FL PLAN

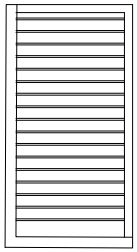
A-36

524 HALSEY ST
BROOKLYN, NY
11233

ROBERT LITCHFIELD
ARCHITECT
tel: 973-738-7597 - fax: 212-268-1987
email: Rlitch@litcharch.com

REVISIONS:
1/24/23





LIMITED COMMON ELEMENT(L.C.E.)

GENERAL COMMON ELEMENT(G.C.E.)

6'-0" FDNY PATH

0' 2' 6' 12' 20'

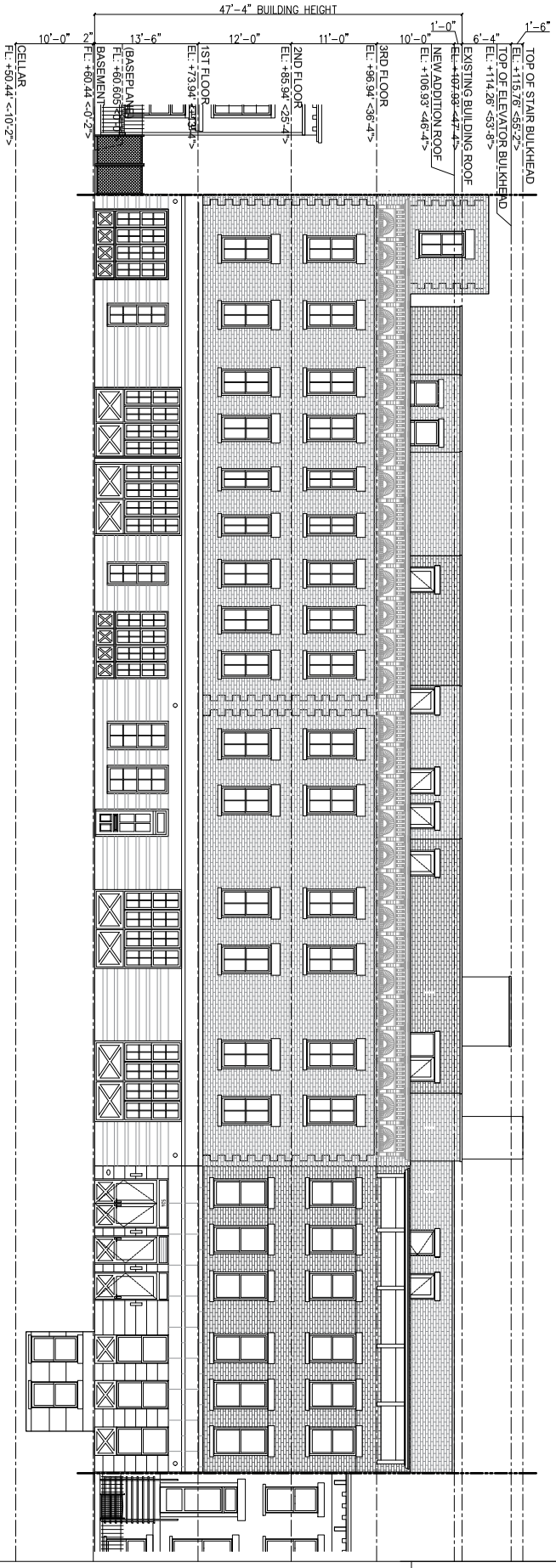
ROOF PLAN

A-37

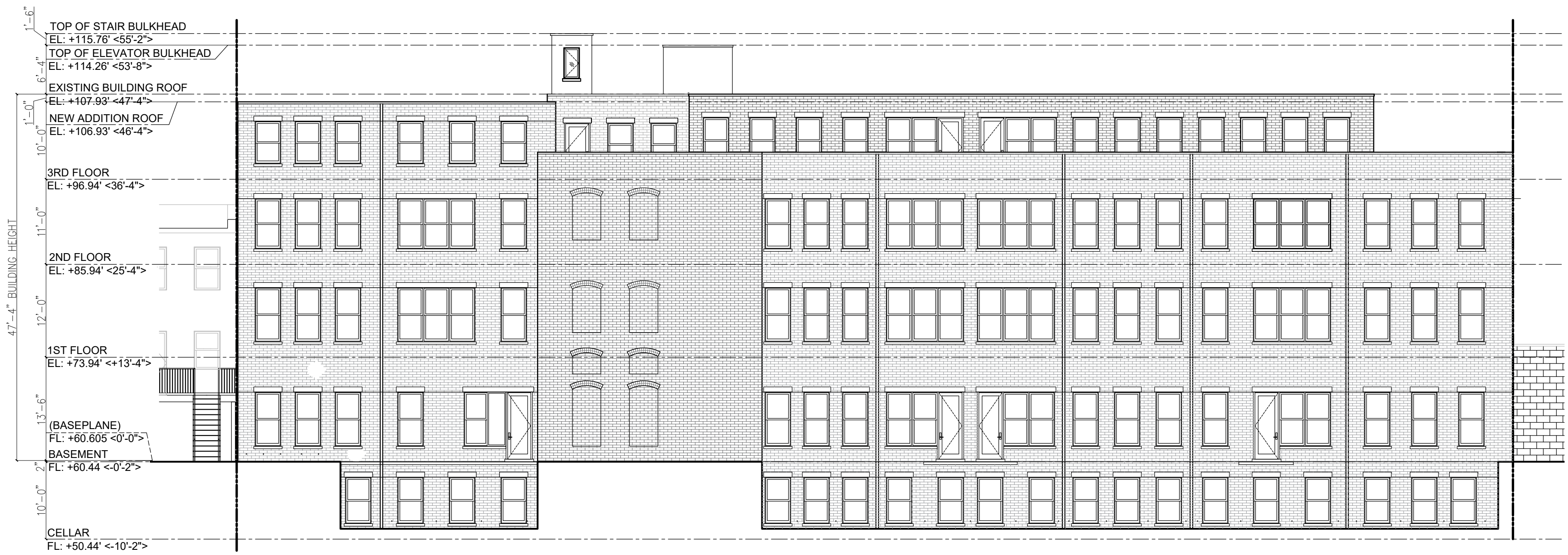
524 HALSEY ST
BROOKLYN, NY
11233

ROBERT LITCHFIELD
ARCHITECT
tel: 973-738-7597 - fax: 212-268-1987
email: Rlitch@litcharch.com

REVISIONS:



REVISIONS:	ROBERT LITCHFIELD ARCHITECT tel: 973-738-7597 - fax: 212-268-1987 email: Rlitch@litcharch.com	524 HALSEY ST BROOKLYN, NY 11233	SOUTH ELEVATION
			A-38



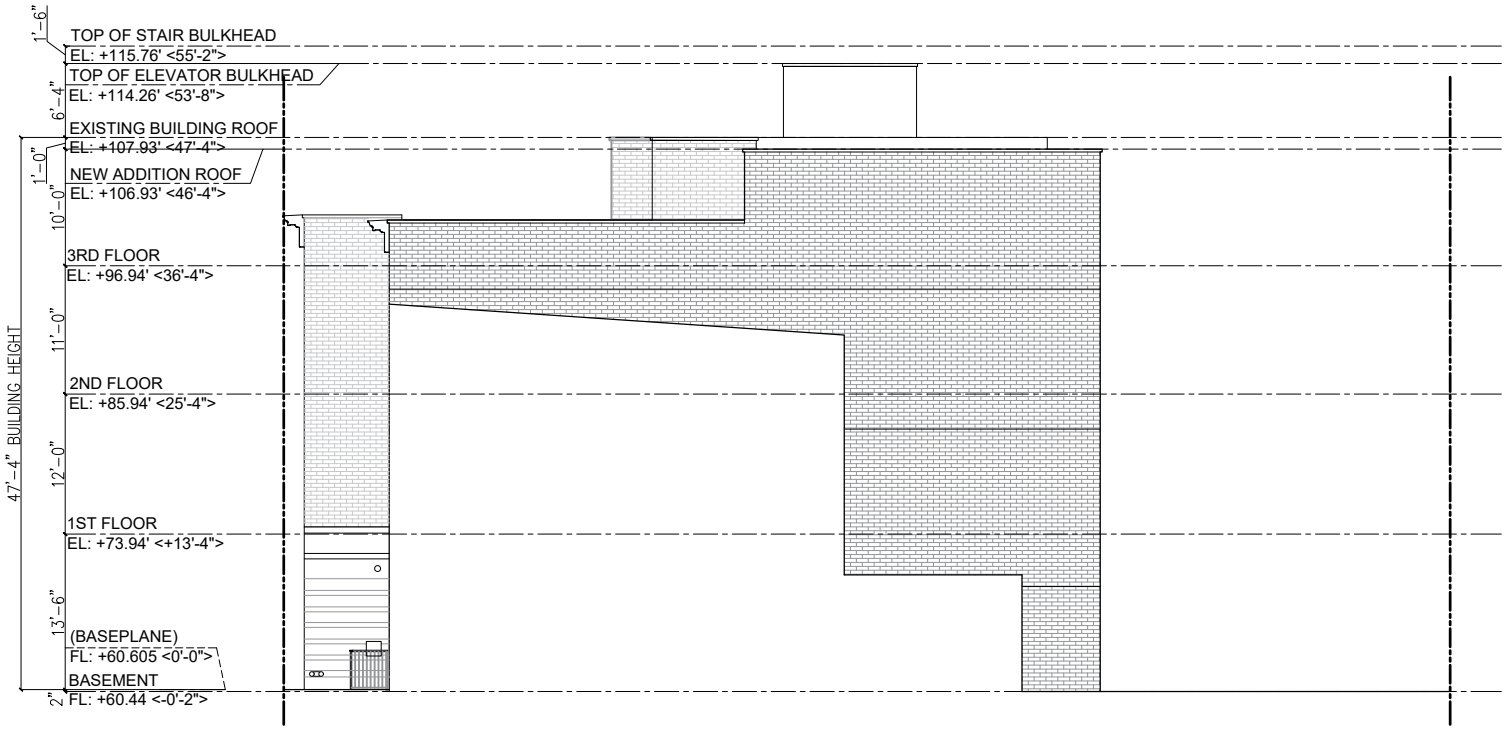
NORTH ELEVATION

A-39

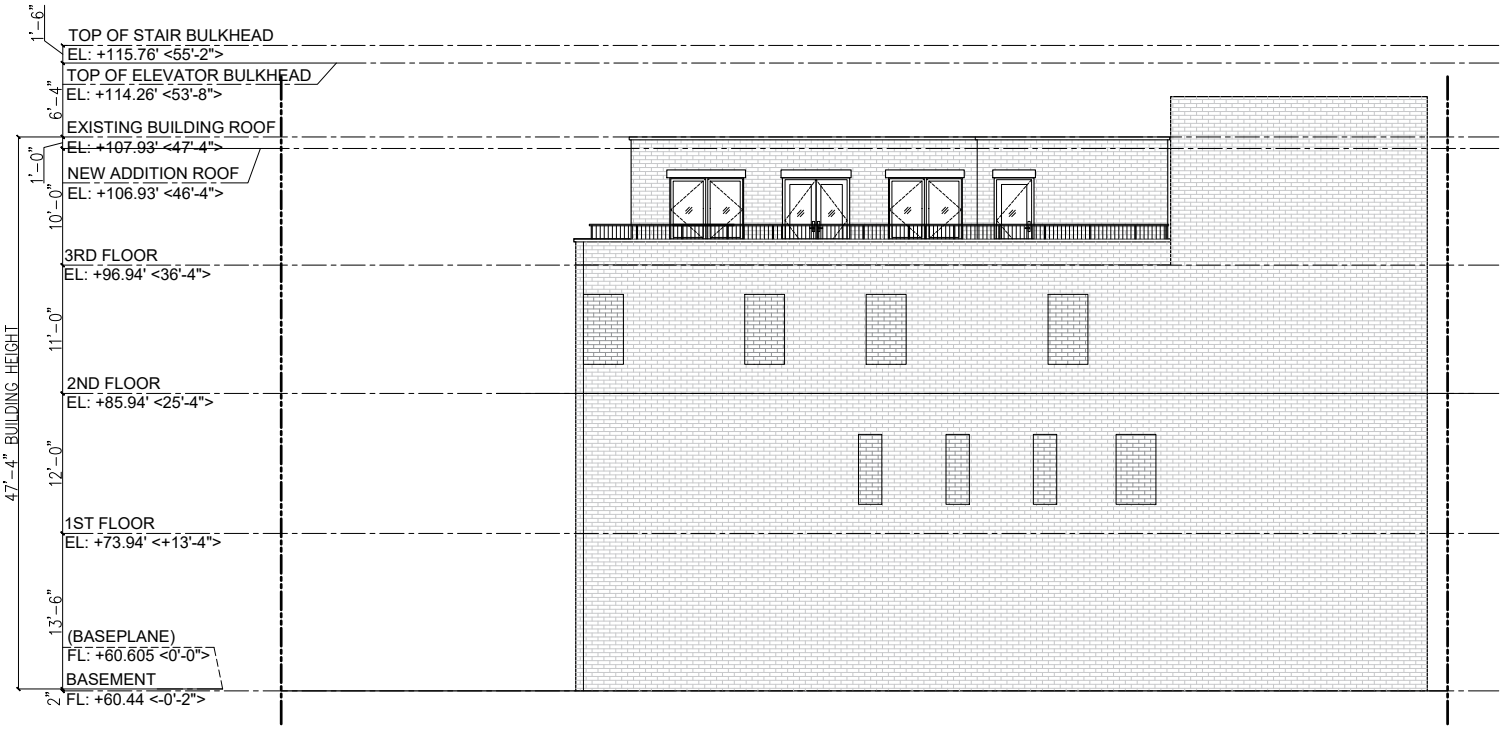
524 HALSEY ST
BROOKLYN, NY
11233

ROBERT LITCHFIELD
ARCHITECT
tel: 973-738-7597 - fax: 212-268-1987
email: Rlitch@litcharch.com

REVISIONS:



WEST ELEVATION



EAST ELEVATION

REVISIONS:	ROBERT LITCHFIELD ARCHITECT tel: 973-738-7597 - fax: 212-268-1987 email: Rlitch@litcharch.com	524 HALSEY ST BROOKLYN, NY 11233	EAST & WEST ELEVATION A-40

SECTION F

DECLARATION OF CONDOMINIUM

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DECLARATION OF CONDOMINIUM

Establishing a Plan of Condominium Ownership
of Premises Located at 524 Halsey Street,
County of Kings, City and State of New York,
Pursuant to Article 9-B of the Real Property Law
of the State of New York

Name: 524 Halsey Condominium, 524 Halsey Street, Brooklyn, New York 11233

Sponsor: 524 Halsey LLC, 80 4th Street, Brooklyn, New York 11231

Date of Declaration: _____

Block No.: ___
Lot FKA: ___
Lots NKA: _____

Record and Return:

Marcus Attorneys PLLC
13 Greene Avenue
Brooklyn, New York 11238
(718) 643-6555

Declaration Establishing a Plan for Condominium Ownership of Premises to be known as 524 Halsey Condominium, at 524 Halsey Street, in the County of Kings, City and State of New York, pursuant to Article 9-B of the Real Property Law of the State of New York.

524 Halsey LLC, having an address at 80 4th Street, Brooklyn, New York 11231, hereinafter referred to as the "Sponsor," does hereby declare:

1. Submission of Property: The Sponsor hereby submits the land described in Exhibit A, attached hereto and made a part hereof (the "Land"), together with the buildings and improvements thereon erected (collectively, the "Building"), owned by the Sponsor in fee simple absolute (the Land and Building together referred to as the "Property") to the provisions of Article 9-B of the Real Property Law of the State of New York (the "Condominium Act").

2. Area and Location of Land: The Land has an area of approximately _____ square feet and is located in the County of Kings, City and State of New York.

3. Description of the Building: The Property will contain one Building, which will contain a cellar, four floors, roof, bulkhead, and Thirty-Two (32) Residential Units.

4. Name of Condominium: The condominium shall be known as "524 Halsey Condominium".

5. Units:

(a) List and Description: Annexed hereto and made a part hereof as Exhibit B is a list of all Units containing their designations and tax lot numbers, locations and approximate areas of the Units, number of rooms in each Unit, the Common Elements and Limited Common Elements to which each has immediate access (all as shown on the floor plans of the Building (the "Floor Plans") intended to be filed in the Office of the Register of the City of New York, Borough of Brooklyn simultaneously with the recording of this Declaration), and the percentage of interest of each Unit in the Common Elements (the "Common Interest"). The location of the Building is shown on the site plan intended to be filed in the said Office of the Register of the City of New York, Borough of Brooklyn, as part of the Floor Plans. Any heating, hot-water and/or air-conditioning systems located inside or outside the Unit together with any piping and/or ductwork attached thereto, and/or any equipment which only serves the individual Unit shall be deemed a fixture and part of the individual Unit.

(b) Dimensions: A Residential Unit's square footage is calculated from the exterior face of exterior walls (perimeter and mechanical pipes are not deducted) to the centerline of partitions between Units, and to the exterior face of partitions separating the unit from any common areas, stairs, elevators & other mechanical equipment spaces or any Common Elements. However, any Common Elements located within a Unit shall not be considered a part of the Unit. No Unit shall include any Common Element. The provisions of this subdivision (b) may not be amended without the approval of the Unit Owner (defined below) of every Unit affected.

6. Certain Definitions:

(a) The owner of each Unit is herein referred to as the "Unit Owner," which term shall have the meaning ascribed to it in the Condominium Act. Every Unit Owner shall be treated for all purposes as a single owner, irrespective of whether such ownership is joint, in common, or tenancy by the entirety. The number of Unit Owners shall be equal to the number of Units, regardless of whether an owner owns more than one Unit, except as expressly provided herein, when a Unit is owned by the Board of Managers.

(b) "Board of Managers" shall mean the Board of Managers of 524 Halsey Condominium.

(c) "By-Laws" shall mean the By-Laws of 524 Halsey Condominium as from time to time amended pursuant thereto.

(d) "Condominium" shall mean 524 Halsey Condominium, which is composed of the Units and the Common Elements (hereinafter defined).

(e) “Legal Requirements” shall mean all requirements and limitations of all laws, ordinances, rules, regulations, guidelines and determinations of any government, governmental authority or quasi-governmental authorities and agencies, case law and all judicial rulings, judgments and orders, the requirements of insurers, insurance underwriting agencies, agreements, instruments and insurance policies, and of mortgages and the holders of mortgages on the Property or any part thereof binding on the Board of Managers or affecting the Condominium this Declaration, the By-Laws and the Rules and Regulations and of the By-Laws, this Declaration and the Rules and Regulations.

(f) "Party Wall" shall mean a wall which is common to, and separates, two Units or a Unit and a Common Element.

(g) "Plan" or "Offering Plan" shall mean the Offering Plan for 524 Halsey Condominium dated _____, as the same may be amended.

(h) “Residential Units” shall mean Units 101 through 109, 201 through 209, 301 through 308, PH1 through PH4, and TH1 through TH2, as described on the Floor Plans.

(i) "Rules and Regulations" shall mean the rules and regulations included in the Plan as amended from time to time by the Board of Managers.

(j) “Sponsor-affiliates” shall mean (i) an entity in which the Sponsor possesses a legal or beneficial interest or a person or entity which possesses a legal or beneficial interest in the Sponsor or an entity which controls or is controlled by an entity which is otherwise a Sponsor-affiliate or (ii) a person or entity succeeding to the rights of Sponsor as an owner of one or more Unsold Units, as defined in the Offering Plan.

7. Use: (a) The Residential Units may be used only for residential use and for legally permitted uses accessory to residential use and for legally permitted professional or business offices subject to the provisions of the certificate of occupancy for the Building, except that the Sponsor or its designee(s) shall have the right to maintain a general and sales office in any Unit owned by it and to use such Unit as a model and for other promotional purposes.

(b) The Building shall be used solely for the purposes for which the Units contained therein may be used.

8. Common Elements: The "Common Elements" shall mean the entire Property, including all parts of the Building other than the Units and including, without limitation, the following:

(a) General Common Elements

(i) The Land described in Exhibit A to this Declaration;

(ii) All roofs and all other elements thereof down to but not the unexposed side of the plaster or sheetrock, if any, of the ceiling of a Unit immediately below the roof, if any, foundations and concrete floors;

(iii) All foundations;

(iv) All columns, girders, joists, beams, load bearing walls and supports but not any plaster, sheetrock or similar covering within a Unit;

(v) All portions of the exterior walls, beyond the hidden face of the interior plaster, sheetrock or similar material walls, if any; all portions of Party Walls located beyond the unexposed sides of the plaster, sheetrock or similar material walls within Units; the space between the top of the concrete or other decking or lowest wood decking where there is wood decking, and the unexposed upper surface of the plaster, sheetrock or similar material ceiling below or, if the ceiling below is not finished with plaster, sheetrock or similar material, the exposed surface of the structural members and decking of the ceiling of each floor between Units or within a Unit;

(vi) All central and appurtenant installations for services such as electricity, light, gas, heating, air conditioning, trash collection, storage and disposal, sprinklers, fire alarms and protection, telephone, television, communications, water, waste, piping and roof drains, including all pipes, flues, ducts, wires, cables and conduits used in connection therewith, whether located in or outside of the Units and not installed by, or on behalf of, any Unit Owner;

(vii) The corridors, hallways, stairs, stairways, elevator, roofs and all chases, shafts and chutes;

(viii) All others parts of the Property and all machinery, equipment, apparatus and installations now or hereafter existing in the Building or at the Property for common use or necessary or convenient to the existence, maintenance or safety of the Property.

(b) "Limited Common Elements" are Common Elements which are available for the use, for certain purposes, solely by the Owners of Units to which such Limited Common Elements are appurtenant and by the occupants of such Units and invitees of such Owner and occupants. The Limited Common Elements are as follows.

(i) Units 101, 102, 103, 104 and 105 shall each have a yard as a Limited Common Element, as shown on the Floor Plans. A Unit Owner may use the yard appurtenant to his, her or its Unit only in compliance with all Legal Requirements. The owners of such Units and their successors and assigns shall be responsible for the maintenance, repair and replacement of any paving, landscaping, drainage, fences, enclosures, walls, railings or other elements of their yards, other than the Building walls, appurtenant to their Unit, as required by Legal Requirements. The Board of Managers shall be responsible for maintenance, repair and replacement of the Building's exterior walls and other elements of the Building, except that in all events the Unit Owner shall be responsible for any maintenance, repair and replacement of any portion of the yard or Building's exterior walls or other elements of the Building, if necessitated by damage caused by the Unit Owner or the Unit Owner's invitees, tenants, employees, agents or contractors. The Board of Managers and its agents, employees and contractors may have access to all areas of the yards in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take. In the event such Board actions require removal or disruption of any element of the yards, it shall be the responsibility of the Board of Managers to replace such element. The owners of such Units may not perform construction in their yards unless the owners comply with all Legal Requirements and obtain the prior approval of the Board of Managers.

(ii) Units 307, 308, PH1, PH2, PH3, PH4, TH1 and H2 shall each have at least one terrace as a Limited Common Element, as shown on the Floor Plans. The owners of such Units and their successors and assigns shall be responsible for maintenance, repair and replacement of their terrace, including the terrace's surface, but the Board of Managers shall make any structural repairs to the terraces, including the railings, if any, that are required, except that in all events the Unit Owner shall be responsible for any maintenance, repair and replacement of any portion of their terrace if necessitated by damage caused by the Unit Owner or the Unit Owner's invitees, tenants, employees, agents or contractors. The Board of Managers and its agents, employees and contractors may have access to the terraces in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take. In the event Board repairs require removal or disruption of any elements of the terraces, it shall be the responsibility of the Board of Managers to replace such elements. The owners of such Units may not perform construction in their terraces unless the owners comply with all Legal Requirements and obtain the written approval of the Board of Managers.

(iii) Units 101, 102, 103 and 105 shall each have an areaway as a Limited Common Element, as shown on the Floor Plans. The owners of such Units and their successors

and assigns shall be responsible for maintenance, repair and replacement of their areaways, including their surfaces, but the Board of Managers shall make any structural repairs to the areaways that are required, except that in all events the Unit Owner shall be responsible for any maintenance, repair and replacement of any portion of the areaways if necessitated by damage caused by the Unit Owner or the Unit Owner's invitees, tenants, employees, agents or contractors. The Board of Managers and its agents, employees and contractors may have access to the areaways in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take. In the event repairs by the Board of Managers require removal or disruption of any elements of the areaways, it shall be the responsibility of the Board of Managers to replace such elements. The owners of such Units may not perform construction in their areaways unless the owners comply with all Legal Requirements and obtain the written approval of the Board of Managers.

(iv) Each Residential Unit shall have as a Limited Common Element at least one condenser unit. The Unit Owners shall have the right to place, inspect, maintain, repair and replace their condenser and other condenser equipment serving their respective Units. A Unit Owner, and his, her or its agents and contractors shall have a right of access over and through any areas where the condenser units are located for such purposes. A Unit Owner shall be responsible for the maintenance, repair and replacement of the condenser and condenser equipment servicing his, her or its Unit (including equipment located outside the Unit and all piping and wiring associated with the Condenser), as required. The Board of Managers shall be responsible for maintenance, repair and replacement of all common areas, and all elements thereof, except that in all events a Unit Owner shall be responsible for the cost and expense of any maintenance, repair and replacement of any portion of common areas or elements thereof if necessitated by the negligence, misuse or neglect of a Unit Owner or an occupant of a Unit or a Unit Owner's employees, invitees, agents, guests or contractors. In the event any common areas or elements thereof require removal or disruption of any condenser unit or associated piping or wiring, or element thereof, it shall be the responsibility of the Board of Managers to replace or repair same. In any event, the Board of Managers and its agents, employees and contractors may have access to all common areas of the Building in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take.

(v) Units TH1 and TH2 shall each have two skylights as Limited Common Elements, as shown on the Floor Plans. The owners of such Units may use their skylights only in compliance with all Legal Requirements and shall be responsible for maintenance, repair and replacement of their skylights. The Board of Managers and its agents, employees and contractors may have access to all roofs or terraces where the skylights are located in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take. In the event that any such Board action requires removal or disruption of all or any elements of the skylights, it shall be the responsibility of the Board of Managers to replace such elements.

9. Determination of Percentages in Common Elements: The percentages of interest of the Units in the Common Elements are based on a Unit's floor space subject to the location of such

space and 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 used, and the overall dimensions of the particular Unit, pursuant to Section 339-i (1) (iv) of the Condominium Act, and shall be as set forth in Exhibit B, a part hereof. A Unit Owner may not convey his, her or its Unit separate from its appurtenant interest in the Common Elements. No change will be made to the Units' percentages of Common Interest without the consent of all owners of Units directly affected, without the consent of Sponsor's construction lender (so long as the construction lender holds a lien on the Property), and without the consent of a Purchaser's lender, if any and if required by the same.

10. Encroachments: If any portion of the Common Elements now encroaches upon any Unit, or if any Unit now or upon completion of construction by the Sponsor substantially in accordance with the Floor Plans encroaches upon any other Unit or upon any portion of the Common Elements, as a result of the construction of the Building, or if any such encroachment shall occur hereafter 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), any Unit or the Common Elements after damage or destruction by fire or other casualty or after a taking in condemnation or eminent domain proceedings of all or any portion of a Unit or the Common Elements or by reason of alteration or repair to the Common Elements made by, or with the consent of, the Board of Managers, a valid easement for the encroachment and for the maintenance of the encroachment so long as the Building stands shall exist.

11. Condemnation: In the event of 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 the Unit Owners duly and promptly approve the repair and restoration of such Common Elements, the Board of Managers shall arrange for such repair and restoration, and the Board of Managers shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. If the Unit Owners do not duly and promptly approve the repair and restoration of such Common Elements, the Board of Managers shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds where there is no repair or restoration of the damage, as provided in Section 3 of Article V of the By-Laws.

12. Easements:

(a) Each Unit Owner shall have an easement in common with the owners of other Units to use, maintain, repair, alter and replace all pipes, wires, flues, ducts, vents, cables, conduits, public utility lines, equipment and facilities and other Common Elements located in any of the Units or elsewhere on the Property and serving his, her or its Unit. Each Unit shall be subject to an easement in favor of the owners of all other Units and the Board of Managers (i) to use the pipes, flues, ducts, cables, wires, conduits, utility lines, equipment and facilities and other Common Elements serving other Units and located in such Unit, and (ii) for the Board of Managers and its agents, employees and contractors to have access to each Unit to inspect the Unit, to remove violations of Legal Requirements, and (iii) to maintain, repair, replace or modify Common Elements contained therein or elsewhere in the Building.

(b) 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.

(c) The Sponsor, Sponsor-affiliates 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 and Sponsor's rights and obligations thereunder, including, without limitation, the right to develop, renovate, alter, maintain, repair, replace, refurbish, offer, sell and lease Units and appurtenant interests and Common Elements; and (ii) reserve the right to establish, grant and create easements for any additional electric, transformer, amplifier, gas, television, telephone, communications, sprinkler, fire protection, fire alarm, security, air conditioning, water, storm drainage, sewer or other utility or service lines and appurtenances in, under and through the Property including, without limitation, an easement or easements for the benefit of any property adjacent to the Property, to relocate any existing utility easements in any portion of the Property and to dedicate any or all of such facilities to any governmental body, public benefit corporation or utility company if the Sponsor or designee shall deem it necessary or desirable for the proper operation and maintenance of the Property or any portion thereof, for the general health or welfare of any Unit Owner, or the residents of any property adjacent to the Property, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of the Units for their permitted purposes. Any governmental agency, utility company or public benefit corporation furnishing services to the Property, and the employees and agents of any such agency, company or corporation, shall have the right of access to any Unit, to the Common Elements, and to the Limited Common Elements included in the exercise of the rights to which such easements pertain, provided such right of access is exercised in such a manner as not unreasonably to interfere with the use of the affected Units for their permitted purposes.

(d) The user of any easement granted by subparagraph (b) or (c) of this Article 12 shall have the responsibility of repairing any damage to Common Elements resulting from such use. A Unit Owner shall have the responsibility of repairing any damage to his, her or its Unit resulting from such use.

(e) Each Unit Owner whose Unit has one or more appurtenant Limited Common Elements shall have an exclusive easement for use thereof.

(f) In addition to the specific easements set forth in this Article 12, the Property and every portion thereof shall be subject to all easements and the rights of access prescribed in the Condominium Act.

(g) Notwithstanding the foregoing, no person shall use or enjoy the Common Elements or Limited Common Elements except in accordance with the reasonable purposes for which

they are intended and, subject to such purposes, without encroaching unreasonably upon the rights of other persons to do so in accordance with this Declaration.

13. Power of Attorney to Board of Managers: Each Unit Owner shall grant to the persons who shall from time to time constitute the Board of Managers, an irrevocable power of attorney, coupled with an interest, in such form as the Board of Managers may from time to time approve, to, among other things, 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, and to convey, sell, lease, mortgage or otherwise deal with any such Unit so acquired or to sublease any Unit so leased by the Board of Managers.

14. 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 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 Interest") pursuant to the provisions of Section 339-x of the Condominium Act, or in the event the Board of Managers shall purchase at a foreclosure or other judicial sale a Unit together with its Appurtenant Interests, title to any such Unit, together with its 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 Interest.

15. Person to Receive Service of Process: The Secretary of State of the State of New York is hereby designated as agent of the Board of Managers upon whom process against it may be served, and the post office address to which the Secretary of State shall mail a copy of any process against it served upon him or her is Board of Managers, 524 Halsey Street, Brooklyn, New York. As required by law, the Board of Managers shall notify the Secretary of State of any change in the managing agent or person authorized to receive a copy of any process served against the Secretary of State. Until the first meeting of Unit Owners, William Caleo, having an office at 80 4th Street, Brooklyn, New York 11231, is hereby designated to receive service of process in any action which may be brought against the Condominium. Following said meeting any member of the Board of Managers is hereby designated to receive service of process in any such action.

16. Units Subject to Declaration, By-Laws and Rules and Regulations: All present and future Unit Owners, tenants, sub-tenants and occupants of Units and invitees, employees, agents, and contractors of Unit Owners shall be subject to, and shall comply with, the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance for, or the entering into a lease for, 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 shall be binding on all sub-tenants, invitees,

employees, agents and contractors, 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.

17. Amendment of Declaration:

(a) This Declaration may be amended with the approval of owners of sixty-six and two-thirds percent (66 2/3%) in number and in Common Interest of all Unit Owners, in accordance with the provisions of the By-Laws, provided, however, that the Common Interest appurtenant to each Unit as expressed in this Declaration shall not be altered without the consent of all Unit Owners affected, and provided further that no right granted herein to the Sponsor or a Sponsor-affiliate shall be modified without the written consent of the Sponsor so long as the Sponsor or a Sponsor-affiliate shall own a Unit.

(b) The Sponsor or a Sponsor-affiliate shall have the right without vote or consent of other Unit Owners, the Board of Managers or the holders of Unit mortgages to execute or (on its request) to require the Board of Managers to execute and record in the Office of the City Register, Borough of Brooklyn and elsewhere if required by law, an amendment or amendments to this Declaration (together with such other documents, plans and maps as may be required to effectuate the same) to reflect (i) any changes in Units and the reapportionments of the Common Interests resulting therefrom, made by the Sponsor pursuant to Article 19 hereof; or (ii) any construction of the Building which shall not have been completed on the date of recording of this Declaration, including, without being limited to, the final location, dimensions or size of the Building and the Units therein.

(c) Notwithstanding the provisions of Section 17(a), above, no amendment to this Declaration that would have a materially adverse impact on the holders of Unit mortgages may be made without the approval of at least fifty-one percent (51%) of such holders of Unit mortgages. The Board shall serve on all holders of Unit mortgages a copy of such a proposed amendment by certified mail, return receipt requested to such addresses as designated by the mortgagees from time to time, in writing, to the Board of Managers. In the event any holder of Unit mortgages shall fail to respond in writing to the Board within sixty (60) calendar days after being served with such a proposed amendment, then said holder of Unit mortgages shall be deemed to have consented to such proposed amendment. For purposes of this paragraph, the date of mailing shall be deemed to be the date of the giving of notice.

18. Termination: If withdrawal of the Property from application of the Condominium Act is authorized by at least eighty percent (80%) of the Unit Owners in number and in Common Interest (and if required by the respective mortgages, their first mortgagees, if any, of such Unit), then the Property shall be subject to an action or 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, her or its share of such net proceeds all liens on his, her or its Units. The Sponsor or its nominee will not cast any of its votes

for withdrawal, unless eighty percent (80%) of the Unit Owners other than the Sponsor so vote, in which event the Sponsor will be free to cast its votes either for or against withdrawal.

In addition to the termination requirements set forth herein, at least fifty one percent (51%) of the mortgagees of Units must consent to termination before the Property may be withdrawn from application of the Condominium Act.

19. Changes in Sponsor-Owned Units: For any Units owned by the Sponsor or its designee(s) or a Sponsor-affiliate, if not prohibited by the Condominium Act (as the same may be amended from time to time), the Sponsor or a Sponsor-affiliate 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 Units or otherwise; and (iv) reapportion among such Units affected by such changes in size or number, subdivision, combination or alteration, their appurtenant interests in the Common Elements; provided, however, that the Sponsor or its designee(s) shall comply with all rules, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom. In accordance with law, the Common Elements appurtenant to each Unit as expressed in this Declaration shall have a permanent character and shall not be altered without the consent of all Unit Owners affected. Written consents will be obtained from Unit Owners, if any, who are adversely affected as a result of the above changes. The provision of this Article 19 may not be added to, amended or deleted without the prior written consent of the Sponsor or its designee(s).

20. Specially Allocated Expenses: The Board of Managers shall not allocate specific expense items to a Unit if the owner of said Unit pays such items directly. An expense from which a Unit is exempt shall be specially allocated to the Units which are not exempt. A specially allocated expense is charged to a Unit based on the proportion that the Common Interest of said Unit bears to the total Common Interest of all Units not exempt from said expense. The Board of Managers, acting reasonably, shall determine which items of expense shall be specially allocated as aforesaid, and inform the owners of the Units thereof and the owners of the Units shall determine the amounts thereof. Water charges and sewer rents will be Common Expenses of all Units unless either (i) any Unit Owner is directly billed for water charges and sewer rents by the municipal authority or (ii) the Board of Managers finds that a Unit Owner uses water in excess of normal domestic, sanitary and lavatory purposes and requires such Owner to install a water meter and bills such Owner for water used, in which event the owner of such Unit shall not be charged water charges and sewer rents as part of the Common Charges and the owners of Units not so directly billed shall be specially allocated the Condominium's water charges and sewer rents. The Board of Managers shall have all the rights with respect to the collection of such specially allocated expenses and the creation of liens therefor and the enforcement of such collection and liens and the foreclosure of such liens, as the Board of Managers has with respect to Common Charges.

21. Invalidity: The invalidity of any provision of this Declaration shall not be deemed to impair or affect in any manner the validity, enforceability or affect of the remainder of this Declaration and the remainder of this Declaration shall continue in full force and affect as if such invalid provision had never been included herein.

22. 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 of any provision hereof.

23. Gender and Number: The use of the masculine gender in this Declaration shall be deemed to refer to the feminine gender and neuter and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

24. Further Assurances: (a) Any person who is subject to the terms of this Declaration, whether such a person is a Unit Owner, a lessee or a sublessee of a Unit Owner, an occupant of a Unit member of the Board of Managers, an officer of the Condominium, or otherwise, shall, at the expense of such other person requesting the same, execute, acknowledge and deliver to such other person such instrument, in addition to those specifically provided for herein, and take such other action as such other persons may reasonably request to effectuate the provisions of this Declaration or of any transaction contemplated herein or to 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, acknowledge, or deliver any instrument, or fails or refuses, within ten days after request therefor, to take any action that such Unit Owner or person is required to take pursuant to this Declaration, 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, the Board of managers or any other person who is subject to the terms of this Declaration fails to execute, acknowledge or deliver any instrument, or fails or refuses, within ten days after request therefor, to take any action which the Board of Managers, Unit Owner or person is required to execute, acknowledge and deliver or to take pursuant to this Declaration at the request of Sponsor or the Sponsor's affiliate, then the Sponsor or the Sponsor's affiliate is hereby authorized as attorney- in-fact for such Unit Owner, the Board of Managers or other person, coupled with an interest, to execute, acknowledge and deliver such instrument or to take such action, in the name of such Unit Owner, the Board of Managers or other person and such document or action shall be binding on such Unit Owner, the Board of Managers or other person.

25. Covenants to Run With the Land: (a) All provisions of this Declaration, the By-Laws and the Rules and Regulations, including, without limitation, the provisions of this Article 25, shall, to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be covenants running with the land and with every part thereof and

interest therein, and all of the provisions shall be binding upon, and shall inure executors, administrators, legal representatives, successors and assigns, but the same are not intended to create, nor shall they be construed as creating, any rights in or for the benefit of the general public. All present and future Unit Owners, tenants and occupants of Units shall be subject to, Regulations, as the may be amended from time to time. The acceptance of a deed or conveyance, the entering into a lease, or the entering into an 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 Unit 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, conveyance or lease.

(b) 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 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.

(c) Subject to the terms of paragraph (b) of this Article, 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 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.

26. Successors and Assign: The rights and/or obligations of the Sponsor or its designee as set forth herein shall inure to the benefit of, and shall be binding upon, any successor or assignee of Sponsor or, with consent of the Sponsor or its designee, any transferee of all of the then Unsold Units. Subject to the foregoing, the Sponsor or its designee shall have the right, at any time, in its sole discretion, to assign or otherwise, transfer its interest herein, whether by merger, consolidation, lease, assignment or otherwise, without the consent of the Board of Managers or any other person.

27. Captions. The captions are included only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Declaration or the intent of any provision hereof.

28. Development Rights. If there is any "floor area" (as defined in the Zoning Resolution of the City of New York (the "Zoning Resolution")) pertaining to the Property and not used in the Building as constructed or as a result of a future rezoning of the area on which the Property is located (the "Excess Floor Area"), the Sponsor or its designee, on behalf of itself, and acting as attorney-in-fact for the Board of Managers and each of the Unit Owners, may execute and deliver such documents and take such other actions as are appropriate to transfer, sell or permit the use of the Excess Floor Area, at any adjoining lot where the use of the Excess Floor Area is permitted pursuant to the Zoning Resolution, including, without limitation, executing and delivering on behalf of itself, the Board of Managers and each of the Unit Owners one or more declarations of zoning restrictions, zoning lot development agreements, and waiver of parties in interest. If the Excess Floor Area is used on adjoining properties, it may result in the vertical or horizontal expansion of such adjoining properties and, therefore, it may alter the views from and light into the Building. The Sponsor will not use the Excess Floor Area to expand the Building. Solely the Sponsor, and not the Board of Managers or any of the Unit Owners, has any interest in the Excess Floor Area or any proceeds from the transfer or sale or use thereof. The power of attorney granted to the Sponsor or its designee in this paragraph is irrevocable and coupled with an interest.

[Signature page follows.]

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed this ____ day of _____, 202__.

524 Halsey LLC

By: _____

STATE OF NEW YORK)
)ss.:
COUNTY OF KINGS)

On the ____ day of _____, 202__, before me, the undersigned personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed 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 on behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

EXHIBIT A
524 Halsey Street
Brooklyn, New York

EXHIBIT B

524 Halsey Condominium
524 Halsey Street
Brooklyn, New York 11215
Block _____

[To be completed at submission to Department of Finance]

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SECTION G

BY LAWS OF CONDOMINIUM

Page without text

BY-LAWS

of

524 Halsey Condominium

County of Kings

City and State of New York

Record and Return To:

Marcus Attorneys PLLC
13 Greene Avenue
Brooklyn, New York 11238

By-Laws

of

524 Halsey Condominium

ARTICLE I
Plan of Unit Ownership

Section 1. Unit Ownership. The property located in the County of Kings, City and State of New York at 524 Halsey Street has been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York (the "Condominium Act") by the Declaration (the "Declaration") recorded in the Office of the Register of the City of New York, Borough of Brooklyn simultaneously herewith and shall hereinafter be known as 524 Halsey Condominium (hereinafter called the "Condominium"). The Residential Units are herein sometimes called the "Units". The owner of a Unit is herein referred to as a "Unit Owner". All capitalized terms not defined herein shall have the meaning set forth in the Condominium Act.

Section 2. Applicability of By-Laws.

(a) The provisions of these By-Laws are applicable to the Property of the Condominium and to the use, operation and occupancy thereof. The term "Property" as used herein shall include the land, the buildings and all other improvements thereon (including the Units, the Common Elements and the Limited Common Elements) known as 524 Halsey Street , Brooklyn, New York, and all easements, rights and appurtenances belonging thereto, and all other property, real, personal or mixed, intended for use in connection therewith. The provisions of these By-Laws are applicable to the Property of the Condominium and to the use, operation and occupancy thereof.

(b) All present and future owners, mortgagees, lessees, sublessees and occupants of Units and their employees, invitees, agents and contractors 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 (the "Rules and Regulations") attached hereto as Schedule A, each as amended from time to time.

The acceptance of a deed or conveyance or the entering into of a lease or the occupancy of a Unit shall constitute an agreement that these By-Laws, the Rules and Regulation and the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

Section 3. Office. The office of the Condominium and of the Board of Managers of the Condominium (the "Board of Managers") shall be located at the Property, unless another office in the County and State of is designated by the Board of Managers.

ARTICLE II

Board of Managers

Section 1. Number and Qualification. The affairs of the Condominium shall be governed by a Board of Managers which shall consist of three persons. Until the first meeting of Unit Owners held pursuant to Section 1 (a) of Article III of these By-Laws, the Board of Managers shall consist of three (3) persons designated by the sponsor of the Condominium, 524 Halsey LLC (the "Sponsor"). As used in these By-Laws "Unsold Units" shall mean a Unit owned, at the time in question, by the Sponsor or its designee or successor who or which does not occupy the Unit for his, her, its or their own use. Within ninety (90) days after the first Closing of title to a Unit, the Sponsor will call the first meeting of Unit Owners, at which meeting the Unit Owners shall elect three (3) members, subject to the Sponsor's right to designate two members of the Board until the earlier of: (1) five years after the Closing of the first Unit or (2) the time the Sponsor holds less than fifty percent (50%) of the Common Interests. A meeting will be held to elect new members of the Board within thirty (30) days of the termination of the Sponsor's special right to designate members of the Board. During the period in which the Sponsor may designate two members of the Board, Unit Owners, other than the Sponsor, will vote for the remaining Board member. After the period during which Sponsor may designate two members of the Board, all Unit Owners, including the Sponsor, may vote for all members of the Board, including members of the Board that are related or unrelated to the Sponsor. Each member of the Board of Managers shall be an owner of a Unit, a mortgagee of a Unit, general partner, partner or designated employee of a partnership owning a Unit or holding a mortgage covering a Unit, a shareholder, officer, director or designated employee of a corporate Unit Owner or corporate mortgagee of a Unit, a fiduciary or officer or designated employee of a fiduciary who is the owner or mortgagee of a Unit, or a person with similar authority over, and interest in, another entity owning or holding a mortgage on a Unit, or in the case of the Sponsor or a Sponsor-affiliate, shall be a designee of the Sponsor. A person designated by the Sponsor or a Sponsor-affiliate under this Article need not be a Unit Owner or holder of an office or interest in a Unit Owner. As used in these By-Laws, the term "Sponsor-affiliate" shall mean (i) any person or entity which the Sponsor may designate to acquire title to a Unit or exercise other rights of the Sponsor hereunder or under the Declaration or the Offering Plan for the Property (the "Plan"), (ii) an entity in which the Sponsor possesses a legal or beneficial interest or a person or entity which possesses a legal or beneficial interest in the Sponsor or an entity which controls or is controlled by an entity which is otherwise a Sponsor-affiliate or (iii) a person or entity succeeding to the rights of Sponsor as an owner of one or more Unsold Units, as defined in the Offering Plan. A Sponsor-affiliate shall have the right to designate a person or entity to succeed to its rights. The term Sponsor-affiliate is also used to refer to any such designee.

Section 2. Power 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 acts and things except such acts or things which 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) Operation, care, upkeep and maintenance of the Common Elements and Limited Common Elements.

(b) Determination of the Common Expenses required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Property, and specially allocated expenses as described in Section 1 (d) of Article V hereof.

(c) Collection from the Unit Owners of the Common Charges, assessments and other sums due under these By-Laws or the Declaration.

(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 occupancy, operation and use of the Property.

(f) Opening and maintaining of bank and investment accounts on behalf of the Condominium and designating the signatories 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, borrowing money with respect 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 and other entities to act as designees of the Board of Managers in acquiring title to, or leasing of, Units or rights and interests in real and personal property for use in connection with the ownership and operation of the Property as a condominium, on behalf of all Unit Owners.

(l) Obtaining insurance for the Property, the Condominium and the Board of Managers pursuant to the provisions of Article V, Section 2 hereof.

(m) Making of repairs, additions and improvements to, or alterations of, the Property subject to the provisions of Section 13 of Article V hereof and making of repairs to, and restoration of, the Property in accordance with the other provisions of these By-Laws after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

(n) Borrowing money on behalf of the Condominium when required in connection with the payment, collection and disbursement of funds, including reserves, to provide for major and minor maintenance, repairs, additions, improvements, replacements, working capital, bad debts and unpaid Common Expenses, depreciation, obsolescence and similar purposes, provided, however, that (i) such debt is incurred no earlier than the fifth anniversary of the first conveyance of a Unit and (ii) the incurrence of such debt shall require the consent of a majority of all Unit Owners in Common Interest; and in connection with such borrowing, to give such security interest as may be permitted by law.

(o) Borrowing money on behalf of the Condominium when required in connection with any matter not included in the preceding paragraph, provided, however, that no lien to secure repayment of any sum borrowed may be created on any Unit or its Appurtenant Interests (as defined in Article VII, Section 1(a) of these By-Laws) or on the Common Elements without the consent of all of the Unit Owners. If any sum borrowed by the Board of Managers on behalf of the Condominium pursuant to the authority contained in this paragraph (o) is not repaid by the Board of Managers, 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.

(p) Levying fines against Unit Owners for violations of the Rules and Regulations.

(q) Adjusting and settling claims under insurance policies obtained pursuant to Article V, Section 2 and executing and delivering releases upon settlement of such claims on behalf of all Unit Owners.

(r) Notwithstanding anything to the contrary contained in these By-Laws, so long as the Sponsor or any Sponsor-affiliate shall continue to own a Unit or Units constituting twenty five percent (25%) or more of the Common Interest, but in no event for a period in excess of five (5) years from the Closing of title to the first Unit, the Board of Managers may not, without the Sponsor's or Sponsor-affiliate'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 or addition to or replacement of all or part of a reserve, contingency or surplus fund except that Sponsor will consent to replacements to the contingency fund provided for in the Budget for First Year of Condominium Operation, Schedule B of the Offering Plan for the Property (the "Plan") to the extent that the aggregate amount of such fund does not exceed ten percent (10%) of the budgeted expenses of the Condominium 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). The Sponsor and Sponsor-affiliates shall have the right to withhold its or their consent to any of the foregoing actions. However, notwithstanding the provisions of this paragraph (r), the Sponsor and Sponsor-affiliates may not exercise veto power over expenses described in said Schedule B or over expenses required to comply with applicable law or regulations, to remedy any notice of violation, or to remedy any work order by an insurer.

(s) Notwithstanding anything to the contrary contained in there By-Laws, so long as there shall be an Unsold Unit, the Board of Managers may not, without the consent of the Unit

Owner of each Unsold Unit (i) amend the Declaration or these By-Laws so as to in any way adversely affect the Sponsor or any Sponsor-affiliate or any Unit owned thereby; or (ii) interfere with: the offer and sale or leasing of Units; operation of general or sales and leasing offices of the Sponsor or any Sponsor-affiliate at the Property; actions necessary for construction, renovation, repair alteration, maintenance, operation and replacement of the Property or any parts thereof by, or on behalf of, the Sponsor or any Sponsor-affiliate and permitted pursuant to the Plan and/or the Declaration.

(t) The Board of Managers may act as an agent of each Unit Owner who has given his written authorization to complain or apply to the Board of Assessment Review of the assessing agency by filing a single complaint on behalf of all such Unit Owners pursuant to Section 512 of the Real Property Tax Law and to commence and prosecute a special proceeding for the review of assessment of real property as an aggrieved person pursuant to Section 704 of the Real Property Tax Law of the State of New York. The Board of Managers may retain legal counsel on behalf of all Unit Owners for which it is acting as agent and to charge all such Unit Owner a pro rata share of its expenses, disbursements and legal fees in connection with the review of assessments, for which charges the Board of Managers shall have a lien pursuant to Section 339 of the Condominium Act.

Section 3. Managing Agent and Manager. The Board of Managers may employ a managing agent and/or manager (including the Sponsor or a corporation or other entity organized or controlled by the Sponsor) for the Condominium 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 any 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), (g), (h), (i), (j), (k), (n) and (o) of Section 2 of this Article II.

Section 4. Election and Term of Office. The term of office of the members of the Board of Managers elected by Unit Owners at the first meeting of Unit Owners held pursuant to Section 1(a) of Article III of these By-Laws shall expire on the date of the second meeting of the Unit Owners held pursuant to Section 1(b) of Article III of these By-Laws. At the second meeting and all subsequent meetings of the Unit Owners held for the purpose of electing members of the Board of Managers, the term of office of the three (3) members of the Board of Managers shall be fixed at one year.

Section 5. Removal of Members of the Board of Managers. At any regular or special meeting of Unit Owners, any one or more of the members of the Board of Managers, other than a member designated by the Sponsor or a Sponsor-affiliate (who may be removed by the Unit Owners at such a meeting only for cause) may be removed with or without cause by a majority of the Unit Owners and a successor may then and there or thereafter be elected to fill the vacancy thus created. 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-affiliate may be removed by the Sponsor for any reason. If a member of the Board of Managers ceases to be a Unit Owner or Unit mortgagee (or a designee of an entity which owns a Unit or holds a mortgage on a Unit), unless such member is a designee of the Sponsor or a Sponsor-affiliate, he or she shall be deemed to have resigned effective as of the date such

ownership or mortgage interest ceases.

Section 6. 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 selected shall be a member of the Board of Managers until the next annual meeting of the Unit Owners, at which meeting a successor shall be elected for such member. Notwithstanding any other provisions of these By-Laws, vacancies for any reason of members designated by the Sponsor or Sponsor-affiliate shall be filled only by the Sponsor or a Sponsor-affiliate.

Section 7. Organization Meeting. The first meeting of the members of the Board of Managers following the first meeting of the Unit Owners shall be held within ten (10) days after the first meeting of the Unit Owners at such time and place as shall be fixed by the members of the Board of Managers and no notice shall be necessary to the newly elected members of the Board of Managers in order legally to constitute such meeting, provided a majority of the whole Board of Managers shall be present thereat.

Section 8. Regular Meetings. Regular meetings of the Board of Managers may be held at such time and place as shall be determined from time to time by the members of the Board of Managers, but at least four (4) 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 fax at least three (3) business days prior to the day of such meeting.

Section 9. Special Meetings. Special meetings of the Board of Managers may be called by the President on three (3) business days' notice to each member of the Board of Managers given by mail or fax, 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 one (1) member of the Board of Managers.

Section 10. Waiver of Notice. Any member of the Board of Managers may at any time waive notice of any meeting of the Board of Managers in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Managers at any meeting of the Board shall constitute a waiver of notice by him or her of the time and place thereof. Any one or more members of the Board of Managers or any committee thereof may participate in a meeting of the Board by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting. If all the members of the Board of Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 11. Quorum of the 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 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, the meeting must be adjourned. 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 may be taken without a meeting if all members of the Board consent in writing to the adoption of a resolution authorizing such action, and the writing or writings are filed with the minutes of the proceedings of the Board.

Section 12. Fidelity Bonds. The Board of Managers may obtain a fidelity bond in the amount of $25,000 or more for all officers and employees of the Condominium and of the managing agent handling or responsible for Condominium funds. The Board of Managers may obtain such other fidelity bonds as it deems proper. The premiums on such bonds shall constitute a Common Expense.

Section 13. Compensation. No member of the Board of Managers shall receive any compensation from the Condominium for acting as such.

Section 14. Liability of the Board of Managers. The members of the Board of Managers shall not be liable to any Unit Owner 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 liability to others arising from their acts as, or by reason of the fact that such person was, a member of the Board of Managers. 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 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, her or its 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 on behalf of the Board of Managers shall be deemed made on behalf of the Unit Owners, and the Board of Managers and the managing agent, as the case may be, are acting only as agents for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners) and any liability of a Unit Owner thereunder shall be limited to such proportion of the total liability thereunder as his, her or its interest in the Common Elements bears to the interests of all Unit Owners in the Common Elements. Members of the Board of Managers designated by the Sponsor or a Sponsor-affiliate shall not incur any liability for self-dealing in connection with any contract made by the Board of Managers on behalf of the Unit Owners with the Sponsor or Sponsor-affiliate provided that any compensation paid under such contract shall be no more than at then competitive rates for similar goods and services in Kings County.

ARTICLE III
Unit Owners

Section 1. Annual Meetings.

(a) First Meeting. Within ninety (90) days after the first Closing of title to a Unit, the Sponsor shall call the first meeting of Unit Owners for the election by Unit Owners of the members of the Board of Managers, subject to the Sponsor's right to designate members. The full Board of Managers shall then be composed of three (3) members. Persons designated by the Sponsor or a Sponsor-affiliate need not be Unit Owners.

(b) Annual Meetings. Annual meetings of Unit Owners shall be held at the first anniversary of the first meeting of the Unit Owners held pursuant to Section 1(a) of this Article III and annually thereafter unless such day shall fall on a Saturday, Sunday or legal holiday, in which event, the meeting for that year shall be held on the succeeding Monday or day which is not a legal holiday.

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 if so directed by resolution of the Board of Managers or upon a petition signed and presented to the Secretary by Unit Owners holding twenty percent (20%) of the Common Interest of all Unit Owners in the Common Elements. 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 forty (40) 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 Board of Managers. 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 thirty (30) days prior to such meeting.

Section 5. Adjournment of Meetings. If any meeting of Unit Owners cannot be held because a quorum has not attended, 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 and/or managing agent.

(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; Status of Holder of Title as Unit Owner. Title to Units may be taken in the name of an individual or in the names of two or more persons, as tenants in common or as joint tenants or as tenants by the entirety, or in the name of a corporation, partnership, limited liability company, a fiduciary, non-profit organization or governmental entity (upon waiver of diplomatic immunity, as, if and when required by the Board of Managers), or other entity provided such entity is empowered to own real property and otherwise comply with the obligations of a Unit Owner and be sued in the courts of 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. This section shall not constitute consent or the condoning of any activity not permitted by laws, ordinances, rules, regulations, guidelines and determinations of any government, governmental authority or quasi-governmental authorities and agencies, case law and all judicial rulings, judgments and orders, the requirements of insurers, insurance underwriting agencies, agreements, instruments and insurance policies and of mortgages and the holders of mortgages on the Property or any part thereof binding on the Board of Managers or affecting the Condominium this Declaration, the By-Laws and the Rules and Regulations and of the By-Laws, this Declaration and the Rules and Regulations (hereinafter called the “Legal Requirements”).

Section 8. Voting. Each Unit Owner (as determined by the Board of Managers) or some person designated by a Unit Owner to act as proxy on his, her or its behalf and who need not be a Unit 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 by the Unit Owner so designating. Any or all of such Unit Owners may be present at any meeting of the Unit Owners and (those constituting a group acting unanimously) may vote or take any other action as a Unit Owner either in person or by proxy. The total number of votes of all Unit Owners shall be one hundred and each Unit Owner (including the Sponsor or Sponsor-affiliates if the Sponsor or a Sponsor-affiliate shall then own or shall then hold title to one or more Units) shall be entitled to cast the number of votes at all meetings of the Unit Owners equal to his, her or its percent of

interest in the Common Elements applicable to his, her or its Unit. A fiduciary shall be the voting party with respect to any Unit owned in a fiduciary capacity.

Section 9. Quorum. Except as otherwise provided in these By-Laws or the Declaration, the presence in person or by proxy of Unit Owners representing a majority of the Common Interest shall constitute a quorum at all meetings of the Unit Owners.

Section 10. Majority Vote. The vote of Unit Owners constituting a majority of the percentage of Common Interest present at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes unless a provision of these By-Laws or the Declaration shall expressly require approval by a higher or different number of votes or Unit Owners. Members of the Board of Managers shall be elected by a plurality of the percentage of Common Interest present except as provided in these By-Laws with respect to members designated by the Sponsor.

Section 11. 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 consents in writing to the adoption of a resolution authorizing such action and the writing or writings are filed with records of the Condominium.

ARTICLE IV
Officers

Section 1. Designation. The principal officers of the Condominium shall be the President, the Secretary, and the Treasurer, all of whom shall be elected by the Board of Managers. The Board of Managers may appoint a vice president, an assistant treasurer, an assistant secretary, and such other officers as in its judgment may be necessary. The President and any vice president, if any 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.

Section 3. Removal of Officers. Upon the affirmative vote of all other members of the Board of Managers, any officer may be removed, either with or without cause, and his or her successor may be elected at any regular meeting of the Board of Managers, or at any special meeting of the Board of Managers called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Condominium and must be a member of the Board of Managers. He or she 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 or otherwise from time to time as he or she may in his or her discretion decide are appropriate to assist in the conduct of the affairs of the Condominium.

Section 5. Vice President. If a Vice President is elected, the Vice President shall take the place of the President and perform his or her duties whenever the President shall be absent or unable to act. If the President is absent or not able to act and if there is no Vice President or the Vice President is also absent or not able to act, the Board of Managers shall appoint some other member of the Board of Managers to act in the place of the President on an interim basis. The Vice President also shall perform such other duties as shall from time to time be imposed upon him or her 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 or she shall have charge of such books and papers as the Board of Managers may direct; and he or she 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 causing full and accurate financial records and books of account showing all receipts and disbursements to be kept, and for the preparation of all required financial data. He or she shall be responsible for directing 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 or she 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) persons who shall be officers of the Condominium or by such other person or persons as may be designated by the Board of Managers.

Section 9. Liability of Officers. The officers of the Condominium 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 officers of the Condominium against all liability to others arising from his or her acts as, or by reason of the fact that such person was, an officer. It is intended that the officers 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 also intended that the liability of any Unit Owner arising out of any contract made by an officer or out of the aforesaid indemnity in favor of the officers shall be limited to such proportion of the total liability thereunder as his, her or its interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements.

ARTICLE V
Operation of the Property

Section 1. Determination of Common Expenses and Fixing of Common Charges.

(a) The Board of Managers shall, from time to time and at least annually, prepare a budget for the Common Expenses of the Condominium and fix the Common Charges payable by the Unit Owners. The Common Charges payable by a Unit Owner shall be the same portion of the Common Expenses as his, her or its interest in the Common Elements bears to the interests of all the Unit Owners in the Common Elements, except as provided in (d) of this Section. Common Charges shall be payable in such installments and at such times as the Board of Managers may determine. The Common Expenses shall include the cost of all insurance premiums on all policies of insurance required to be or which the Board of Managers has obtained pursuant to the provisions of Section 2 of this Article V. The Common Expenses may also include (i) 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, for a reserve fund for replacements, and to make up any deficit in the Common Expenses for any prior year, (ii) such amounts as may be required for the purchase or lease by the Board of Manager or its designee, corporate or otherwise, on behalf of all Unit Owners, of any Unit which the Board of Managers decides to acquire and lease pursuant to these By-Laws, (iii) such assessments as are necessary to provide funds for other Condominium purposes including, without limitation, capital improvements to, and repairs and replacements of Condominium real or personal property, the acquisition of real or personal property on behalf of the Unit Owners, and expenses which were not anticipated at the last time Common Expenses were determined, and (iv) if Units have not been separately assessed for real estate tax and assessment purposes, such proportion of real estate taxes and assessments assessed against the Property equal to the Unit's Common Interest. After the Units are separately assessed, the Board of Managers shall reimburse Unit Owners for any overpayment of taxes or assessments or assess Unit Owners for any underpayment of taxes or assessments. Notwithstanding any other provision of these By-Laws, any Common Expense of the nature described in (iii) above and which is in excess of $15,000 shall require the approval of sixty-six and two thirds percent (66 2/3%) in number and Common Interest of the Unit Owners. The Board of Managers shall advise all Unit Owners, promptly, in writing, of the amount of Common Expenses and 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 Common Expenses and Charges are based to all Unit Owners (and their respective mortgagees, if required). The Board of Managers may from time to time increase or decrease its prior determination of Common Expenses for a year or portion thereof. No determination of Common Expenses shall have any effect on the amount of Common Charges payable by any Unit Owner for any period prior to the date of such determination.

(b) Section 2 of Article II of these By-Laws contains additional limitations on the Board of Managers powers to set Common Expenses.

(c) The Sponsor or a Sponsor-affiliate shall be responsible for the Common Charges assessed against a Unit owned by it from the date of the first conveyance of title to a Unit in the

Building in which such Sponsor-owned Unit is located until such Unit is sold to a bona fide purchaser.

(d) Specially Allocated Expenses. The Board of Managers shall not allocate specific expense items to a Unit if the owner of said Unit pays such items directly. An expense from which a Unit is exempt shall be specially allocated to the Units which are not exempt. A specially allocated expense is charged to a Unit based on the proportion that the Common Interest of said Unit bears to the total Common Interest of all Units not exempt from said expense. The Board of Managers, acting reasonably, shall determine which items of expense shall be specially allocated as aforesaid, and inform the owners of the Units thereof and the owners of the Units shall determine the amounts thereof, except that the cost of obtaining insurance for the Building shall always be a Common Expense and shall not be specially allocated. Subject to the terms of this Article V, the Common Expenses shall initially be allocated among the Residential Units as set forth in Schedule B and the Notes to Schedule B in the Plan. Water charges and sewer rents will be Common Expenses of all Units unless either (i) any Unit Owner is directly billed for water charges and sewer rents by the municipal authority or (ii) the Board of Managers finds that a Unit Owner uses water in excess of normal domestic, sanitary and lavatory purposes and requires such Owner to install a water meter and bills such Owner for water used, in which event the owner of such Unit shall not be charged water charges and sewer rents as part of the Common Charges and the owners of Units not so directly billed shall be specially allocated the Condominium's water charges and sewer rents. The Board of Managers shall have all the rights with respect to the collection of such specially allocated expenses and the creation of liens therefor and the enforcement of such collection and liens and the foreclosure of such liens, as the Board of Managers has with respect to Common Charges.

(e) The omission or failure of the Board of Managers to determine the Common Expenses for any year or portion thereof shall not affect the obligation of a Unit Owner to pay Common Charges, but Common Charges on the basis of the Common Expenses as last determined for a year or portion thereof shall continue to be the Common Charges due from each Unit Owner until a new determination of Common Expenses shall be made.

Section 2. Insurance.

(a) The Board of Managers shall obtain and maintain, to the extent obtainable at commercially reasonable premiums, the following insurance: (1) fire insurance with extended coverage, including provision for "additional living expense" of Unit Owners, vandalism and malicious mischief endorsements normal for a condominium of this type, insuring the Building, (including all of the Units and partitions, floors and ceilings within the Units and installed by the Sponsor or the Board of Managers but not including any equipment, any wall, ceiling or floor decorations or coverings or other furniture, furnishings, fixtures or other personal property within the Units) together with all property real, personal or mixed part of, or used in connection with, the Common Elements and covering the interests of the Condominium (collectively, the “Insured Property”), the Board of Managers and all Unit Owners and their mortgagees, as their interest may appear, in an amount equal to the full replacement value of the Building (exclusive of the cost of excavation and foundations) and all other Insured Property, without deduction for depreciation; each of said policies shall contain a New York standard mortgagee clause in favor of each

mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers; (2) water damage legal liability insurance; and (3) such other insurance as the Board of Managers may determine. All such policies shall provide that adjustment of loss shall be made by the Board of Managers and that the net proceeds thereof shall be payable to the Board of Managers.

The amount of fire insurance to be maintained until the first meeting of the Board of Managers following the first meeting of the Unit Owners shall be in at least the sum of $14,683,900.

(b) The Board of Managers shall also be required to obtain and maintain, to the extent obtainable at a cost deemed reasonable by the Board of Managers, 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 officers, 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 such policy shall not cover liability of a Unit Owner arising from an occurrence from within his, her or its own Unit. Such public liability coverage shall also cover cross liability claims of one insured against another. The Board of Managers shall review such limits once each year or prior to renewal of a policy if a policy covers a multi-year period. Until the first meeting of the Board of Managers following the second meeting of the Unit Owners, such public liability insurance shall be a single limit of not less than $2,000,000 in the aggregate and $1,000,000 per occurrence, covering all claims for bodily injury and property damage with respect to any one occurrence.

(c) To the extent obtainable at a cost deemed reasonable by the Board of Managers, all policies of physical and liability insurance shall contain waivers of subrogation and waivers of any defense based on co-insurance or of pro-rata reduction of liability or of invalidity arising from any acts of the insured, and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days' a prior written notice to all of the insured, including all mortgagees of Units of which the insurer has notice. Duplicate originals of all physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of Units of which the Board of Managers has notice and who has requested copies at least ten (10) days prior to the expiration of the then current policies. Each Unit Owner shall receive a certification of such insurance. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Managers shall obtain an appraisal from a fire insurance company or otherwise of the Building (exclusive of the cost of excavation and foundations), including all of the Units, and all of the Common Elements therein including such property, without deduction for depreciation, for the purpose of determining the amount of fire insurance to be effected pursuant to this Section.

(d) If the Property is within a federally designated flood plain the Board of Managers shall insure the Insured Property against flood damage in such amounts as the Board of Mangers determines.

(e) Unit Owners shall not be prohibited from carrying other insurance for their own benefit

provided that all such policies shall contain waivers of subrogation in favor of the Board of Managers and other Unit Owners and further provided that the liability of the carriers issuing insurance obtained by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

(f) The Board of Managers shall have the right to charge any Unit Owner the cost of any increase in an insurance premium if due to any act, omission or activity of the Unit Owner, the occupants of the Unit or invitees, employees, agents or contractors of the Unit Owner, or if due to the condition of the Unit.

Section 3. Repair or Reconstruction after Fire or Other Casualty. In the event of damage to, or destruction of, the Building as a result of fire or other casualty (unless a Unit Owner or lienor exercises a right of partition as provided in the Condominium Act), the Board of Managers shall arrange for prompt repair and restoration of the Building (including all of the Units and the equipment installed by the Sponsor or the Board of Managers and partitions, floors and ceilings within the Units and installed by the Sponsor or the Board of Managers but not including any equipment, any wall, ceiling or floor decorations or coverings or other furniture, furnishings, fixtures or other personal property within the Unit) and the Board of Managers shall disburse the proceeds of all insurance policies and such additional sums, if any, as may be required, to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a Common Expense and the Board of Managers may assess all the Unit Owners for such deficit as part of the Common Charges. No portion of the insurance proceeds shall be applied to the payment of the mortgage indebtedness of any Unit Owner except pursuant to applicable provisions of the Condominium Act.

If, as a result of damage or destruction of the Building by fire or casualty, the Property becomes subject to an action for partition by any Unit Owner or lienor, in accordance with the provisions of the Condominium Act, the Building will not be repaired and 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 among all the Unit Owners in proportion to their respective Common Interests, after first paying out of the share of each Unit Owner the amount of any unpaid liens on his, her or its Unit, in the order of the priority of such liens.

Section 4. Payment of Common Charges. All Unit Owners shall be obligated to pay the Common Charges and assessments assessed by the Board of Managers pursuant to the provisions of Section 1 of this Article V 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 or assessments assessed against his, her or its Unit subsequent to a sale, transfer or other conveyance by him, her or it (made in accordance with the provisions of Section 1 of Article VII of these By-Laws) of such Unit, together with the Appurtenant Interests (as defined in Section 1 of Article VII hereof.) In addition, any Unit Owner may, subject to the terms and conditions specified in these By-Laws, provided that his, her or its Unit is free and clear of liens and encumbrances (other than

a first mortgage from an institutional lender) and the statutory lien for unpaid Common Charges, convey his, her or its Unit, together with the Appurtenant Interests, to the Board of Managers, or its designee, corporate or otherwise, on behalf of all other Unit Owners, without any compensation and in such event be exempt from Common Charges thereafter assessed. A purchaser of a Unit shall be liable for the payment of Common Charges assessed against such Unit prior to the acquisition by him, her or it 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 assessed prior to the foreclosure sale.

Section 5. Default in Payment of Common Charges or Assessments. In the event of a default by any Unit Owner other than the Sponsor in paying any installment of the Common Charges or any assessment as determined by the Board of Managers, such Unit Owner shall be obligated to pay a charge thereon at the lower of eighteen percent (18%) per year or the highest lawful rate on such Common Charges or assessments from the due date thereof, together with all expenses, including attorneys' fees, incurred by the Board of Managers in, and prior to, any action or 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 such expenses, in an action or proceeding to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit granted by the Condominium Act, in the manner provided by the Condominium Act or otherwise as permitted by law.

Pursuant to Real Property Law Section 339-kk, if a non-occupying Unit Owner rents his, her or its Unit to a rental tenant and then fails to make payments due for common charges, assessments or late fees for such Unit within sixty days of the expiration of any grace period after they are due, upon notice per the By-laws, all rental payments from the tenant shall be directly payable to the condominium association. Payment by a rental tenant to the condominium association made in connection with Section 339-kk shall relieve that rental tenant from the obligation to pay such rent to the non-occupying Unit Owner and shall be an absolute defense in any non-payment proceeding commenced by such non-occupying Unit Owner against such tenant for such rent. If the common charges, assessments or late fees due for any Unit have not been paid in full, within sixty (60) days after the expiration of any grace period of the earliest due date, the Board 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 common charges, assessments or late fees are made current, all rental payments due subsequent to the issuance of such notice are to be made payable to the condominium association at the address listed on the notice. Where a majority of the Board has been elected by and from among the Unit Owners who are in occupancy, the Board may elect not to require that rental payments be made payable to the condominium association. At such time as payments for common charges, assessments and late fees from the non-occupying Unit Owner are once again current, notice of such fact shall be given within three (3) business days to the rental tenant and non-occupying Unit Owner. Thereafter all rental payments shall be made payable to the non-occupying Unit Owner or a designated agent. A non-occupying Unit Owner who disputes the association`s claim to rental payments pursuant to Real Property Law Section 339-kk shall be entitled to present facts supporting such Unit Owner`s position at the next scheduled meeting of the Board, which must be held within thirty (30) days of the date that such Board receives notice that such Unit Owner seeks to dispute such claim.

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

Section 6. Foreclosure of Liens for Unpaid Common Charges. If any action or proceeding is 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, her or its Unit for any period of such use from the time of failure to pay Common Charges, until judgment and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of all Unit Owners, shall have the power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage, convey or otherwise deal with the same. A suit to recover a money judgment for unpaid Common Charges, interest thereon as specified in Section 5 of this Article and expenses of the Board of Managers in connection with the collection thereof (including attorneys' fees and disbursement) shall be maintainable without foreclosing or waiving the lien securing the same.

Section 7. Statement of Common Charges and Assessments. The Board of Managers (or a managing agent on its behalf) shall promptly provide to any Unit Owner so requesting the same in writing, a written statement of all unpaid Common Charges, assessments and other sums due from such Unit Owner.

Section 8. Abatement and Enjoinment of Violation by Unit Owners. The violation of any rule or regulation adopted by the Board of Managers, or the breach of any provision of these By-Laws, or the breach of any provision of the Declaration, shall give the Board of Managers the right, in addition to any other right by law or as 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 or thereof (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 otherwise for the safety of occupants of the Condominium or other persons or required to avoid the suspension of any necessary service to the Condominium or any Unit); and/or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such violation or breach; and/or (c) to seek compensation for damages caused by the violation or breach.

Section 9. Maintenance and Repair. (a) All maintenance, repairs and replacements to a Unit, whether structural or non-structural, ordinary or extraordinary (other than maintenance of, and repairs to, any Common Element contained therein and not necessitated by the negligence, misuse or neglect of the owner of such Unit or his, her or its tenants, invitees, employees, agents or contractors), shall be made by the owner of such Unit at his, her or its expense. Each Unit Owner shall be responsible for all damages to any and all other Units and/or to the Common Elements, that result from his, her or its failure to perform such maintenance, repair or replacements.

(b) All maintenance, repairs and replacements to the Common Elements, whether located inside or outside of the Units (unless necessitated by the negligence, misuse or neglect of a Unit

Owner or his, her or its tenants, invitees, agents, employees or contractors, in which case such expense shall be charged to such Unit Owner) shall be made by the Board of Managers and be charged to all Unit Owners as a Common Expense except as provided in these By-Laws with respect to specially allocated expenses and assessments.

(c) Maintenance, repair and replacement of the windows shall be the responsibility of the Board of Managers and the costs thereof shall be a Common Expense, except that Unit Owners shall be responsible for the cost of cleaning the inside face of windows at their Units. The Board of Managers may choose to require that all Unit Owners grant access to their Units to persons retained by the Board of Managers to clean the exterior surfaces of the windows and to maintain, repair and/or replace the windows.

(d) Notwithstanding the above, the Board of Managers shall have the responsibility (which shall constitute its only responsibility regarding those items) of painting or refinishing the exterior of doors opening out of Units (should same ever become necessary) in compliance with all applicable laws.

Section 10. Limited Common Elements. The Limited Common Elements shall be as described in the Declaration.

Section 11. Heating, Hot Water and Air-Conditioning Systems. All maintenance, repairs and replacements to the heating, hot water, and air-conditioning system solely serving a Unit, if any, shall be made by the Unit Owner at the Unit Owner's expense. Maintenance, repairs and replacements to any heating, hot water, or air-conditioning system serving the common areas and/or all Units in common shall be made by the Board of Managers and the costs thereof included in the Common Charges.

Section 12. 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) All Units shall be used only in the manner and for the uses permitted in the Declaration and in conformity with all Legal Requirements.

(b) The Common Elements shall be used by Unit Owners and their invitees, employees, agents, and contractors and occupants of Units 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.

(c) No nuisances shall be allowed on the Property nor shall any use or practice be allowed which unreasonably interferes with the peaceful possession or proper use of the Property by other Unit Owners and other occupants.

(d) No immoral, improper, offensive, or unlawful use shall be made of the Property or any part thereof by Unit Owners and their invitees, employees, agents, and contractors and occupants of Units, and all Legal Requirements relating to any portion of the Property or the use or condition thereof, shall be complied with, by and at the sole expense of each Unit Owner or the Board of

Managers, whichever shall have the obligation to maintain or repair such portion of the Property except such expense shall be borne by a Unit Owner if the Unit Owner or other occupant of the Unit or any of the Unit Owners' invitees, employees, agents, or contractors caused the condition which must be remedied.

(e) No portion of a Residential Unit (other than the entire Unit and its appurtenant interests) may be rented, and no transient tenants may be accommodated therein.

(f) No Unit Owner shall keep or do anything in a Unit or the Common Elements or Limited Common Elements which will increase the rate of insurance of the Building, or contents thereof, without the prior written consent of the Board of Managers. Without affecting the obligation of the Owner of a Unit to remove or abate anything which increases the rate of such insurance, the Unit Owner shall pay to the Board of Managers the amount of such increase within three (3) days of written demand.

(g) Those public or other areas of the Building exposed to public view that are required to be maintained by a Unit Owner or the Board of Managers shall be kept by each in good appearance in conformity with the dignity and character of the Building, as determined by the Board of Managers.

Section 13. Additions, Alterations or Improvements by Board of Managers. Additions, alterations, or improvements may be made by the Board of Managers without approval of Unit Owners, except that (a) no addition, alteration or improvement costing more than $15,000 shall be made without the approval of the Sponsor and all other owners of Unsold Units as long as there are any Unsold Units (unless such addition, alteration or improvement is necessary in order to comply with Legal Requirements or is necessary to protect the Property from deterioration), and (b) no additions, alterations or improvements costing more than $15,000 shall be made unless approved by sixty-six and two-thirds percent (66 23/%) in number and in Common Interest of the Unit Owners, including the Sponsor or its designee. The Board of Managers shall proceed with duly authorized additions, alterations or improvements and shall assess each Unit Owner his, her or its proportionate share of the cost as part of the Common Expenses or as a special assessment, or shall pay for the addition, alteration or improvement from reserves accumulated for purposes of same or shall borrow funds to pay therefore as described below. Additions, alterations or improvements costing $15,000 or less may be made by the Board of Managers without approval of Unit Owners and the cost thereof shall constitute part of the Common Expenses.

Section 14. Additions, Alterations or Improvements by Unit Owners. No Unit Owners shall make any addition, alteration or improvement in or to his, her or its Unit which is structural or which affects the value of other Units or which affects the exterior of the Building, without the prior written consent thereto of the Board of Managers (and if required, of his, her or its mortgagee). The Board of Managers shall answer any written request by a Unit Owner for approval of a proposed addition, alteration or improvement in or to a Unit, within thirty (30) days after such request; and failure to do so within such time shall constitute a consent by the Board of Managers to the proposed addition, alteration or improvement. The Board of Managers may condition its approval in any way it deems appropriate. Any application to any governmental authority having or asserting jurisdiction, 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 Unit Owner, contractor, subcontractor, materialman, architect or engineer 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. This Section 14 shall not apply to a Unit owned by the Sponsor or Sponsor-affiliate.

The Board of Managers will execute any application or other document required to be filed with any governmental authority having or asserting jurisdiction in connection with any addition, alteration, improvement or repair or any subdivision, combination or change in the boundary walls made by the Sponsor or a Sponsor-affiliate to any Unit held by it, provided, however, that neither the Board of Managers nor any of them nor any Unit Owner other than the Sponsor or Sponsor-affiliate shall be subjected to any expense or liability by virtue of the execution of the application or such other document.

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, except any alterations and/or improvements to an appurtenant Limited Common Element shall require the prior approval of the Board of Managers, which approval may be withheld or conditioned at the sole discretion of the Board of Managers.

In the event that a Unit Owner wishes to make either structural or non-structural additions, alterations, improvements in or to his, her, its Unit or the Limited Common Element associated with his, her or its Unit, the Board of Managers may regulate:

(a) the time periods during which work is permitted;

(b) the manner in which construction debris will be handled;

(c) the measures which must be taken to prevent compromising the security of the Building during construction;

(d) the interruption of services during construction;

(e) liability insurance for contractors during construction; and

(f) such other matters as are necessary for the safety and continued enjoyment of the Building by all Unit Owners.

The Board of Managers may, at its option, require the Unit Owner to execute an agreement in form and substance satisfactory to the Board setting forth the terms and conditions under which the addition, alteration or improvement may be made.

Section 15. Use of Common Elements and Facilities.

(a) A Unit Owner shall not store any furniture, packages or objects or any kind in any part of the Common Elements other than a Limited Common Element appurtenant to his, her or its Unit.

(b) The Common Elements and facilities shall be used only for those purposes for which they are reasonably suited and capable. No Unit Owner shall make any addition, alteration, improvement or change in, or to, any Common Element (including, without limitation, the exterior of the Building) without the prior written consent of the Board of Managers (and the holders of Unit first mortgages, if required), except as permitted with respect to Limited Common Elements. The Sponsor and any Sponsor-affiliate shall have the right to alter and use the Common Elements, without charge, for the purposes and in the manner permitted herein and in the Declaration.

Section 16. Right of Access. A Unit Owner shall grant a right of access to his, her or its Unit, including any appurtenant Limited Common Element, 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, her or its Unit and threatening another Unit or a Common Element, or for the purpose of performing installations, alterations, additions or repairs to the mechanical or electrical services or other Common Elements in his, her or its Unit or elsewhere in the Building or to correct any condition which violates any Legal Requirement, provided that request for entry is made in advance and that any such entry is at a time reasonably convenient to the Unit Owner and further provided that such right shall be exercised in such a manner as will not unreasonably interfere with the proper use of the Units. In case of any emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not.

Section 17. Water, Gas and Electricity. Electricity to Units will be supplied by the public utility companies serving the area through individual meters and billed by such companies to each Unit Owner. The cost of electricity and gas, if any, for common areas, as measured by one or more building meters, will be borne by the Unit Owners and will be included in the Common Charges, subject to special allocation, if any, as described in Section 1 of Article V of these By-Laws. Water will be supplied to all Units by the City of New York or other public utility and the cost thereof will be included in the Common Charges, except as otherwise provided in these By-Laws.

Section 18. Rules and Regulations.

(a) The rules and regulations adopted by the Board of Managers may be promulgated and amended from time to time by the Board of Managers provided that copies of such Rules and Regulations are furnished to each Unit Owner not less than five (5) days prior to the time that they become effective. Any rule or regulation may be rescinded by a vote of owners of two-thirds (2/3rds) of the Units at a meeting duly called for such purpose.

(b) The Condominium's initial rules and regulations are attached hereto as Schedule A.

Section 19. Default by Unit Owners and Expenses of Board of Managers.

(a) In the event a Unit Owner fails to make any payment due to the Board of Managers by the due date thereof, then a charge shall accrue on the unpaid sum at the lower of eighteen percent (18%) per annum and the highest rate permitted by law from the due date thereof until payment is made.

(b) In the event the Board of Managers incurs any expense (including attorneys' fees) in connection with the failure of any Unit Owner to abide by the provisions of these By-Laws or the Declaration, then the defaulting Unit Owner shall pay to the Board of Managers the amount of such expense no later than three (3) days after notice of the amount thereof from the Board of Managers or its designee to the defaulting Unit Owner.

(c) If a Unit Owner shall fail to pay any sum due to the Board of Managers pursuant to this Section 19, the Board of Managers shall have all of the rights with respect to such sum and such failure which the Board of Managers would have with respect to a failure to pay Common Charges to the extent permitted by the Condominium Act.

ARTICLE VI
Mortgages

Section 1. Mortgage of Units. Each Unit Owner shall have the right to mortgage his, her or its Unit without restriction provided that any such mortgage shall be granted to a bank or insurance company or a savings and loan association or a mortgage company affiliated with any of the foregoing or a governmental agency, or unless such mortgage shall be substantially in the form available from the Board of Managers, and provided further that a copy of each mortgage and the note secured thereby shall be delivered to the Board of Managers promptly after execution and delivery thereof together with a written notice of the name and address of the mortgagee for the purposes of notices to the mortgagee.

Section 2. Notice of Unpaid Common Charges or Other Default. The Board of Managers, whenever so requested in writing by a mortgagee of a Unit, shall promptly report any then unpaid Common Charges or assessments levied by the Board of Managers due from, or any default by, the owner of the mortgaged Unit.

Section 3. Notice of Default. The Board of Managers, when giving notice to a Unit Owner of a default in paying Common Charges or assessments or other default, shall send a copy of such notice to each holder of a mortgage covering such Unit whose name and address had theretofore been furnished to the Board of Managers and which requested such notice.

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 business days.

ARTICLE VII
Sales and Leases of Units

Section 1. Sales and Leases. The Board of Managers shall have the rights set forth in this Section ("Right of First Refusal") with respect to the sale and lease of Units.

(a) No Unit Owner may sell his, her or its Unit or any interest therein except by complying with the following provisions:

Any Unit Owner who receives a bona fide offer (hereinafter called an "Outside Offer") for the purchase of his, her or its Unit, which offer shall be deemed to include, for the purposes of this Article VII, the purchase of (i) the Unit Owner's undivided interest in the Common Elements; (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, and 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 (which interests are collectively referred to as "Appurtenant Interests") which the Unit Owner intends to accept, shall give notice to the Board of Managers of such offer and of such intention, the name and address of the proposed purchaser, 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, 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 received the Outside 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 thirty (30) days after receipt of such notice, the Board of Managers may elect by notice to such Unit Owner either (iv) to purchase such Unit, together with the Appurtenant Interests (or to cause the same to be purchased 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, on the same terms and conditions contained in the Outside Offer and as stated in the notice from the offering Unit Owner, or (v) to produce a purchaser who will purchase such Unit, together with the Appurtenant Interests, on the same terms and conditions 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 cause the same to be purchased by its designee, corporate or otherwise, title shall close at the office of the attorneys for the Condominium in accordance with the terms of the offer but not more than sixty (60) days after the giving of notice by the Board of Managers of its election to accept such offer. At the Closing, the Unit Owner shall convey the Unit (and Appurtenant Interests) 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 transfer and other taxes arising out of such sale, unless the Outside Offer permits otherwise. Real estate taxes, mortgage interest on any mortgage assumed by the Board of Managers or other purchaser and Common Charges and Expenses shall be apportioned between the Unit Owner and the Board of Managers, or its designee, as of midnight of the day immediately preceding such Closing date. In the event the Board of Managers or its designee shall fail to accept such offer or to produce a purchaser within thirty (30) days as aforesaid or fails to act within said thirty (30) days, the offering Unit Owner shall be free to contract to sell such Unit, together with the Appurtenant Interest, within ninety (90) days after the expiration of the period in which the Board of Managers or its designee might have elected to purchase or cause the purchase of such Unit with Appurtenant Interests on the terms and conditions set forth in the notice from the Unit Owner to the Board of Managers of the Outside Offer. Any deed to an outside purchaser shall provide that the 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. In the event the offering Unit Owner shall not, within said ninety (90) days, contract to sell such Unit, together with the Appurtenant Interests, to the outside purchaser on the terms and conditions contained in the Outside Offer, or if the Unit Owner shall so contract to sell such Unit, together with the Appurtenant Interests, to such outside purchaser on the terms and conditions in the Outside Offer, but such sale shall not be consummated pursuant to the terms of such contract, then should the offering Unit Owner thereafter elect to sell such Unit (any such sale being deemed to include the Appurtenant Interests) to the same or another outside purchaser on the same or other terms or 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 VII.

(b) No Unit Owner may lease his, her or its Unit except by complying with the following provisions:

Any Unit Owner who receives a bona fide offer for a lease (the "Lease Offer") of his, her or its Unit, which he, she or it intends to accept, shall give notice to the Board of Managers of such offer and of such intention, the name and address of the proposed lessee, the terms of the proposed lease, references for the proposed lessee, and such other information as the Board of Managers may reasonably require and shall offer to lease such Unit to the Board of Managers, or its designee, corporate or otherwise, on the same terms and conditions as the Lease Offer. The Board of Managers shall have the same right of election to lease the Unit on behalf of all Unit Owners or to produce a lessee for the Unit as contained in subsection (a) above relating to the purchase of Units. In the event the Board of Managers or its designee shall fail to accept the Lease Offer or to produce a lessee to accept the Lease Offer or fails to act within the time period set forth in subsection (a) the Unit Owner shall be free to lease such Unit to the proposed lessee of the Lease Offer on the terms and conditions contained in the Lease Offer, provided such lease shall be executed within sixty (60) days after the expiration of the period in which the Board of Managers or its designee might have elected to lease or produce a lessee on the terms and conditions of the Lease Offer.

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, that the lessee shall not sublet the demised premises or any part thereof without the prior consent in writing of the Board of Managers, that the Board of Managers shall have power to terminate such lease and/or to bring summary proceedings to evict the lessee in the name of the landlord thereunder in the event of default by the lessee under the provisions of such lease, and the Board of Managers shall have the right to terminate the lease on not less than thirty (30) days prior written notice upon foreclosure of the lien for Common Charges granted herein and pursuant to the Condominium Act. Except as hereinbefore set forth, the form of any such lease shall be the then current form of apartment lease recommended by The Real Estate Board of New York, Inc., except as may be otherwise provided herein or by the Board of Managers.

(c) Any purported sale or lease of a Unit in violation of this Section shall be voidable at the election of the Board of Managers.

(d) The Board of Managers may establish a reasonable fee for the processing of Unit sales and leases and notices relating to the Board of Manager’s rights of first refusal. Such fee shall be payable by the selling or leasing Unit Owner, as the case may be.

Section 2. Consent of Unit Owners to Purchase of Units by Board of Managers. The Board of Managers shall not exercise any option to acquire or lease a unit as set forth in Section 1 of this article set forth to purchase or lease any Unit without the prior approval of owners of Units constituting sixty six and two-thirds percent (66 2/3%) of the Common Interest, not including the Unit Owner who or which wishes to sell or lease. If the Board of Managers does not have sufficient funds on hand for the acquisition and maintenance of a Unit which has been approved by the Unit Owners, the Board of Managers may either borrow such funds or may assess the Unit Owners therefor in proportion to their respective Common Interest, not including the Unit Owner of the sold or leased Unit.

Section 3. No Severance of Ownership. No Unit Owner shall execute any deed, mortgage, or other instrument transferring, conveying or mortgaging title to his, her or its Unit without simultaneously transferring conveying or mortgaging the Appurtenant Interests. Any deed, mortgage or other instrument purporting to affect the transfer, conveyance or mortgage of a Unit without including all such Appurtenant 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 transferred, conveyed, mortgaged, or otherwise disposed of, except as part of a transfer, conveyance, mortgage or other disposition of the Unit to which such interests are appurtenant, or as part of a transfer, conveyance or mortgage 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 may be released or waived by the Board of Managers, in which event the Unit, together with the Appurtenant Interests, may be leased, sold or conveyed free and clear of the provisions of Section 1 of this Article VII.

Section 5. Certificate of Termination of Right of First Refusal. A certificate, executed and acknowledged and in recordable form by the Secretary of the Condominium, stating that the provisions of Section 1 of this Article VII have been met by a Unit Owner, or have been duly waived by the Board of Managers, and that the rights of the Board of Managers thereunder have terminated, shall conclusively bind the Board of Managers and the Unit Owners in favor of all persons who rely thereon in good faith. Such certificate shall be furnished to any Unit Owner who has in fact complied with the provisions of Section 1 of this Article VII or with respect to whom the provisions of such Section have been waived, upon request.

Section 6. Financing of Purchase and Lease of Units by Board of Managers. Acquisition and lease of Units by the Board of Managers, or its designee, on behalf of all Unit Owners and payment of the costs and expenses associated therewith may be made from the working capital and Common Charges in the hands of the Board of Managers, or if such fund are insufficient, the Board of Managers may levy an assessment against each Unit Owner, excepting the Unit Owner of the sold or leased Unit, in proportion to such owner's interest in the Common Elements, as a Common Charge, which assessment shall be enforceable in the same manner as provided in Sections 5 and 6 of Article V, or the Board of Managers, in its discretion, may borrow money to finance the acquisition or lease of such Unit (together with associated costs and expenses), provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than

the Unit, together with its Appurtenant Interests, so to be acquired by the Board of Managers.

Section 7. Gifts and Devises, etc. Any Unit Owner shall be free to convey or transfer his, her or its Unit and Appurtenant Interests by gift, or to devise his, her or its Unit and Appurtenant Interests by will or to pass the same by intestacy without restriction.

Section 8. Waiver or 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 Unit Owners shall be deemed to have waived all rights of partition with respect to such Unit.

Section 9. Payment of Common Charges and Assessments. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his, her or its Unit unless and until the Unit Owner shall have paid in full to the Board of Managers all unpaid Common Charges and assessments and expenses theretofore assessed by the Board of Managers against the Unit and until he, she or it shall have satisfied all unpaid liens against such Unit, except permitted mortgages or except in the case of a foreclosing mortgagee.

Section 10. Exceptions. The provisions of Section 1 of this Article VII shall not apply with respect to (a) any sale, conveyance or lease of a Unit and Appurtenant Interests to a Unit Owner's spouse, including domestic partners registered as such with the City of New York, or child or children over the age of eighteen (18) years or parent or parents or brother or sister, or any more than one of them, or (b) any sale, conveyance or lease of a Unit and Appurtenant Interests to a trust for the benefit of the Unit Owner or for the benefit of one or any more than one of the persons stated in (a) of this Section 11, or (c) the acquisition, conveyance, sale or lease of a Unit and Appurtenant Interests by the Sponsor, a Sponsor-affiliate or another owner of an Unsold Unit, or (d) the acquisition, sale or lease of a Unit, together with its Appurtenant Interests, by a mortgagee who shall acquire title to such Unit by foreclosure or by deed in lieu of foreclosure. The Board of Managers shall be required to cooperate in providing appropriate physical access to any Unit (and related Common Elements) described in Subdivision (c) and (d) of this Section 10, as well as all financial information regarding same.

Section 11. Mortgage of Units. Each Unit Owner shall have the right to mortgage his, her or its Unit without restriction provided that any such mortgage shall be granted to a bank or insurance company or a savings and loan association or a mortgage company affiliated with any of the foregoing or a governmental agency, provided that such mortgage shall be substantially in the form available from the Board of Managers, and provided further that a conformed copy of each note and mortgage shall be delivered to the Board of Managers promptly after execution and delivery thereof.

Section 12. Voting Rights and Proceeds. Units held by the Board of Managers shall not carry any voting rights. Proceeds from the disposition of a Unit held by the Board of Managers shall be received by the Board on behalf of all Unit Owners in proportion to their respective Common Interest.

Section 13. Power of Attorney to Board of Managers. At the time of acquisition of a Unit and as a condition thereof, the new Unit Owner shall be required to execute, acknowledge and deliver to the Board of Managers a Unit Owner's Power of Attorney in favor of the Board (and the Sponsor, if applicable), in the form required by the Board, in accordance with the Declaration. The new Unit Owner shall be responsible for having said Power of Attorney recorded, returnable to the Board, and paying the fees therefor.

Section 14. Abandonment. No Unit Owner may exempt himself from liability for his common charges by waiver of the use or enjoyment of any of the common elements or by abandonment of his Unit. Subject to such terms and conditions as may be specified in the By-Laws, any Unit Owner may, by conveying his Unit and his Common Interest to the Board of Managers on behalf of all other Unit Owners, exempt himself from common charges thereafter accruing.

ARTICLE VIII
Records

The Board of Managers shall keep detailed records of the actions of the Board of Managers, 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.

An annual report of the receipts and expenditures of the Condominium, certified or audited, as the Board of Managers may choose, by an independent certified public accountant, shall be given by the Board of Managers to all Unit Owners and to all mortgagees of Units who have requested the same promptly after the end of each fiscal year but not later than six (6) months after the end of the Condominium year. The cost of such report shall be paid by the Board of Managers as a Common Expense.

ARTICLE IX
Miscellaneous

Section 1. Notices. All notices hereunder shall be sent by registered or certified mail to the Board of Managers at the office of the Board of Managers or to such other address as the Board of Managers may designate from time to time by notice in writing to all Unit Owners and to all mortgagees of Units. All notices to any Unit Owner shall be sent by registered or certified mail to the Unit Owner at the Building or to such other address as may have been designated by the Unit Owner from time to time by notice in writing to the Board of Managers. All notices to mortgagees of Units shall be sent by registered or certified mail to their respective addresses, as designated by the respective mortgagee from time to time, in writing, to the Board of Managers. All notices shall be deemed to have been given when mailed, except notices of change of address which shall be deemed to have been given when received. Where these By-Laws permit the use of notice by

facsimile, such notice shall be deemed effective on the date faxed.

The Board shall notify by first-class mail holders of Unit mortgages and, to the extent known by the Board, guarantors of a Unit mortgage, of (a) any condemnation or casualty loss affecting either a material portion of the Property or the Unit securing a mortgage, (b) a lapse, cancellation or materially adverse modification of the insurance policy maintained by the Board and (c) any proposed action by the Board that requires the consent of holders of Unit mortgages. For purposes of this paragraph, the date of mailing shall be deemed to be the date of the giving of notice.

Section 2. 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 3. Captions. Captions are inserted in these By-Laws 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 hereof.

Section 4. Gender and Number. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender and the neuter. The singular shall be deemed to include the plural and vice-versa whenever the context so requires.

Section 5. Waiver. No restriction, condition, obligation, or provisions 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 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. Application of Payments. The Board of Managers, and the managing agent on its behalf, may apply any funds received on or on behalf of any Unit Owner to any sum due from such Unit Owner to the Condominium which the Board of Managers or the managing agent may elect, notwithstanding any direction from the Unit Owner as to how any payment shall be applied or any notation on any check or any condition attached to such payment.

Section 8. No Discrimination. The Board of Managers shall not discriminate against any person on the basis of race, creed, color, national origin, sex, sexual orientation, age, disability, marital status or other grounds prohibited by law.

Section 9. Termination. If withdrawal of the Property from application of the Condominium Act is authorized by at least eighty percent (80%) of the Unit Owners in number and in Common Interest (and if required by the respective mortgages, their first mortgagees, if any, of such Unit), then the Property shall be subject to an action or 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, her or its share of such net proceeds all liens on his, her or its Units. The Sponsor or its nominee will not cast any of its votes

for withdrawal, unless eighty percent (80%) of the Unit Owners other than the Sponsor so vote, in which event the Sponsor will be free to cast its votes either for or against withdrawal.

Section 10. Arbitration. Any controversy between Unit Owners or any claim by a Unit Owner against the Condominium or another Unit Owner arising out of or in relation to the Declaration, By-Laws or Rules and Regulations of the Condominium shall be settled by arbitration in accordance with the Rules of the American Arbitration Association, and judgment upon the award rendered by the Arbitration may be entered in any court having jurisdiction thereof.

ARTICLE X
Amendments to By-Laws

Except as hereinafter provided otherwise, these By-Laws may be modified or amended with the approval of at least sixty-six and two-thirds percent (66 2/3%) in number and in Common Interest of all the Unit Owners, upon notice as provided in Section 4 of Article III of these By-Laws.

The following provisions of these By-Laws may not be amended without the consent in writing of the Sponsor or Sponsor-affiliate so long as it shall be the owner of one or more Units:

(a) Section 2 of Article II - Insofar as it provides that the Board of Managers may not exercise certain powers without the Sponsor's or Sponsor-affiliate's consent for a period specified therein or so long as the Sponsor or a Sponsor-affiliate shall continue to own one or more Units.

(b) Section 1 of Article III - Insofar as it provides that the Sponsor or Sponsor-affiliate, so long as it is the owner of a Unit, shall be entitled to elect members of the Board of Managers, which members need not be Unit Owners.

(c) Section 8 of Article III - Insofar as it provides that the Sponsor or Sponsor-affiliate, so long as it is the owner of one or more Units, may cast the votes appurtenant thereto.

(d) Section 14 of Article V - Insofar as it provides that the provisions of such Section shall not apply to any Units owned by the Sponsor, Sponsor-affiliate, or any designee of same.

(e) Section 15 of Article V - Insofar as it provides for rights of the Sponsor and Sponsor-affiliate with respect to the use and alteration of the Common Elements so long as the Sponsor or a Sponsor-affiliate owns one or more Units.

(f) Section 11 of Article VII - Insofar as it applies to the Sponsor or a Sponsor-affiliate.

(g) This Article X.

(h) Any other provision of these By-Laws granting the Sponsor or a Sponsor-affiliate rights as such, or the amendment of which would adversely affect the Sponsor or any Sponsor-

affiliate.

ARTICLE XI
Conflicts

These By-Laws are intended 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 statue or of the Declaration, as the case may be, shall control.

ARTICLE XII
Certain Remedies

Section 1. Self Help. If any Unit Owner shall violate or breach any provision of the Declaration, these By-Laws or the Rules and Regulations and shall fail to cure such violation or breach within five days after receipt of written notice of the same from the Board of Managers (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 day period and, thereafter, to prosecute such cure diligently to completion) or immediately in the case of an emergency, the managing agent if any, and the Board of Managers shall have the right to enter such Unit Owner's Unit and summarily to abate, remove, or cure such violation or breach without thereby being deemed guilty or liable in any manner of trespass. 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) If any Unit Owner shall violate or breach any provision of the Declaration, these By-Laws or the Rules and Regulations, 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 either at law or in equity.

(b) Any violation or breach of any provision of the Declaration, these By-Laws or the Rules and Regulations with respect to any of the rights, easements, privileges or licenses granted to the Sponsor or other owner of an Unsold Unit shall give to Sponsor or such owner, the right to enjoin, abate, or remedy the continuation or repetition of any such violation or breach by appropriate proceedings either at law or in equity.

Section 3. Remedies Cumulative; Non-Waiver. The remedies specifically granted to the Board of Managers, to the Sponsor or other owner of an Unsold Unit in this Article or elsewhere in the Declaration, these By-Laws or the Rules and Regulations shall be cumulative, shall be in addition

to all other remedies obtainable at law or in equity and may be exercised at one time or at different times, concurrently or in any order, all in the sole discretion of the Board of Managers, the Sponsor or other owner of an Unsold Unit, as the case may be. The exercise of any remedy or failure to exercise any remedy shall not operate as a waiver, or preclude the exercise, of the remedy at any time or any number of times or the exercise of any other remedy.

Section 4. Costs and Expenses. All sums of money expended, and all costs and expenses (including reasonable attorneys fees and disbursements) incurred, in connection with any breach or violation of the Declaration, these By-Laws or the Rules and Regulations and any cure, abatement, remedy, enjoinment, proceeding or other action in connection with such breach or violation, (a) by the Board of Managers or (b) by the Sponsor or other owner of an Unsold Unit shall be paid immediately upon demand (y) by the Unit Owner committing the breach or violation to the Board of Managers (if expended or incurred by the Board of Managers) or (z) by the offending party (i.e., the Board of Managers or a Unit Owner or Unit Owners) to the Sponsor or other owner of an Unsold Unit (if expended or incurred by the Sponsor or such owner). All sums due pursuant to the preceding sentence shall bear interest from the date of the demand until paid at the lower of 18% per year or the maximum rate of interest permitted by law. The Board of Mangers shall have a lien for all sums payable by a Unit Owner to the Board of Managers pursuant to this Section 4 in the same manner as a lien for Common Charges.

SCHEDULE A

Rules and Regulations

1. The Residential Units shall be used only for residential use and for legally permitted uses accessory to residential use and for a “home occupation” (as defined and limited by the New York City Zoning Resolution) subject to the provisions of the certificate of occupancy for the Building, except that the Sponsor or its designee(s) may, without obtaining the consent of the Board or the other Unit Owners: (a) allow Unsold Units to be used as a professional or business office or for any other purpose, provided that such use is permitted by law and does not violate the then existing Certificate of Occupancy covering such Unit and (b) use Unsold Units as a model Unit and sales and/or promotion offices in connection with the sale or rental of the Unsold Units or for any other purpose, subject only to compliance with law. The Building shall be used solely for the purposes for which the Units contained therein may be used.

2. Except as provided in Rule 1 above, no industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise designed for profit, altruism, or otherwise, shall be conducted, maintained or permitted on any part of the Property, nor shall any "For Sale," "For Rent" or "For Lease" signs or other window displays or advertising be maintained or permitted on any part of the Property or in any Unit therein nor shall any Unit be used or rented for transient, hotel or motel purposes. Notwithstanding the above, the right is reserved by the Sponsor, Sponsor-affiliates and the Board of Managers, and their agent, (a) to place "For Sale," "For Rent" or "For Lease" signs on any Units owned by any of them, and (b) to erect, lease, manage and maintain commercial and recreational facilities on various portions of the Property as permitted by applicable law or regulation, and as contemplated by the Offering Plan, as amended. The right is hereby given to any mortgagee, who may become the owner of any Unit, to place the above described signs on any Unit owned by such mortgagee, but in no event will any such sign be larger than one foot by two feet.

3. Nothing shall be done or kept in the Units or the Common Elements or the Limited Common Elements which will increase the rate of insurance of the building, or 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 or Limited Common Elements which will result in the cancellation of insurance of the building, or contents thereof, or which would be in violation of any Legal Requirement. No Unit Owner or occupant or any agents, servants, employees, licensees or visitors or contractors of a Unit Owner shall at any time bring into or keep in his, her or its Unit, any Limited Common Element appurtenant thereto, or vestibule, any flammable, combustible or explosive fluid, material, chemical or substance except as appropriate to construction being performed therein, in any case in compliance with all Legal Requirements. No waste shall be committed in the Common Elements or Limited Common Elements.

4. All radio, television or other electrical or communications 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 thereof, and the Unit Owner alone shall be liable for any damage or injury or

interference caused by any radio, television or other electrical or communications equipment in such Unit. No such installation shall interfere with reception of the master television antenna, if any.

5. Nothing shall be done in any Unit or in, on or to the Common Elements or Limited Common Elements which will impair the structural integrity of any building or which would structurally change the Building without the written consent of the Board of Managers.

6. Nothing shall be altered or constructed in, or removed from, the Common Elements, except upon the written consent of the Board of Managers.

7. No animal of any kind shall be raised, bred, or kept in any Unit or in the Common Elements or Limited Common Elements, except subject to the rules and regulations adopted by the Board of Managers from time to time. Such rules and regulations may prohibit animals. In any event no animal shall be kept, bred or maintained for any commercial purposes and any bird, animal or reptile causing or creating a nuisance or unreasonable disturbance or noise shall be permanently removed by the owner of such animal(s) from the Property upon three (3) days' written notice from the Board of Managers. In no event shall any dog be permitted in any portion of the Common Elements unless carried or on a leash, or in any grass or garden plot under any circumstances. A Unit Owner will be bound by any rule or regulation concerning pets adopted by the Board of Managers even if such rule or regulation is more restrictive than the rules in affect at the time the pet was first brought in to the Unit.

8. No noxious or offensive activity (including without limitation the production or release of offensive odors or excessive noise) shall be carried on by any Unit Owner in any Unit or in or on the Common Elements or Limited Common Elements, nor shall anything be done therein or thereon, either willfully or negligently, which may be or become an annoyance or nuisance to any other Unit Owner or occupant.

9. There shall be no obstruction of the Common Elements nor shall anything be stored in the Common Elements without the prior consent of the Board of Managers except that the Limited Common Elements may be used for any purpose not prohibited by any Legal Requirement.

10. Except in recreational or other areas designated as such by the Board of Managers or in the Declaration, there shall be no playing, lounging, or parking of baby carriages or playpens, bicycles, wagons, toys, vehicles, benches or chairs, on any part of the Common Elements (except that Limited Common Elements may be used for any purpose not prohibited by any Legal Requirement). Storage by Unit Owners in areas designated by the Board of Managers or in the Declaration shall be at their own risk.

11. No clothes, sheets, blankets, laundry or other articles of any kind shall be hung out of a Unit or exposed to any part of the Common Elements. The Common Elements and Limited Common Elements shall be kept free and clear of rubbish, debris and other unsightly materials, nor shall any rugs or mops be shaken or hung from or on any of the windows, doors, railings, or vestibules, nor shall be a Unit Owner sweep or throw or permit to be swept or thrown therefrom

any dirt or other substance.

12. Each Unit Owner shall keep his, her or its Unit in a good state of preservation and cleanliness and each Unit Owner shall be obligated to maintain and keep in good order and repair his, her or its own Unit in accordance with the provisions of the By-Laws and these Rules and Regulations.

13. No lobby or landing shall be decorated or otherwise altered without the consent in writing of the Board of Managers.

14. The agents of the Board of Managers and the managing agent, and any contractor or workman authorized by the Board of Managers or the managing agent, may enter any room or Unit in the Building at any reasonable hour of the day upon reasonable advanced notice 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.

15. The Board of Managers, or its designated agent, may retain a pass key to each Unit and any other area under the control of the Unit Owner. No Unit Owner shall alter any lock or install a new lock on any door of the Unit or other area without the written consent of the Board of Managers. In case such consent is given, the Unit Owner shall provide the Board of Managers, or its agent, with an additional key to afford access to the Unit and other area. If entry is required in an emergency and the key has not been furnished as required by these Rules, an agent of the Board of Managers or the managing agent (with authorization from an officer of the Board of Managers) may forcibly enter the Unit or other area without liability for damages or trespass, provided that reasonable care is exercised.

16. If any key or keys are entrusted by a Unit Owner or occupant or by his, her or its agent, servant, employee, licensee or visitor to an employee of the Board of Managers, whether for such Unit or for an automobile, trunk or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner or occupant, and the Board of Managers shall not be liable for injury, loss or damage of any nature whatsoever directly or indirectly resulting therefrom or connected therewith.

17. Any consent or approval given under these rules and regulations may be added to, amended or repealed at any time by resolution of the Board of Managers.

18. In order to retain the structural integrity and aesthetic appearance of the Building, no additional window or through-the-wall air-conditioning appliances may be installed in any Unit and no radio or television or other aerial or similar device shall be attached to or hung from the exterior of the Building by a Unit Owner without the written consent of the Board of Managers. If air conditioners and similar objects are permitted to be inserted in windows of the Building, the Board of Managers may prescribe a uniform color for them.

19. Not more than one family may occupy a Residential Unit at any one time. A family member includes spouse, domestic partner registered as such with the City of New York, child,

parent, grandparent, parent-in-law and sibling.

20. A Unit owned or leased by an individual, corporation, partnership, fiduciary or other entity may be occupied only by said individual, or by a designated officer, director, stockholder or employee of such corporation, or by a designated partner or employee of such partnership or by said fiduciary (including designated officers, directors, stockholders or employees of corporate fiduciaries), or by the beneficiary of said fiduciary, or by a principal or designated employee of such other entity, respectively, or by members of the family or guests of any of the foregoing. Within thirty (30) days after a Unit is acquired by an owner other than an individual, such non-individual owner shall notify the Board of Managers of the name of the officer, director, stockholder, partner, employee, principal, fiduciary, or beneficiary designated by such owner to occupy its Unit. The person so designated may be changed from time to time by the non-individual owner by similar written notice to the Board of Managers. However, all designees must be bona fide officers, directors, stockholders, partners, employees, principals, fiduciaries or beneficiaries of the non-individual owner. Guests are permitted only when a Unit Owner (or, in the case of Units owned by corporations, partnerships, fiduciaries or other entities, the designee of such Unit Owners) or a family member is present.

21. A Unit Owner shall ensure that seventy-five (75%) percent of exposed flooring in the Residential Unit, except for kitchens or bathrooms, is carpeted or similarly covered

22. In the event that any Unit shall be used for home occupation or professional purposes in conformance with the Declaration and By-Laws, no patients, clients, or other invitees shall be permitted to wait in any lobby or landing. This Rule shall not confer any right to use any Unit in a manner not otherwise permitted.

23. Water-closets and other water apparatus shall not be used for any purpose other than those for which they were designed, and no sweepings, rubbish, rags or any other article shall be thrown in to the same. Any damage resulting from misuse of any water-closets or other apparatus in a Unit shall be repaired and paid for by the owner of such Unit.

24. These Rules and Regulations may be altered or amended by vote of the Board of Managers, as set forth in the By-Laws and Rules and Regulations may be rescinded as set forth in the By-Laws.

25. Each Unit Owner must notify the Board of Managers (and the Managing Agent, if any) in writing when a child or children under the age of eleven (11) years lives or resides (even temporarily) in the Unit. Each Unit Owner shall install, at such Unit Owner's expense, the required window guards in all windows of the Unit. The Unit Owner must maintain all window guards installed in the Unit and shall not remove the same until permitted by applicable law and in any event, without full knowledge of the Board of Managers (and the Managing Agent, if applicable).

26. Except as expressly permitted pursuant to this Rule and Regulation, smoking is not allowed in (a) any indoor Common Element or Limited Common Element, including, but not limited to, indoor corridors, rooms, hallways, stairs, stairways, storage areas and lobbies, and (b) in any outdoor Common Elements (other than Limited Common Elements), including, but not limited to, any common rooftops, patios, yards, parking areas, pool areas, porches and

courtyards. Notwithstanding the foregoing, smoking is permitted inside of Units and in any outdoor Limited Common Elements appurtenant to a Unit, including, but not limited to, yards, terraces, decks and balconies appurtenant to a Unit. For purposes of this Rule and Regulation, (i) "smoking" shall mean inhaling, exhaling, burning or carrying any lighted or heated cigar, cigarette, electronic cigarette, little cigar, pipe, water pipe or hookah, herbal cigarette, non-tobacco smoking product (e.g., marijuana or non-tobacco shisha), or any similar form of lighted object or device designed for people to use to inhale smoke, and (ii) "electronic cigarette (e-cigarette) shall mean a device that heats a liquid, gel, herb or other substance and produces vapor for the user or people to inhale.

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SECTION H

FORM OF INTERIM LEASE

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Interim Lease

This Interim Lease (the "Agreement") is made as of the _____ day of _____, 201__ between 524 Halsey LLC ("Seller") and [Purchaser] ("Purchaser").

WHEREAS Purchaser under a "Purchase Agreement" dated _____ and as amended to date, has agreed to purchase Unit _____ ("Unit") of the 524 Halsey Condominium (the "Condominium"), located at 524 Halsey Street , Brooklyn, New York (the "Property");

WHEREAS Purchaser has placed $_____ (the "Down Payment") in escrow with Marcus Attorneys (the "Escrow Agent") under the terms of the Purchase Agreement and the Condominium offering plan (the "Plan"); and

WHEREAS Purchaser wishes to enter upon the Property and to occupy the Unit prior to the closing of title under the terms hereinafter stated.

NOW, THEREFORE, in consideration of the granting of the right to Purchaser to take possession of the Unit on _____ without first having paid the Total Purchase Price under the Purchase Agreement, Purchaser and Seller jointly agree to the following:

1. Seller leases to Purchaser the Unit at the fee and for the term hereinafter provided. Purchaser shall have the right to use and occupy the Unit as provided in this Agreement. There is no landlord-tenant relationship between Seller and Purchaser. This Agreement is not subject to any lease or lease regulatory laws, rules or regulations.

2. Purchaser will, at Purchaser's expense, promptly comply with all laws, orders, rules, requests and directions of all governmental authorities, Seller's insurers, Board of Fire Underwriters, or similar groups, pertaining to the Unit and the Property and Purchaser's use thereof. Purchaser, Purchaser's agents, guests or invitees and the "Occupants" of the Unit shall not perform any action that may increase the Property's insurance premiums. In the event that any action of Purchaser or Purchaser's agents, guests or invitees shall cause an increase in the Property's insurance premiums, Purchaser shall pay the increase as an additional fee.

3. Subject to the terms of paragraph 17 of this Agreement and to the terms of the Limited Warranty (as set forth in the Plan) to be given to Purchaser at the Closing, Purchaser hereby assumes responsibility for all damages to the Unit and accepts the Unit in its "as is" condition.

4. Purchaser and the Occupants hereby indemnify and hold Seller, Seller's members, managers, agents, employees, successors, assigns and contractors harmless, to the fullest extent permitted by law, from and against any and all claims, liabilities, obligations, damages, penalties, claims, costs, charges and expenses, including reasonable attorney's fees, that may be imposed upon, or incurred by, or asserted against, Seller by Purchaser or Occupants, their agents, employees, successors, assigns, independent contractors, guests or invitees, by reason of any damage arising from the negligent acts of Seller or Seller's members, managers, agents, employees, successors, assigns or contractors during Purchaser's and/or Occupant's occupancy of the Unit and Property.

5. Purchaser will assume all obligations for maintenance and repair of the Unit during the term of this Agreement, except for those obligations that are the responsibility of the Condominium to maintain or repair pursuant to the Plan and any obligations of Seller under this Agreement. If the Purchase Agreement is cancelled, Purchaser will be responsible for delivery of the Unit at the conclusion of the Agreement in a physical condition equal to that which existed at the time of execution of this Agreement.

6. To secure Purchaser's compliance with all terms of this Agreement, the Down Payment shall also serve as Purchaser's security deposit for this Agreement. If Seller incurs any expenses in connection with a breach of this Agreement by Purchaser, Seller may deduct any fees, additional fees, or any of Seller's reasonable expenses in connection with such breach, including legal fees, from Purchaser's security, without waiving Purchaser's default. Seller and Purchaser, as parties to the Purchase Agreement, hereby direct Escrow Agent to make payment to Seller of any sums due to Seller under this paragraph. If the Seller draws down Purchaser's security pursuant to this Agreement, it shall be an additional breach hereunder if Purchaser shall fail to replenish the amount drawn down within five (5) business days after notice from Seller to Purchaser.

7. Except as otherwise set forth in this Agreement, any mortgage contingency provision contained in, and any other provisions of, the Purchase Agreement that permit the Purchaser to terminate the Purchase Agreement are hereby void and no longer in effect.

8. The term of this Agreement shall commence on _____ and shall end at the earliest to occur of (a) the closing of title to the Unit, (b) _____ or (c) termination of this Agreement pursuant to its terms (the "Term").

9. Purchaser agrees to pay to Seller $_____ per month (the "Fee") on or before the first day of each month, in advance, for use and occupancy of the Unit during the Term (or pro rata per day for each day of a partial month of occupancy). The first month's Fee shall be by check or money order made to Seller simultaneously with the execution of this Agreement and this Agreement is subject to the collection of such funds. At the Closing, the amount of the Fee paid covering days following the Closing Date shall be credited (pro rata per day) against the balance of the Unit's Total Purchase Price. If the Purchaser holds over beyond the end of the Term (unless the Term ends because title to the Unit has passed to the Purchaser), Purchaser acknowledges and agrees that a fee shall then be due at the rate of $____ per day for each day past the end of the Term that Purchaser remains in possession of the Unit. Notwithstanding the foregoing, Purchaser (a) acknowledges that Purchaser shall not be entitled to remain in possession of the Unit beyond the end of the Term for any reason whatsoever (unless the Term ends because title to the Unit has passed to the Purchaser) and (b) agrees that Seller shall be entitled to the use of self-help and change the locks to obtain possession of the Unit in the event Purchaser remains in possession of the Unit past the end of the Term in violation of this Agreement.

10. Purchaser has provided proof that he/she has the ability to close title to the Unit and represents that it will continue to maintain the ability until the date of Closing. Purchaser shall maintain all of Purchaser's representations under this Agreement and the Purchase Agreement. Failure

to by Purchaser to maintain its representations hereunder and thereunder shall be a material breach of this Agreement and the Purchase Agreement.

11. Purchaser agrees that any default under the Purchase Agreement shall be a default under this Agreement that will permit Seller to cancel this Agreement and any default under this Agreement shall be a default under the Purchase Agreement that will permit Seller to cancel the Purchase Agreement. Purchaser shall be required to vacate the Unit within thirty (30) days after notice from Seller of cancellation of this Agreement or the Purchase Agreement, or within thirty (30) days after rescission or termination of the Purchase Agreement by Purchaser in the event rescission or termination is permitted. If the right to rescind the Purchase Agreement is offered to Purchaser, or if Purchaser has the right to terminate the Purchase Agreement under its terms, then Purchaser's right to rescind or terminate shall be conditioned upon his, her or its surrendering possession of the Unit within thirty (30) days of the service of Purchaser's notice of rescission or termination to Seller, leaving the Unit broom swept, clean, empty of Purchaser's possessions and restored to its condition prior to Purchaser's occupancy and paying any fees due under this Agreement. Nothing contained in this Agreement shall relieve Purchaser of liability for damage caused to the Unit by Purchaser or Purchaser's agents, guests or invitees. Purchaser shall be responsible for payment of the Seller's reasonable costs and attorney's fees if it is necessary for the Seller to bring an action or proceeding to remove Purchaser or anyone claiming under Purchaser from the Unit or if the Seller commences an action against Purchaser for damage caused to the Unit by Purchaser or Purchaser's agents, guests or invitees. Any default under either the Purchase Agreement, beyond the applicable notice and grace periods contained therein, or this Agreement shall terminate this Agreement.

12. Seller and Purchaser waive trial by a jury in any matter that may come up between the parties under or because of this Agreement. In any action or proceeding seeking possession of the Unit, Purchaser shall not have the right to make a counterclaim or set off.

13. Any bill, statement or notice under this agreement must be in writing in accordance with the notice provisions contained in the Purchase Agreement.

14. Seller's acceptance of the Fee or failure to enforce any term in this Agreement is not a waiver of any of Seller's rights. If a term in this Agreement is illegal or unenforceable, the rest of this Agreement remains in full force.

15. If Purchaser requires Seller's consent to any act and such consent is not given, Purchaser's only right is to ask a court to force Seller to give consent. Purchaser agrees not to make any claim against Seller for money or subtract any sum from the fee due hereunder because such consent was not given.

16. Seller is not liable for loss, expense or damage to any person or property unless due to Seller's gross negligence. Purchaser must pay for damages suffered and money spent by Seller relating to any claim arising from any act or neglect of Purchaser or Purchaser's family, employees, agents, guests or invitees.

17. Execution of this Agreement shall constitute acceptance of the Unit and the Property and all fixtures, machinery, equipment, furnishings, appliances, in good present condition free of all defects and damage on the date of this Agreement and in the condition requested pursuant to the Purchase Agreement as of the date of Closing thereunder, unless Purchaser conducts a final walk through and the parties enter into the Final Inspection Sheet (as defined in the Purchase Agreement) prior to Purchaser's taking possession of the Unit, in which case Seller shall complete, repair or replace, as the case may be, the items in the Final Inspection Sheet in accordance with and pursuant to the Purchase Agreement.

18. This Agreement is subject and subordinate to the following (the "Documents"): (a) the By-Laws, Rules and Regulations and Provisions of the Declaration of Condominium, (b) Powers of Attorney granted to the Board of Managers, Leases, agreements, building loan mortgages, renewals, modifications, consolidations, replacements and extensions to which the Declaration or the Unit are presently or may in the future be subject, and (c) insurance policies covering the Property and/or the Unit. Purchaser and Occupants shall not perform any act or fail to perform an act if the performance or failure to perform would be or if done or not done would be, a violation of or default under any of the Documents. Purchaser shall not exercise any right or privilege under this Agreement the performance of which would be a default under or violation of any of the Documents. Purchaser acknowledges it had the opportunity to read the Documents. Purchaser and Occupants agree to observe and be bound by all the terms contained in the Documents that apply to the occupant or user of a Condominium unit or a user of Condominium common areas and facilities, including, but not limited to, the Condominium's smoking policy set forth in Rule and Regulation 27, which states as follows:

> "Except as expressly permitted pursuant to this Rule and Regulation, smoking is not allowed in (a) any indoor Common Element or Limited Common Element, including, but not limited to, indoor corridors, rooms, hallways, stairs, stairways, storage areas and lobbies, and (b) in any outdoor Common Elements (other than Limited Common Elements), including, but not limited to, any common rooftops, patios, yards, parking areas, pool areas, porches and courtyards. Notwithstanding the foregoing, smoking is permitted inside of Residential Units and in any outdoor Limited Common Elements appurtenant to a Unit, including, but not limited to, yards, terraces, decks and balconies appurtenant to a Unit. For purposes of this Rule and Regulation, (i) "smoking" shall mean inhaling, exhaling, burning or carrying any lighted or heated cigar, cigarette, electronic cigarette, little cigar, pipe, water pipe or hookah, herbal cigarette, non-tobacco smoking product (e.g., marijuana or non-tobacco shisha), or any similar form of lighted object or device designed for people to use to inhale smoke, and (ii) "electronic cigarette (e-cigarette) shall mean a device that heats a liquid, gel, herb or other substance and produces vapor for the user or people to inhale."

19. Purchaser shall not assign this Agreement or sublease its right of possession to the Unit under any circumstances without Seller's prior written consent, which consent may be withheld for any reason whatsoever.

20. Purchaser shall arrange for and pay for any service for which the Unit is separately metered or monitored, such as, but not limited to, gas, electric, telephone, internet and cable service, if applicable.

21. In the case of any inconsistency between the terms of this Agreement and the Purchase Agreement, the terms of this Agreement shall control, except that nothing herein shall limit the right of Seller to declare Purchaser in default under the Purchase Agreement according to its terms.

22. Until the end of the Term, Seller may, at reasonable times and upon prior notice to Purchaser, enter the Unit to examine or to make repairs or alterations to it or to show it to lenders or mortgage or real estate brokers or prospective buyers.

23. If all of the Unit or Property is taken or condemned by a legal authority, the term of this Agreement and Purchaser's rights shall end as of the date the authority takes title to the Unit or Property. If any part of the Unit or Property is taken, Seller may cancel this Agreement on notice to Purchaser. The notice shall set a cancellation date not less than 30 days from the date of the notice. If the Agreement is canceled, Purchaser must deliver the Unit to Seller on the cancellation date together with any fees due to that date. The entire award for any taking belongs to Seller. Purchaser gives Seller any interest Purchaser may have to any part of the award. Purchaser shall make no claim for the value of the remaining part of the term.

24. This Agreement is binding on Seller and Purchaser and those that lawfully succeed to their rights or take their place.

25. Purchaser shall not alter the Unit in anyway without Seller's prior written consent.

26. The liability of the persons constituting Purchaser shall be joint and several.

27. This Agreement may be changed only by an agreement in writing signed by and delivered to both parties. Terms used but not defined herein shall have the meaning given to them in the Purchase Agreement.

28. This Agreement is effective when Seller delivers to Purchaser a copy signed by all parties.

29. This Agreement may be executed in counterparts and by facsimile or e-mail/.pdf signatures, each of which shall be deemed an original and all of which shall be deemed to constitute a single instrument.

IN WITNESS WHEREOF, the parties herewith have signed this Agreement as of the date above written.

524 Halsey LLC

By: _____
Name:
Title:

_____
[Purchaser]

SECTION I

FORM OF LIMITED WARRANTY

Page without text

LIMITED WARRANTY

Warranty No._____

NAME OF PURCHASER(s): _____

ADDRESS OF PURCHASER(s): _____

_____

ADDRESS OF UNIT WARRANTED: _____

_____

NAME OF SPONSOR: _____

WARRANTY DATE:_____

SPONSOR'S LIMIT OF
TOTAL LIABILITY: ___[75% of Purchase Price]_____

This Limited Warranty Excludes All
Consequential and Incidental Damages
Except as Required By New York State Law.

1. To Whom Given. This limited warranty is extended to the Purchaser named on page 1 while the Purchaser owns the Unit. It does not extend to subsequent owners of the Unit or other persons.

2. By Whom Made. This Limited Warranty is made exclusively by the Sponsor whose name and address appear on page 1.

3. Final Inspection of the Unit. Before the Purchaser moves into the Unit or accepts the deed, the Sponsor will set up an appointment for final inspection of the Unit with the Purchaser.

The purpose of this final inspection is to discover any defects or flaws of a visible or obvious nature, such as mars, chips, dents, cracks, or scratches, that may have occurred during the final stages of finishing the Unit, or any unfinished work caused by back-orders beyond the Sponsor's control. The Sponsor may also point out other defects known to have occurred during the construction process and that remain uncorrected at the time of the inspection.

All defects or flaws found on final inspection of the Unit will be itemized on a Final Inspection Sheet (a copy of which is attached to this Limited Warranty), which will include a schedule for each item that will be corrected. The Final Inspection Sheet will be signed by the Purchaser and the Sponsor before occupancy of the Unit or transfer of the deed.

When the Purchaser moves into the Unit or accepts the deed, the Sponsor's responsibility is limited to:

(a) completion of items shown on the Final Inspection Sheet, and

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

4. Limited Warranty. This Limited Warranty excludes all other warranties on the construction and sale of the Unit and its components, both express and implied. There are no warranties which extend beyond the face hereof.

5. Warranty Coverage and Periods. The Warranty Period for all coverage begins on the Warranty Date shown on page 1. (This Warranty Date is the date that the Purchaser, or a member of the Purchaser's family, takes title to the Unit or any person begins residential occupancy of the Unit, whichever date is earlier). It ends at the expiration of the coverage shown below:

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

(a) defective workmanship performed by the Sponsor, an agent of the Sponsor or subcontractor of the Sponsor;

(b) defective materials provided by the Sponsor, an agent of the Sponsor or subcontractor of the Sponsor; or

(c) defective design, provided by an architect, landscape architect, engineer, surveyor, or other design professional engaged solely by the Sponsor.

Workmanship, materials, and design will be considered to be defective if they fail to meet or exceed the relevant standards and specifications of the New York State Uniform Fire Prevention and Building Code (or, for Units in New York City, the Building Code of the City of New York) or if they fail to meet the Accepted Standards which are attached to this Limited Warranty.

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

Installation will be considered to be defective if the Sponsor's workmanship upon the installation fails to meet or exceed the relevant standards and specifications of the New York State Uniform Fire Prevention and Building Code (or, for Units in New York City, the Building Code of the City of New York) and the Accepted Standards.

The Plumbing System means: gas supply lines and fittings, water supply, waste and vent pipes and their fittings, septic tanks and their drain fields, water, gas and sewer service piping and their extensions to the tie-in of a public utility connection, and on-site well and sewage disposal system.

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

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

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

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

(a) defective workmanship performed by the Sponsor, an agent of the Sponsor or subcontractor of the Sponsor;

(b) defective materials provided by the Sponsor, an agent of the Sponsor or subcontractor of the Sponsor; or

(c) defective design, provided by an architect, landscape architect, engineer, surveyor, or other design professional engaged solely by the Sponsor.

Workmanship, materials, and design will be considered to be defective if they fail to meet or exceed the relevant standards and specifications of the New York State Uniform Fire Prevention and Building Code (or, for its Units in New York City, the Building Code of the City of New York) or if they fail to meet the Accepted Standards.

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

Damage to the following non-load bearing portions of the Unit do not constitute a Major Structural Defect for the Major Structural Defect coverage: roofing and sheathing; drywall and plaster; exterior siding; brick, stone and stucco veneer; floor covering material; wall tile and other wall coverings; non-load-bearing walls and partitions; concrete floors in attached garages and basements that are built separately from foundation walls or other structural elements of the Unit; electrical, plumbing, heating, cooling and ventilation systems; appliances, fixtures and items of equipment; paint; doors and windows; trim; cabinets; hardware; insulation.

6. Exclusions from all Coverage. The following are excluded from the Basic Coverage, Major System Coverage, and Major Structural Defect Coverage:

(a) Loss or damage caused by workmanship performed by any person other than (i) the Sponsor, (ii) an agent of the Sponsor, or (iii) a subcontractor of the Sponsor.

(b) Loss or damage caused by defective materials supplied by any person other than (i) the Sponsor, (ii) an agent of the Sponsor, or (iii) a subcontractor of the Sponsor.

(c) Loss or damage caused by defective design provided by any person other than a design professional retained exclusively by the Sponsor.

(d) Patent defects including defects shown on the Final Inspection Sheet and defects which an examination of the Unit prior to acceptance of the deed or occupancy of the Unit ought to have revealed.

(e) Defects in outbuildings including but not limited to detached garages and detached carports (except outbuildings which contain the plumbing, electrical, heating, cooling or ventilation systems serving the Unit); swimming pools and other recreational facilities; driveways; walkways; patios; boundary walls; retaining walls; bulkheads; fences; landscaping (including sodding, seeding,

shrubs, trees and plantings); off-site improvements or any other improvements not a part of the Unit itself.

(f) After the first year Basic Coverage, concrete floors of basements and concrete floor of attached garages that are built separately from foundation walls or other structural elements of the Unit.

(g) Damage to real property which is not part of the Unit covered by this Limited Warranty and which is not included in the purchase price of the Unit.

(h) Any damage to the extent that it is caused or made worse by:

(i) negligence, improper maintenance, or improper operation by anyone other than the Sponsor, its employees, agents, or subcontractors; or

(ii) failure by the Purchaser or anyone other than the Sponsor, its employees, agents or subcontractors, to comply with the warranty requirements of manufacturers or suppliers of appliances, fixtures or items of equipment; or

(iii) failure of the Purchaser to give notice to the Sponsor of any defects or damage within a reasonable time; or

(iv) changes in the grading of the ground by anyone other than the Sponsor, its employees, agents or subcontractors; or

(v) changes, alterations or additions made to the Unit by anyone after the Warranty Date shown on page 1; or

(vi) dampness or condensation due to failure of the Purchaser or occupant to maintain adequate ventilation.

(i) Any condition which does not result in actual physical damage to the Unit.

(j) Loss or damage caused by or resulting from accidents, riot and civil commotion, fire, explosion, smoke, water escape, falling objects, aircraft, vehicles, acts of God, lightning, windstorm, hail, flood, mud slide, earthquake, volcanic eruption, wind-driven water, and not reasonably foreseeable changes in the underground water table.

(k) Loss or damage caused by seepage of water unless such loss or damage is the direct result of a construction defect otherwise covered by this Limited Warranty.

(l) Any damage caused by soil movement for which compensation is provided by legislation or which is covered by other insurance.

(m) Any damage which the Unit Owner has not taken timely action to minimize.

(n) Normal wear and tear and normal deterioration.

(o) Insect damage.

(p) Bodily injury or damage to personal property.

(q) Failure of the Sponsor to complete construction of the Unit.

(r) Loss or damage which arises while the Unit is being used primarily for nonresidential purpose.

(s) Loss or damage due to abnormal loading on the floors by the Unit Owner which exceed maximum design loads as mandated by the Building Code.

(t) Costs of shelter, transportation, food, moving, storage or other incidental expenses related to relocation during repair.

(u) Consequential damages (except where required by state law).

(v) Any claim not filed in a manner set forth below in paragraph 8, "Step by Step Claims Procedures".

7. Warranty. If a defect occurs in an item covered by this Limited Warranty, the Sponsor will repair, replace or pay the Purchaser the reasonable cost of repairing or replacing the defective item(s) within a reasonable time after the Sponsor's inspection or testing discloses the problem. The choice among repair, replacement or payment is solely that of the Sponsor.

In no event will the Sponsor's total liability, for deficiencies under this Limited Warranty exceed the Sponsor's Limit of Total Liability, shown on page 1.

Repair, replacement or payment of reasonable cost for any Major Structural Defect is further limited to (i) the repair of damage to the load-bearing portions of the Unit themselves which is necessary to restore their load-bearing function; and (ii) the repair of those items of the Unit damaged by the Major Structural Defect which made the Unit unsafe, unsanitary or otherwise unlivable.

When the Sponsor finishes repairing or replacing the defect or pays the reasonable cost of doing so, a full release of all legal obligations with respect to the defect must be signed by the Purchaser and delivered to the Sponsor.

8. Step by Step Claims Procedures.

(a) Written notice of any warranty claim must be made on the attached "Notice of Warranty Claim Form" and MUST BE RECEIVED BY THE SPONSOR AT THE ADDRESS IDENTIFIED ON PAGE 1 NO LATER THAN THE FIRST BUSINESS DAY AFTER WARRANTY COVERAGE ON THAT ITEM EXPIRES. If this Notice of Warranty Claim Form is not properly completed and received by the Sponsor by that deadline, the Sponsor will have no duty to respond to

any complaint or demand, and any or all claims may be rejected. NOTICE OF WARRANTY CLAIM IS NECESSARY TO PROTECT RIGHTS TO WARRANTY PERFORMANCE UNDER THIS LIMITED WARRANTY.

(b) No steps taken by the Sponsor, Purchaser or any other person to inspect, test or correct defects will extend any time period under this Limited Warranty. The Sponsor's response to any complaint or request, other than a timely and properly completed Notice of Warranty Claim, will not impair, prejudice or otherwise affect any right of the Sponsor, including but not limited to the Sponsor's right to receive a timely and properly completed Notice of Warranty Claim.

(c) In response to a Notice of Warranty Claim, or any other complaint or request of the Purchaser, the Sponsor and the Sponsor's agents will have the right to inspect and test the portion of the Unit to which the claim, complaint or request relates. The Purchaser and occupants of the Unit must provide reasonable access to the Sponsor and the Sponsor's agents during normal business hours to complete inspection, testing and repair or replacement.

(d) The Sponsor will complete inspection and testing within a reasonable time under the circumstances, not to exceed thirty (30) days after receipt of a timely and properly completed Notice of Warranty Claim Form. Upon completion of inspection and testing, the Sponsor will determine whether to accept or reject the claim. If the Sponsor rejects the claim, the Sponsor will give written notice of that decision to the claimant at the address shown on the Notice of Claim Form. If the Sponsor accepts the claim, the Sponsor will take corrective action within a reasonable time under the circumstance and, upon completion, will give written notice of completion to the claimant at the address shown on the Notice of Claim Form. The Sponsor will use good faith efforts to process and handle claims in a timely manner, but all time periods for repair or replacement of defects necessarily are subject to weather conditions, acts of God, availability of materials, and other events beyond the Sponsor's control.

9. Legal Actions.

(a) No claim or cause of action under this Limited Warranty may be commenced or asserted in any suit, action, or other legal proceeding against the Sponsor in any Court or forum unless notice of the claim or cause of action has been received by the Sponsor in a timely and properly completed Notice of Warranty Claim Form as provided in paragraph 8 above.

(b) No suit, action and proceeding against the Sponsor under this Limited Warranty may be commenced in any Court or forum after the later of:

(i) the date of expiration of the applicable warranty coverage under paragraph 5 of this Limited Warranty, or;

(ii) sixty (60) calendar days after the Warrantor has given written notice of rejection of claim or completion or corrective action as provided in clause 8 (d) above.

10. General Provisions.

(a) This Limited Warranty may not be changed or amended in any way.

(b) This Limited Warranty is to be binding upon the Sponsor and the Purchaser, their heirs, executives, administrators, successors and assigns.

(c) Should any provisions of this Limited Warranty be deemed unenforceable by a court of competent jurisdiction, the determination will not affect the enforceability of the remaining provisions.

(d) As may be appropriate, use of one gender in this Limited Warranty includes all other genders, use of the plural includes the singular, and use of the singular includes the plural.

(e) This Limited Warranty is to be governed in accordance with the laws of New York State.

(f) This Limited Warranty contains the entire agreement of the parties with respect to warranties and representations concerning the condition of the Unit.

[Seller]

By: _____

Purchaser: _____

FINAL INSPECTION SHEET

Unit: _____

Date of Inspection: _____

Time of Inspection: _____

Present: _____

_____

_____

_____

Defects or Flaws:

_____

_____

_____

_____

_____

_____

Purchaser:_____ Seller:

By: _____

Purchaser:_____

NOTICE OF WARRANTY CLAIM FORM

Dear Unit Owner:

To ask the Sponsor to correct a defect in your Unit that you think is covered by the Sponsor's Limited Warranty, you must complete this form and deliver it to the Sponsor. This is necessary to protect your rights to warranty performance under the Limited Warranty. Even if you believe that the Sponsor is aware of the problem, fill out this form and deliver it to the Sponsor.

The information you will need to fill out the form will be on page 1 of the Limited Warranty. However if you do not know the answer to any questions, write "Don't know". Please do not leave any item blank.

Your Name: _____

Mailing Address: _____

_____

Phone No.: _____

Limited Warranty No.: _____

Warranty Date: _____

Describe the defect(s) which you think are covered by the Limited Warranty. Be sure to include when each defect first occurred or when you first noticed it. Use additional sheets, as necessary, to fully describe the problem.

_____

_____

_____

_____

_____ _____
(signature) (date)

_____ _____
(signature) (date)

ACCEPTED STANDARDS

FOR CONSTRUCTION

1. Except as specifically stated in these Accepted Standards, construction shall meet the minimum requirements of the applicable building code, laws, ordinances, and governmental rules and regulations (collectively "Codes"). When the Codes do not provide a relevant specific standard, construction shall meet the standards of locally accepted building practices in the county of the project.

2. The following are consistent with Accepted Standards: nail pops, ridging on sheet rock walls, lumber shrinkage, separation in joints of tile or wood flooring, floor levels, ceiling imperfections, painting defects, alignment of bathroom finishes, air infiltration from windows, any damage resulting from settlement (including, without limitation, concrete cracks which do not impair the structural soundness of the Building), normal plumbing, heating and air conditioning noises, or minor chips, mars, breaks or other defects in window sashes, window sills, electric fixtures and globes, interior painted surfaces, sinks, tubs, bowls, medicine cabinets, doors, mirrors, ceramic tile, hardware, bath tile grouting, countertops, vanity tops and bases, kitchen tile and cabinets or flooring, hardware, flooring, or appliance cabinets, carpet discoloration and stretching, or doors sticking due to humidity, temperature or similar conditions or door warpage.

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SECTION J

NYC LOCAL LAW 1 OF 2004

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The City of New York – Local Law No. 1

Local Law 1 of 2004 ("Local Law 1") is a comprehensive law concerning the prevention of childhood lead poisoning through the remediation of lead paint hazards in housing, which became effective on August 2, 2004. This Bill replaced Local Law 1 of 1982 and Local Law 38 of 1999 – both of which provided inadequate protection to children and was ultimately struck down by New York's high court.

The Council declared that the city government must focus on primary prevention as the essential tool to combat childhood lead poisoning and to achieve the goal of preventing children from suffering the adverse health and other effects of exposure to lead-based paint. The pursuit of primary prevention has been recommended by the United States Centers for Disease Control and Prevention and promoted by leading experts in the field as a critical course of action to protect the health of children. Therefore, the Council declared that resources must be directed to primary prevention, including identifying children who are most at risk.

The Council recognized that it cannot legislate a single maintenance standard for all dwellings to eliminate this hazard. Instead, the council by enacting this article makes it the responsibility of every owner of a multiple dwelling to investigate dwelling units for lead-based paint hazards and to address such hazards on a case-by-case basis as the conditions may warrant, taking such actions as are necessary to prevent a child from becoming lead poisoned.

When a child is identified with environmental intervention blood lead levels, the city is obligated to investigate potential sources of the lead poisoning, incurring the expense of an environmental investigation and often also incurring the expense of medical treatment and remedial education, if necessary. Additionally, the Department of Health and Mental Hygiene reported for the year 2001 that only 20 percent of children in New York City were tested both at ages one and two for disease of lead poisoning, even though the testing of all children at ages one and two is mandatory under state law.

The Council wanted improved screening among these children since they are at greatest risk for lead poisoning. Finding it is reasonable and necessary to increase the rate of blood-lead testing, the Department of Health and Mental Hygiene is required to report to the Council on progress toward increasing screening rates and reducing the incidence rates of children newly identified with elevated blood lead levels.

Target Housing. The law covers all pre-1960 buildings with three or more residential units. The law also places certain responsibilities on owners in post-1960 to pre-1978 buildings with three or more residential units where the owner knows there is lead-based paint. The provisions of Local Law 1 do not apply to owner-occupied units in a cooperative or condominium. The law does however apply to cooperative or condominium units occupied by a tenant or subtenant.

Definitions.

Chewable Surface – a protruding interior window sill in a dwelling unit in a multiple dwelling where a child under age six resides and which is readily accessible to such child. "Chewable surface" shall also mean any other type of interior edge or protrusion in a dwelling unit in a multiple dwelling, such as a rail or stair, where there is evidence that such other edge or protrusion has been chewed or where an occupant has notified the owner that a child of applicable age who resides in that multiple dwelling has mouthed or chewed such edge or protrusion.

Deteriorated Subsurface – an unstable or unsound painted subsurface, an indication of which can be observed through a visual inspection, including rotted or decayed wood, or wood or plaster that has be subject to moisture or disturbance.

Friction Surface – any painted surface that touches or is in contact with another surface, such that the two surfaces are capable of relative motion and abrade, scrape, or bind when in relative motion. Friction surface shall include window frames and jambs, doors, and hinges.

Impact Surface – any interior painted surface that shows evidence, such as marking, denting, or chipping, that is subject to damage by repeated sudden force, such as certain parts of door frames, moldings, or baseboards.

Remediation or Remediate – the reduction or elimination of a lead-based paint hazard through the wet scraping and repainting, removal, encapsulation, enclosure, or replacement of lead-based paint, or other method approved by the commissioner of health and mental hygiene.

Turnover – the occupancy of a dwelling unit subsequent to the termination of a tenancy and the vacating by a prior tenant of such a dwelling unit.

Owner Responsibility to Remediate.
Owners must prevent the reasonably foreseeable occurrence of lead hazards and remediate them, and the underlying defects that may cause lead hazards, using safe work practices.

Owner's Responsibility to Notify Occupants and to Investigate.

- Owners of pre-1960 multiple dwellings, and owners of post-1960 to pre-1978 buildings where the owner knows that there is lead-based paint, have the responsibility to investigate dwelling units where children under age six reside, and common areas, to find peeling paint, chewable surfaces, deteriorated subsurfaces, and friction and impact surfaces. The investigation must be conducted annually and more often if the owner knows of a condition that may cause a lead hazard, or the occupant complains about such a condition.
- Occupants must inform the owner about the presence of a child and provide access.
- Leases must contain a notice setting forth the owner's responsibilities, and owners must provide a pamphlet informing occupants about lead paint hazards.
- Upon lease-up, lease renewal, agreement to lease, or commencement of occupancy, the owner must provide a notice to the occupant inquiring if a child under age six will reside in the unit.
    - If the occupant states that there is no child and the occupant subsequently, during that one-year period, fails to inform the owner that a child has come to live in the unit, the presumption of lead paint does not apply in any personal injury action brought for lead exposure.
    - This notice must be provided annually to each dwelling unit no later than January 16th. Occupants must respond by February 15th. If the owner does not receive a response, and does not otherwise actually know if a child resides in the unit, he must physically inspect to ascertain if a child lives there, between February 16th and March 1st. If, in that period, he is unable to access the unit, the owner must notify the Department of Health and Mental Hygiene (DOHMH) that he was unable to determine if a child lives in the unit. The same limitation on liability, where occupant has responded that no child lives in the unit, also applies here.
- Owners must inform the occupant of the results of the investigation and provide copies of any reports received. Copies must be retained for 10 years.

- Failure to comply is a misdemeanor punishable by a $500 fine and/or six months in prison. Civil penalty is not more than $1,500 per violation.
- Department of Housing Preservation and Development (DHPD) is authorized to perform sample audits to determine compliance.

Presumption.

- Paint is presumed to contain lead in any pre-1960 multiple dwelling where a child under age six resides, and in common areas. This presumption may be rebutted by the owner submitting a sworn written statement supported by lead-based paint testing or sampling results to the DHPD.
- Testing performed to rebut the presumption may only be done by a certified inspector or risk assessor. The final determination as to whether adequate proof was submitted to rebut the presumption is made by the DHPD.
- Owners may apply for an exemption from the presumption for the entire dwelling or for a dwelling unit in one of two ways:
    1. An inspection for lead-based paint has determined that there is no lead-based paint present.
    2. Substantial alterations have been made resulting in the removal or permanent covering of all lead-based paint in that dwelling.

Violation in a Dwelling Unit.

Peeling lead paint or lead paint on deteriorated subsurface in a multiple dwelling unit with a child under age six is a class C violation.

Audit and Inspection by Department Following Commissioner's Order to Abate.

- When DOHMH issues a Commissioner's Order to Abate for a lead-poisoned child in a multiple-dwelling unit, DHPD must, within 15 days, notify the owner that he must submit to DHPD all records required to be maintained under the law within 45 days. DHPD will then determine if there may be lead hazards in other units with children under age six and will attempt to inspect all such units within 10 days of such determination.
- If the owner does not provide the records, DHPD must inspect child-occupied units in 45 days to determine if there are any lead violations.
- The actions required of DHPD are not applicable if DHPD has inspected the building within the 12 months preceding the issuance of the Commissioner's Order to Abate.
- Owner noncompliance is a class C violation and carries a $1,000 penalty.

Violation in a Dwelling Unit upon Turnover.

- These requirements apply to all pre-1960 dwelling units and to pre-1960 private dwelling units that are not owner-occupied. Upon turnover in such units, the owner must:
    1. Remediate all lead-based paint hazards and any underlying defects;
    2. Make all bare floors, window sills, and window wells in the dwelling unit smooth and cleanable;
    3. Provide for the removal or permanent covering of all lead-based paint on all friction surfaces on all doors and door frames; and
    4. Provide for the removal or permanent covering of all lead-based paint on all friction surfaces on all windows, or provide for the installation of replacement window channels or slides on all lead-based painted friction surfaces on all windows.

- Noncompliance is a class C violation.

Inspections by the Department of Housing Preservation and Development (DHPD).

- When making line of sight inspections in a pre-1960 multiple-dwelling unit, DHPD must ascertain the presence of a child under age six, including asking the occupant for an acknowledgement whether such a child resides in the unit. If a child lives there, DHPD must perform a room-by-room inspection and record whether the paint or other similar surface-coating material in each room is peeling or intact.
    - Where peeling paint is found, DHPD must also inspect for an underlying defect and indicate on the inspection report the location of the peeling paint, the condition of the subsurface, and the location of any underlying defect.
    - The inspector specifically need not move furniture unless there is visible evidence that causes the inspector to believe that there is peeling paint behind the furniture.
    - Where the inspector determines that there is a violation, the notice of violation must be served within 10 days.
- For lead complaints describing peeling paint or a deteriorated subsurface or underlying defect in the dwelling unit, DHPD must inspect pre-1960 child-occupied units within 10 days.
    - If DHPD cannot gain access to the dwelling, it must reattempt the inspection within five days.
    - If still unable to gain access to that dwelling unit during this additional time period, DHPD must provide written notice to the occupant that no further attempts will be made unless a new complaint is submitted.
- For lead complaints, DHPD inspectors must use XRF machines to determine whether lead paint is present. If, for reasons “beyond the control” of DHPD, an XRF cannot be used, then DHPD may rely on the presumption to issue a violation.
- For line of sight inspections, if DHPD inspectors do not XRF test peeling paint on the initial inspection, they must return within 10 days thereafter to XRF inspect. Upon determination that lead hazards exist, the notice of violation must be issued in 10 additional days. DHPD must leave the lead pamphlet at all premises that it inspects.
- DHPD must develop a work practices pamphlet to be delivered with the notice of violation. Failure to include the pamphlet or to comply with time periods does not render any notice of violation void and does not provide an owner with a defense against liability.

Work Practices.

- DHPD must promulgate rules establishing the following lead-safe work practices:

    1. For work done to comply with a notice of violation or an order to correct:
        a. Work practices must be no less stringent than those required by DOHMH when it issues a violation for a lead-poisoned child.
        b. Owner will provide temporary relocation of the occupants if necessary.
        c. All work must be performed by an EPA-certified firm.
        d. Lead-contaminated dust clearance testing must be performed at the completion of work.
        e. All lead-contaminated dust clearance results shall be filed with DHPD and a copy provided to the occupant of the dwelling unit.

    2. For any non-violation work done:

a. Work that will disturb lead-based paint or paint of unknown lead content in a dwelling unit or the common area where a child under six years resides;
b. Work where the owner has actual knowledge of the presence of lead-based paint; or
c. Work that will disturb more than one hundred square feet of lead-based paint or paint of unknown lead content in a room in a multiple dwelling, or will involve the removal of two or more windows with lead-based paint or paint of unknown lead content must comply with the following:
    i. Lead-contaminated dust clearance testing must be performed at the completion of work, and a copy of the results provided to the occupant of the dwelling unit.
    ii. The work must be done by a person who has successfully completed a course on lead-safe work practices by an entity authorized to give such a course.
    iii. Owner will provide temporary relocation of the occupants if necessary.

3. For any non-violation work done in such multiple-dwelling unit where the work will disturb more than 100 square feet (question as to whether this applies to private dwellings – the statute is unclear) of lead-based paint or paint of unknown lead content, or involves the removal of two or more windows with such paint, work practices must be no less protective than those in the Health Code and require dust testing.
    a. All work must be performed by an EPA-certified firm.
    b. Owner will provide temporary relocation of the occupants if necessary.
    c. At least 10 days prior to the commencement of such work, owners must file a notice of commencement with DOHMH, and DOHMH is authorized to perform sample audits to determine if workers are certified.

4. Work practices do not apply to work that disturbs less than two square feet of peeling paint per room, or 10 percent of the surface area of a component.

5. Where an owner is performing work on tenant turnover.
    a. Lead-contaminated dust clearance testing must be performed at the completion of work, and a copy of the results must be provided to the occupant of the dwelling unit.

- Lead-contaminated dust clearance testing may be performed only by a third party who is independent of both the owner and anyone who is performing the work. Dust testers must be trained in an approved program.
- All lead-contaminated dust clearance tests submitted to a laboratory for analysis must include a sworn certification that such test was performed in compliance with all applicable rules and regulations.
- For work performed to correct violations, all lead-contaminated dust clearance results must be submitted to DHPD, and a copy must be provided to the occupant of the dwelling unit.

Reporting.

- DHPD is responsible for providing a report every fiscal year on its implementation of the law. At the very least, it must contain an analysis of the program, a detailed statement of revenue and expenditures, and statistical section designed to provide a detailed explanation of DHPD's enforcement including:
    - The number of complaints for peeling paint in pre-1960 dwelling units where a child under age six resides;
    - The number of inspections made and violations issued by DHPD;
    - The number of violations issued that were certified as corrected by the owner;

    - The number of jobs performed; and
    - A statistical profile with geographic indexing, such as by community district, council district, and/or zip code, of multiple dwellings where violations are placed, indicating the age of the building and other factors relevant to the "prevalence of lead based paint hazards."
- DOHMH must prepare an annual report on progress towards increasing lead screening rates and reducing new cases of lead poisoning, to be used by DHPD in implementing the law.

Transmittal of Violations to the DOHMH.
DHPD must send a notice that includes DOHMH's telephone number to any unit where it issues a lead violation. DHPD must also refer to DOHMH the address of all units for which violations were issues, along with the name and number of the complainant, if any. DOHMH must then refer to medical providers any person who requests such assistance.

Request from DOHMH to DHPD to Execute an Order.
- DOHMH must investigate any reported blood lead level of a child under 18 years of age that is in excess of 15 µg/dL.
- DOHMH must also notify DHPD of each unit where it has issued a Commissioner's Order to Abate (COTA). If the owner fails to comply with the COTA, DOHMH must certify the unit to DHPD within 16 days of the report of the elevated blood lead level.
- DHPD must correct the violations within 18 days of such certification.

Waiver.
- No owner can seek to have an occupant waive any provision of the lead law; the agreement is considered void. Any owner who violates this section is guilty of a misdemeanor punishable by a fine of up to $500 or imprisonment for up to six months or both.
- Validates agreements made between coop tenant shareholders and condo owners and coop and condo boards regarding allocation of responsibility for compliance with the lead law.
- The lead law does not apply to multiple dwelling units where title is held by a coop or condo and the unit is occupied by the shareholder of record or his or her family.

Exemption for Emergency Conditions.
The law specifically exempts from coverage work immediately necessary to safeguard against imminent danger to life, health, or safety.

Record Keeping Requirements.
Owners of multiple dwellings or dwellings that perform work pursuant to the new lead law must retain all records relating to such work for 10 years from the completion of the work. The records are to be made available to DHPD and must be transferred to the owner's successor in title.

Department of Housing Preservation and Development Enforcement.
- Owners have 21 days to correct a lead violation in accordance with specified work practices. Owners may request a 14-day postponement, and then an additional 14-day postponement in circumstances where

paint has been stabilized. DHPD may promulgate rules for longer postponements in situations where an owner is making substantial capital improvements that will reduce lead paint in the multiple-dwelling or dwelling unit. DHPD must provide written reasons for its postponement determinations to both owner and occupant.

- Certifications must be submitted within five days of the correction date, and include a dust test result. DHPD must mail a copy to the complainant within 12 days of receipt.
- DHPD must reinspect all violations within 14 days after the date set for correction. If not corrected, DHPD must do the work within 45 days of such reinspection.
- DHPD may not remove any violations from its records unless it has conducted a final inspection verifying remediation, and has copies of relevant dust tests. DHPD must mail a copy of the final inspection report and status to the occupant and owner.
- The penalty for false certification is $1,000 to $3,000 and a possible misdemeanor charge.
- The penalty for failure to correct a lead violation is $250 per day. Owners may assert various defenses to mitigate fines.
- Failure to comply with the time periods by DHPD does not void any violations or provide a basis for defense by the owner.

Department of Health and Mental Hygiene Provisions.

- Department screening, diagnosis and treatment.
  - DOHMH must refer to medical providers any child who needs lead screening or other services, upon request.
  - DOHMH must develop a lead pamphlet to be used by DHPD on inspections and made available to the public.
- Lead-based paint, dry scraping, and sanding prohibited.
  - The law prohibits dry scraping and sanding of lead paint or paint of unknown content in any dwelling, day care center, or school. DOHMH is authorized to promulgate rules regarding this.
- Inspection by DOHMH of unsafe work practices.
  - DOHMH must promulgate rules requiring the agency to respond to complaints of unsafe lead paint work practices.
- Lead poisoning prevention in children.
  - DOHMH must develop a brochure advising medical providers of the law on screening and testing children for lead. It must be distributed annually to such providers.
  - DOHMH must develop a pamphlet regarding lead poisoning prevention that must, at a minimum, be distributed with each birth certificate given to a parent of a child. The pamphlet must also be available to the public.

The purpose of Local Law 1 is to administer and enforce New York City's lead poisoning prevention programs better by coordinating the actions of DHPD and DOHMH. While it is intended that the Department of Housing Preservation and Development remain the agency responsible for the implementation and enforcement of this article, it is also intended that the Department of Health and Mental Hygiene shall have a significant role in the promulgation and interpretation of rules and in the development of necessary procedures pursuant to this article.

Additional information, including flyer and required postings, can be found on the city's website at http://www.nyc.gov/html/hpd/html/homeowners/lead_paint.shtml.

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SECTION K

PROTECTING YOUR HOME FROM LEAD PAMPHLET

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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.

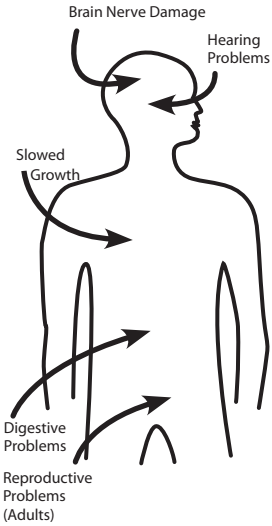
Women of childbearing age should know that lead is dangerous to a developing fetus.

- 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.

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/safewater 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/lead 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/safewater, 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).

SECTION L

CERTIFICATIONS

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CERTIFICATION OF SPONSOR AND SPONSOR'S PRINCIPALS PURSUANT TO SECTIONS 20.2 (c) AND 20.4 (b) OF THE REGULATIONS GOVERNING THE CONVERSION OF NEWLY CONSTRUCTED, VACANT OR NON-RESIDENTIAL CONDOMINIUMS, ISSUED PURSUANT TO GENERAL BUSINESS LAW ARTICLE 23-A, AS AMENDED

Re: 524 Halsey Street
Brooklyn, New York

We are the sponsor and the principals of the sponsor of the condominium offering plan for the captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20 and such other laws and regulations as may be applicable.

We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the offering plan does, and that documents submitted hereafter by us which amend or supplement the offering plan will:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants adequate basis upon which to found their judgment;

(iii) not omit any material fact;

(iv) not contain any untrue statement of a material fact;

(v) not contain any fraud, deception, concealment, or suppression, false pretense or fictitious or pretended purchase or sale;

(vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) not contain any representation or statement which is false, where we:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the 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.

524 Halsey LLC

By: _____
William Caleo

Sworn to before me this
15 day of December, 2021

_____
Notary Public

_____
William Caleo

Sworn to before me this
15 day of December, 2021

_____
Notary Public

_____
Lyndsay Caleo

Sworn to before me this
15 day of December, 2021

_____
Notary Public

GUILLERMO JOSE SANTIAGO
Notary Public, State of New York
No. 02SA6277505
Qualified in Kings County
Commission Expires 08/22/~~2024~~ 2025

CERTIFICATE OF SPONSOR'S ARCHITECT PURSUANT TO PART 20
OF THE REGULATIONS OF THE DEPARTMENT OF LAW PURSUANT
TO GENERAL BUSINESS LAW ARTICLE 23-A AS AMENDED

Re: 524 Halsey Street Condominium
Brooklyn, New York

The sponsor of the offering plan to convert the captioned property to condominium ownership retained me/our firm to prepare a report describing the construction of the property (the "Report"). I/We prepared and examined the building plans and specifications dated 2/9/22 and prepared the Report dated March 8, 2023, a copy of which is intended to be incorporated into the Offering Plan so that prospective Purchasers may rely on the Report.

I am/We are a registered architect in the State in which the property is located.

I/We understand that I am/we are responsible for complying with article 23-A of the General Business Law and the regulations promulgated by the Office of the Attorney General in Part 20 insofar as they are applicable to this Report.

I/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.

I/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 I/we examined;

(ii) in my/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 I examined;

(iii) does not omit any material facts;

(iv) does not contain any untrue statement of material fact;

(v) does not contain any fraud, deception, concealment, or suppression.

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) does not contain any representation or statement which is false, where I/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.

I/We further certify that I am/we are not owned or controlled by and have no beneficial interest in the sponsor and that my/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.

REGISTERED ARCHITECT
ROBERT A. LITCHFIELD
STATE OF NEW YORK
No. 01480

Robert Litchfield, R.A.

Sworn to before me this
8 day of March, 2023

Notary Public

GUILLERMO JOSE SANTIAGO
Notary Public, State of New York
No. 02SA6277505
Qualified in Kings County
Commission Expires 08/22/~~2024~~ 2025

First Class Management, Inc.
215-15 Northern Boulevard, Ste 301
Bayside, NY 11361
albert@fcmre.com
www.fcmre.com
212-918-9037

CERTIFICATION BY EXPERT ON ADEQUACY OF BUDGET PURSUANT TO PART 20 OF THE REGULATIONS OF THE DEPARTMENT OF LAW PURSUANT TO GENERAL BUSINESS LAW ARTICLE 23-A, AS AMENDED

Re: 524 Halsey Street Condominium
Brooklyn, New York

The sponsor of the condominium offering plan for the captioned property retained my firm to review Schedule B and Schedule B-1, containing projections of income and expenses for the first year of condominium operation and of utility costs for individual units. First Class Management, Inc. and I have been in business for over 15 years and our experience in this field includes managing the following properties:

Stanton on Sixth Condominium, 696 6th Avenue, Brooklyn, NY *(Managed since 12/2018)*
438 Humboldt Street Condominium, 438 Humboldt Street, Brooklyn, NY *(Managed since 11/2019)*
102 Huron Street Condominium, 102 Huron Street, Brooklyn, NY *(Managed since 10/2020)*
84 Oak Street Condominium, 84 Oak Street, Brooklyn, NY *(Managed since 12/2018)*
The Shangri-La No3. Condominium, 31-18 Union Street, Flushing, NY *(Managed since 6/2017)*
Milana Condominium, 106-20 70th Avenue, Forest Hills, NY *(Managed since 8/2015)*
102-10 Metropolitan Avenue, Forest Hills, NY 11375 *(Managed since 8/2010)*

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to Schedule B and Schedule B-1.

I have reviewed the Schedules and investigated the facts set forth in the Schedules and the facts underlying them with due diligence in order to form a basis for this certification. I also have relied on our experience in managing residential buildings.

I certify that the projections in Schedule B and Schedule 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.

I certify that the Schedules:

(i) set forth in detail the projected income and expenses for the first year of condominium operation;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

First Class Management, Inc.
215-15 Northern Boulevard, Ste 301
Bayside, NY 11361
albert@fcmre.com
www.fcmre.com
212-918-9037

(iii) do not omit any material fact;

(iv) do not contain any untrue statement of a material fact;

(v) do not contain any fraud, deception, concealment, or suppression;

(vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) do not contain any representation or statement which is false, where I:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

I further certify that my firm is not owned or controlled by the sponsor. I understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. I understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law."

First Class Management, Inc.

By: _____
Albert Aranbaev, President

Sworn to before me this
26 day of April, 2022

_____
Notary Public

GUILLERMO JOSE SANTIAGO
Notary Public, State of New York
No. 02SA6277505
Qualified in Kings County
Commission Expires 08/22/~~2021~~ 2025