CONDOMINIUM OFFERING PLAN FOR THE SALE
OF RESIDENTIAL UNITS IN A CONDOMINIUM TO BE KNOWN AS

HANCOCK AND JEFFERSON CONDOMINIUM

1504 Jefferson Avenue and 1437 Hancock Street
Kings County
Brooklyn, New York 11237

18 Residential Units	$12,882,000
20 Storage Spaces Pursuant To License Agreement	$ 240,000
TOTAL OFFERING	**$13,122,000**

SPONSOR

1504 Jeff LLC
53 Broadway
Brooklyn, New York 11249

SPONSOR ATTORNEY
CERTILMAN BALIN ADLER & HYMAN, LLP
90 Merrick Avenue, 9th Floor
East Meadow, New York 11554

SELLING AGENT
DOUGLAS ELLIMAN REAL ESTATE
575 Madison Avenue, 4th Floor
New York, New York 10022

THE DATE OF ACCEPTANCE FOR FILING IS _____, 2022. THE OFFERING PLAN MAY NOT BE USED AFTER _____, 2023 UNLESS EXTENDED BY AMENDMENT.

THIS PLAN CONTAINS SPECIAL RISKS TO PURCHASERS. SEE PAGE (iii).

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

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

TABLE OF CONTENTS
PART I

		Page
	SPECIAL RISKS	iii
I.	INTRODUCTION	1
II.	DEFINITIONS	13
III.	DESCRIPTION OF PROPERTY AND IMPROVEMENTS	19
IV.	LOCATION AND AREA INFORMATION	23
V.	SCHEDULE A AND A-1	26
VI.	SCHEDULE B	35
VII.	SCHEDULE B-1	43
VIII.	COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-I	61
IX.	STORAGE SPACES/LICENSE AGREEMENT	62
X.	CHANGES IN PRICES AND RESIDENTIAL UNITS	64
XI.	INTERIM LEASES	67
XII.	PROCEDURE TO PURCHASE	68
XIII.	FINANCING FOR QUALIFIED PURCHASERS	76
XIV.	EFFECTIVE DATE OF THE PLAN	77
XV.	TERMS OF SALE	79
XVI.	CLOSING COSTS AND ADJUSTMENTS	86
XVII.	RIGHTS AND OBLIGATIONS OF THE SPONSOR	93
XVIII.	CONTROL BY THE SPONSOR	105
XIX.	BOARD OF MANAGERS	109
XX.	RIGHTS AND OBLIGATIONS OF RESIDENTIAL UNIT OWNERS AND BOARD OF MANAGERS	134
XXI.	REAL ESTATE TAXES	160
XXII.	INCOME TAX DEDUCTIONS TO RESIDENTIAL UNIT OWNERS AND TAX STATUS OF THE CONDOMINIUM	164
XXIII.	OPINION OF COUNSEL	166
XXIV.	RESERVE FUND	174
XXV.	WORKING CAPITAL FUND	175
XXVI.	MANAGEMENT AGREEMENT, CONTRACTS AND LEASES	176
XXVII.	IDENTITY OF PARTIES	183
XXVIII.	REPORTS TO RESIDENTIAL UNIT OWNERS	186
XXIX.	DOCUMENTS ON FILE	187
XXX.	GENERAL	188
XXXI.	SPONSOR'S STATEMENT OF SPECIFICATIONS OR BUILDING CONDITION	189

PART II
SCHEDULES

		Page
D	PURCHASE AGREEMENT/RESIDENTIAL UNIT	191
D-1	TENDER OF ESCROW FORM	218
D-2	FORM TO RELEASE ESCROW FUNDS.	220
D-3	WAIVER OF NOTICE OF CLOSING	222
D-4	SMOKING POLICY RIDER	224
D-5	EXPRESS ASSUMPTION OF RISK	227
D-6	STORAGE SPACE LICENSE AGREEMENT	229
D-7	LIMITED WARRANTY	240
E	POWER OF ATTORNEY	251
F	FORM OF DEED	254
G	DESCRIPTION OF PROPERTY (SPECIFICATIONS) AND BUILDING CONDITION	258
	1. SITE PLAN	299
	2. FLOOR PLANS/ELEVATION	303
H	FEE TITLE DESCRIPTION	342
I	DECLARATION OF CONDOMINIUM	344
J	CONDOMINIUM BY-LAWS	380
K	CERTIFICATIONS	
	1. SPONSOR	449
	2. SPONSOR'S ENGINEER OR ARCHITECT	452
	3. SPONSOR'S EXPERT CONCERNING ADEQUACY OF BUDGET	455
L	SECTION 339-KK OF THE REAL PROPERTY LAW	458
M	HOUSING MERCHANT IMPLIED WARRANTY LAW (Article 36-B of the General Business Law)	460

SPECIAL RISKS

1. The First Annual Meeting of the Residential Unit Owners will be held within two (2) years of the Closing of Title to the first Residential Unit in the Condominium or within thirty (30) days after the Closing of Title of the last Residential Unit in the Condominium, whichever occurs first. The Sponsor will have voting control and may designate all the Members of the Board of Managers of the Condominium until all of the Residential Units in the Condominium have been sold or transferred to Residential Unit Owners other than the Sponsor, its principals, successors, assignees and/or designees ("Sponsor Control Period"). In the event the Sponsor Control Period has not lapsed, the Sponsor shall designate the three (3) Members of the Board of Managers at said First Annual Meeting. In the event the Sponsor Control Period has lapsed, the three (3) Members of the Board of Managers shall be elected by the Residential Unit Owners at the First Annual Meeting. In the event the Sponsor Control Period lapses subsequent to the First Annual Meeting, the then Board of Managers will call for a Special Meeting to be held within thirty (30) days thereafter to elect Residential Unit Owner representatives to the Board of Managers. After the First Annual Meeting or the Special Meeting to elect the Residential Unit Owners after the Sponsor Control Period, Annual Meetings shall be held on or about the anniversary of the respective meeting date each succeeding year or such other convenient date as the Board of Managers may so designate (the "Annual Meeting"). At such Annual Meetings, in the event the Sponsor Control Period has not lapsed, the Sponsor shall designate the three (3) Members of the Board of Managers until the Sponsor Control Period has lasped. In the event the Sponsor Control Period has lapsed, the three (3) Members of the Board of Managers will be elected by the Residential Unit Owners in accordance with the requirements of Article III of the By-Laws. **There is no limit on the period of time it may take Sponsor to convey all the Residential Units in the Condominium and as a result the Sponsor may control the Board of Managers indefinitely.**

Notwithstanding the Sponsor Control Period, the Board of Managers has a fiduciary duty to the Residential Unit Owners to enforce Sponsor's obligations. Sponsor's intentional refusal to allow the Board of Managers to pursue litigation against the Sponsor may constitute a breach of fiduciary duty to the Board of Managers. In addition, the Residential Unit Owners may commence a lawsuit in the nature of a derivative action. Any provisions that give the Sponsor control of the enforcement of the Sponsor's obligations are not lawful. If there are non-Sponsor members of the Board of Managers and there is a vote on whether to sue the Sponsor, the Sponsor's Board representative(s) cannot lawfully vote on that issue. In the event a Sponsor controlled Board does not undertake the enforcement of the Sponsor's obligations, the Residential Unit Owners may have to independently raise funds to pursue such enforcement and any other causes of action against the Sponsor. Notwithstanding said fact, Sponsor has the right to voluntarily relinquish a majority of the Members of the Board of Managers before the last Residential Unit is closed. If Sponsor relinquishes control of the Members of the Board of Managers, there is no provision in the By-Laws that requires that a majority of the Members of the Board of Managers be owner occupants who are unrelated to the Sponsor or its principals. Owner-occupants and non-resident owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed as a result of their

different reasons for purchasing, i.e., purchasing as a Residential Unit to live in as opposed to purchasing as an investment. See Sections XVIII and XIX of the Offering Plan.

2. The Sponsor has the right to retain control over certain expenditures and fiscal actions of the Board of Managers of the Condominium for a period ending not more than five (5) years after the Closing of the first Residential Unit or whenever the unsold Residential Units constitute less than twenty-five (25%) percent of the Percentage of Common Interest, whichever is sooner. During this period the Sponsor will have control of maintenance, facilities, and services to be provided to the Condominium and will determine the Common Charges to be paid by all Residential Unit Owners, including those paid by the Sponsor. During this period the Sponsor will also have control over the enforcement of the Sponsor's obligations. During this period, Sponsor will also have the right to control all decisions including but not limited to the determination of Common Expenses, management of the Condominium, the hiring and termination of employees of the Condominium, the placing of easements on the property and making improvements to the Common Elements. Notwithstanding the above, the Board of Managers has a fiduciary duty to the Residential Unit Owners to enforce Sponsor's obligations. Sponsor's intentional refusal to allow the Board of Managers to pursue litigation against the Sponsor entity may constitute a breach of fiduciary duty to the Board of Managers. In addition, the Residential Unit Owners may commence a lawsuit in the nature of a derivative action. Any provisions that give the Sponsor control of the enforcement of the Sponsor's obligations are not lawful. If there are non-Sponsor members of the Board of Managers and there is a vote on whether to sure the Sponsor, the Sponsor's Board representative(s) cannot lawfully vote on that issue. In the event a Sponsor-controlled Board does not undertake the enforcement of the Sponsor's obligations, the Residential Unit Owners may have to independently raise funds to pursue such enforcement and any other causes of action against the Sponsor. At no time may Sponsor exercise veto power over expenses described in Schedule B or over expenses required to (i) comply with applicable laws or regulations, (ii) to remedy any notice of violation, (iii) to remedy any work order by an insurer or (iv) necessary for the preservation or safety of the Buildings or for the safety of occupants of the Buildings or required to avoid the suspension of any necessary service to the Buildings. See Section XVIII of the Offering Plan and Schedule B.

3. Although Sponsor will endeavor in good faith to sell all of the Residential Units in a reasonably timely manner to Purchasers for investment or for the personal occupancy of Purchasers or their immediate families, the Sponsor reserves the unconditional right to rent the Residential Units. Sponsor's good faith efforts to sell to Purchasers will include listing unsold units with brokers, showing unsold units to brokers and prospective purchasers or their representatives, and otherwise engaging in customary sales activities. As a result of the fact Sponsor is retaining the unconditional right to rent rather than sell the Residential Units, after consummation of the Offering Plan, this Offering Plan may result in the creation of a condominium in which a majority of the Residential Units are not owned by owner-occupants or investors who are unrelated to the Sponsor. Purchasers for their own occupancy may never gain control of the Members of the Board of Managers under the terms of the Offering Plan. Sponsor shall not rent a Residential Unit in the Condominium prior to Consummation of the Offering Plan as defined in Title 13 NYCRR § 20.1(c)(6). See Section XIV of the Offering Plan.

4. Although normally a Sponsor's expense, pursuant to contractual agreement the following obligations have been transferred to Purchasers and shall be at Purchaser's sole expense: New York State Real Estate Transfer Taxes at the rate of $2.00 per $500 of consideration and New York City Transfer Tax of one (1%) percent of the Purchase Price for Residential Units where the consideration is less than $500,000 and 1.4259 percent where the consideration is $500,000 or greater. Pursuant to Section 1404(a) of the Tax Law of the State of New York, as amended on July 1, 2021, where the New York State Real Estate Transfer Tax is paid by the Purchaser pursuant to contractual agreement, such tax will be excluded from the total calculation of consideration of the Purchase Price of a Residential Unit. However, the amount of New York City Real Property Transfer Tax will be included in the consideration of the Purchase Price in determining the New York City Transfer Tax. See Section XVI of the Offering Plan as to how the above tax is calculated. See the Purchase Agreement set forth as Schedule D.

5. Pursuant to Sections 1402-a and 1402-b of the Tax Law of the State of New York, a Purchaser will be required to pay a tax for a Residential Unit where the consideration is $1,000,000 or more (the "Mansion Tax"). The following are the rates currently applicable to the Mansion Tax in New York City:

Total Consideration	**Mansion Tax**
Less than $1,000,000	Not subject to tax
$1,000,000 to $1,999,999.99	1%
$2,000,000 to $2,999,999.99	1.25%
$3,000,000 to $4,999,999.99	1.5%
$5,000,000 to $9,999,999.99	2.25%
$10,000,000 to $14,999,999.99	3.25%
$15,000,000 to $19,999,999.99	3.5%
$20,000,000 to $24,999,999.99	3.75%
$25,000,000 or more	3.9%

Pursuant to the provisions of the statute the obligation to pay the Mansion Tax is the Purchasers.

See Section XVI of the Offering Plan as to how the above taxes are calculated. See the Purchase Agreement set forth as Schedule D.

6. Sponsor has not been required to post a completion bond with the City of New York covering the Common Elements. In addition, no bond has been posted to secure Sponsor's obligations under the Offering Plan. See Section XVI.

7. No Residential Unit Owner shall make any addition, alteration, or improvement (of either a temporary or permanent nature) of a structural nature in or to the Residential Unit Owner's Residential Unit, or any Limited Common Element, without the prior written approval of the Board of Managers. Said provision requiring the written consent of the Board of Managers does not apply to the Sponsor. See Article VIII of the By-Laws contained in Schedule J of the Offering Plan and Section XX of the Offering Plan.

8. A Purchaser may not interfere with Sponsor's ability to construct the Residential Unit or other unit(s) or facilities, including, without limitation, interference with work performed on the Property by Sponsor's staff, contractors and/or sub-contractors in connection with the construction of the Residential Unit or any other Residential Unit(s), attempts to hire any of Sponsor's staff, contractors or subcontractors, and/or attempts to bring contractors, materialman, sub-contractors or workers onto the Property for work on the Residential Unit prior to Closing, unless otherwise agreed to by Sponsor in writing. Sponsor shall have the right to remove or replace (and discard) any unauthorized installations, constructions and/or other materials installed or situated in or on any Residential Unit or any portion of the Property by or at the direction of any Purchaser prior to Closing without Sponsor's prior written consent. See Section XV of the Offering Plan.

9. The Purchase Agreement is not contingent upon a Purchaser securing satisfactory mortgage financing. Obtaining a mortgage shall be the sole responsibility of each Purchaser. In no event will the Sponsor be obligated to return a Purchaser's Deposit in the event a Purchaser is unable to obtain a mortgage. The Purchase Agreement will remain in full force and effect and Purchaser will be obligated to pay the balance of the purchase price at Closing regardless of the availability of financing. In the event a Purchaser does not Close Title to a Residential Unit as a result of Purchaser's inability to obtain a mortgage Sponsor will have the right to retain the Deposit as liquidated damages, including the cost of any Extras paid by Purchaser which have been installed by Sponsor, paid for but not installed by Sponsor or which have been ordered but not installed by Sponsor and for which Sponsor is obligated to pay. Any prospective Purchaser who executes a Purchase Agreement and does not obtain financing may lose Purchaser's Deposit if the Purchaser is unable to otherwise raise the monies for the balance of the purchase price. Prospective Purchasers who require financing are advised to consult with a lending institution before execution of a Purchase Agreement. Notwithstanding the above, in the event the Offering Plan is abandoned a Purchaser will be entitled to a return of a Purchaser's Deposit including monies paid for Extras. See Section XIII.

10. Pursuant to existing regulation, the Sponsor may declare the Plan effective by selling a minimum of fifteen (15%) percent of the Residential Units being offered for sale. A minimum of (15% x 18 = 3 Residential Units) must be under contract before the Offering Plan can be declared effective. Even if the Plan is declared effective with a minimum number of sales, it is possible that the Sponsor may be able to close Residential Units with fewer than the minimum number of sales, if Purchasers counted towards effectiveness do not ultimately purchase a Residential Unit. Purchasers should note that in the event all Purchase Agreements are either rescinded or terminated prior to the date of the closing of title to the first Residential Unit the Sponsor will be obligated to re-declare the Offering Plan effective prior to closing title to the first Residential Unit.

Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on purchase financing. Such restrictions include requiring that a certain percentage of the Residential Units in a building or group of buildings be sold before a lender will consider making a loan. Thus, it may be possible for a Purchaser to experience difficulty obtaining a loan in a building or group of buildings where the Sponsor has not sold a substantial percentage of the Residential Units in the

building or group of buildings, which in some cases may be as high as seventy percent (70%). Moreover, some lenders will not provide financing in a building or group of buildings where an investor other than the original Sponsor has an ownership interest of ten percent (10%) or more. It may also be difficult for a Purchaser to resell a Residential Unit if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions.

Even after Residential Units have closed, lenders may still impose minimum sales requirements before granting a loan. It then may be difficult for a Purchaser to resell if prospective buyers are unable to obtain a loan due to such minimum sales requirements. See Section XIII of the Offering Plan.

11. In the event Sponsor is unable to convey title to a Purchaser's Residential Unit twelve (12) months after the proposed date of delivery set forth in the Purchase Agreement, a Purchaser shall have the option to cancel the Purchase Agreement and have the Deposit advanced by Purchaser returned to Purchaser. Purchaser shall be obligated to notify the Sponsor in writing of its intent to exercise said option within a reasonable period of time, not less than thirty (30) days after the twelve (12) month period of the proposed date of delivery set forth in the Purchase Agreement. Purchaser's failure to so notify Sponsor of Purchaser's intent to cancel Purchaser's Purchase Agreement due to Sponsor being unable to convey title to the Purchaser's Residential Unit within the twelve (12) month period shall be deemed a waiver of said provision, and Purchaser shall continue to be bound by the terms of the Purchase Agreement. See Paragraph 5 of the Purchase Contract in Part II of the Plan.

In addition, Sponsor anticipates that the first Closing of a Residential Unit will occur by April 1, 2023. Purchasers will be offered a right of rescission if: (i) the actual date of Closing of Title to the first Residential Unit; or (ii) the projected date of Closing of Title to the first Residential Unit occurs later than March 31, 2024, twelve (12) months after the projected date for the first Closing contained in this Offering Plan. If the Plan is amended to provide for a later projected date for the first Residential Closing, Purchasers will be entitled to an offer of rescission if the first Closing occurs more than twelve (12) months beyond the amended, later date. However, if the first Residential Unit Closing occurs before the above dates, the Sponsor may schedule the Closings of Title to other Residential Units significantly later than such date. Unless a Purchaser's Purchase Agreement contains an outside Closing Date, the Sponsor is not obligated to schedule a Closing within any specified time frame or to ensure that Closing of Title to the Residential Unit will occur by any date certain. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER SUCH RISKS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A RESIDENTIAL UNIT. See Section XII of the Offering Plan.

12. The Purchase Agreement requires an initial deposit (the "Deposit") of ten (10%) percent of the Purchase Agreement of a Residential Unit. The balance of the Purchase Price is to be paid at the Closing of Title to the Residential Unit. The law firm of Schmitt Law Group, P.C., with an address at 500 Old Country Road, Suite 110, Garden City, New York 11530 and telephone number of (516) 387-4786, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser for Deposits received pursuant to a

Purchase Agreement. The Escrow Agent has established the escrow account at Signature Bank, 900 Stewart Avenue, 3rd Floor, Garden City, New York 11530 ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled "Schmitt Law Group, P.C. – Hancock and Jefferson Condominium IOLA Escrow Account" ("Escrow Account"). The escrow account is an IOLA account consistent with Section 487 of the Judiciary Law of the State of New York. The Escrow Account is federally insured by the FDIC at the maximum amount of $250,000 per deposit (the "Deposit"). The maximum Deposit insurance amount will be $250,000. Any Deposit in excess of $250,000 will not be insured. If a Purchaser makes a Deposit in excess of said amount for the purchase of a Residential Unit, the excess amount will not be federally insured. Purchasers should also note that if the Purchaser has any accounts in the Bank where the funds are being held, the funds in those accounts will count towards the $250,000 FDIC insurance limit. See Section XII of the Offering Plan.

13. The projections for the first year of operation of the Condominium contained in the budget are only estimates. Actual expenses may vary from the amounts shown. In the event the actual first year budget differs from the actual commencement of the budget year by six (6) months or more, Sponsor will amend the Offering Plan to include a revised budget. If the amended projections exceed the original projections by twenty-five (25%) percent or more, the Sponsor will offer all Purchasers the right to rescind their Purchase Agreement and have their Deposits returned, with interest, if any within a reasonable period of time that is not less than fifteen (15) days.

Purchasers should further note that premiums for insurance have been extremely volatile in recent years. Sponsor cannot predict whether or not the insurance rates will increase or stabilize at the commencement of the first year of operation of the Condominium. Sponsor makes no representation that the premium costs for the insurance reflected in the proposed first year budget will be applicable at the time of the first Closing of a Residential Unit in the Condominium. See Schedule B, the proposed first year budget and the footnotes immediately following thereto.

14. It shall be the responsibility of each Purchaser to pay the following additional Closing Costs, if applicable: (a) an initial non-reimbursable contribution to the working capital fund equal to two (2) months Common Charges for the Residential Unit to the Condominium; (b) $150 for the completion of any Lender's mortgage questionnaire; (c) $250 to Sponsor's attorney for preparation of any ACRIS documents; (d) $3,000 to Sponsor's attorney for the preparation of the Closing documents; (e) $500 travel fee to Sponsor's attorney if a Closing takes place, at the request of a Purchaser, at any location other than the office designated by Sponsor or Sponsor's attorney's office; and (f) $500 fee to Sponsor's attorney in the event a Closing is adjourned with Sponsor's consent, at the request of Purchaser of Purchaser's attorney within forty-eight (48) hours of the scheduled time of Closing. See Section XVI of the Offering Plan.

15. If through no fault of Sponsor, Purchaser fails for any reason to Close Title after the date originally scheduled in Sponsor's Notice of Closing or such later date (if applicable) to which Sponsor in a subsequent Notice for Closing adjourned the Closing, all of the apportionments shall be made as of midnight of the day preceding (i) the date

originally scheduled for Closing or (ii) Sponsor's adjourned Closing Date (as the case may be).

In addition, Purchaser shall pay to Sponsor at or prior to the actual Closing an amount equal to .0438% per day (which equals an annual rate of 16%) of the purchase price for the Residential Unit for each day beyond such originally scheduled or Sponsor adjourned Closing Date, to and including the date of actual Closing, for reimbursement and defrayal of Sponsor's carrying costs and other charges. In no event shall the rate exceed the maximum limit allowed pursuant to applicable law. See Section XVI of the Offering Plan.

16. Purchasers should be aware that they may be living in an active construction site after they close on their Residential Unit. During this period of construction there may be dirt and debris and construction material on site, construction vehicular traffic, construction noises, unfinished areas of the Buildings and other inconveniences which are normal in a condominium undergoing construction. It is anticipated that construction of the Condominium will be complete by January 1, 2023, subject to circumstances beyond Sponsor's control such as weather conditions, pandemic, labor strikes, material shortages, acts of God and sales conditions. See Section XXXI of the Offering Plan.

17. All measurements are approximate and subject to construction variances. Plans and dimensions may contain minor variations from floor to floor.

The Residential Units have been measured as follows:

(a) The approximate square foot area of each Residential Unit is measured horizontally on each of one or more floors from the outermost extent of exterior walls of a Building to the midpoint of the interior walls and partitions separating one Residential Unit from another Residential Unit, or the midpoint of the interior walls and partitions separating a Residential Unit from, egress stairs and other mechanical equipment spaces or any Common Elements excluding Common Corridors, to the opposite outermost extent of exterior walls of a Building, as the case may be.

(b) Columns, mechanical pipes, shafts, shaft ways, chases, chase ways, conduits, and private convenience stairways in all Residential Units are not deducted from measurement of each Residential Unit.

(c) When a Residential Unit shares a wall with a common corridor, the area shall be measured to the finished face of the corridor wall on the corridor side of the wall.

(d) Areas on the Common Corridor side of Residential Unit Entry Doors shall be included in the Residential Unit Area up to the outermost extents of the architectural millwork frame of the door.

(e) Measured vertically, each Residential Uit will consist of the volume from the

top of the floor slab (located under the finished flooring and sub-floor materials) to the underside of the floor slab above.

(f) Terraces, exterior to a Building envelope and complying with parapet and fencing height restrictions set forth in the NYC Zoning resolution, are not subject to inclusion in floor area calculations. Terrace areas are not included in the Residential Unit Floor Areas.

As such the areas are not based upon measurements from interior surfaces of interior walls, and the actual living area comprising the Residential Unit is significantly less than the area listed in Schedule A. See Section V of the Offering Plan.

18. The Sponsor does not wish to sell Residential Units to Purchasers who intend to purchase the Residential Unit as a short-term resale investment. As such the Purchase Agreement provides that in the event a Purchaser elects to sell their Residential Unit to a third-party purchaser within twelve (12) months of the Closing Date, Purchasers shall be required to pay (at or before such resale closing) to Sponsor the lesser of (a) the net proceeds of such resale of the Residential Unit (which shall be computed based on the gross sales price less the amounts owed under any third-party unaffiliated mortgage lender and less all closing costs payable by Purchaser in connection with such resale) and (b) ten percent (10%) of difference between (i) the gross purchase price paid by such third-party purchaser to Purchaser (without deduction for closing and other transaction costs) and (ii) the Purchase Price. This provision only applies to the initial Purchaser of a Residential Unit from Sponsor and not to subsequent re-sales and does not apply if the Residential Unit Owner or spouse dies within the twelve (12) month period or if all the Residential Units have been titled by Sponsor before the twelve (12) month period. In addition, it does not apply to any mortgagee who forecloses or accepts a deed in lieu of foreclosure for a default under a first mortgage. See Paragraph 35 of the Purchase Agreement and Section I of the Offering Plan.

19. Cellar space, private roof terraces, private terraces, private gardens, and/or Juliet balconies may not be enclosed and may not be used as a bedroom and/or living room. To do so may result in a violation against the Buildings being issued by the Building Department. Further, such spaces may not be rented independently. See Article VIII of the By-Laws contained in Part II of the Offering Plan and Section I of the Offering Plan.

20. Purchasers of a Residential Unit are advised that the Board of Managers and their agents, employees and contractors shall have an easement for access through all the Common Elements, no matter how classified, and the Residential Units to install, utilize, operate, maintain, repair, alter, rebuild, restore and replace any Common Elements, no matter how classified, contained therein or elsewhere in the Condominium or to remedy any condition which would result in damage to any Residential Unit or any other Common Element no matter how classified, or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof or for the purpose of carrying out any of its obligations under the By-Laws or the Declaration of Condominium or for the health and safety of the Condominium and its

residents. Such right of access to a Residential Unit shall be exercised in such a manner as is required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Condominium or its Property, or the Residential Units, or for the safety of Condominium residents or other persons or required to avoid the suspension of any necessary service to the Condominium. Such right of access shall include access through a Residential Unit for repairs and maintenance of any private roof terrace, private terrace, private garden and/or Juliet balcony and any concrete pavers thereon that is a Limited Common Element of a Residential Unit. See Section III of the Offering Plan.

21. All Residential Unit Owners must notify the Board of Managers or 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 Residential Unit Owner shall install, at the Residential Unit Owner's expense, any required Window Guards in all windows of the Residential Unit and shall not remove them until permitted by applicable law and in any event, without the full knowledge of the Board of Managers or Managing Agent (if any). See Section XX of the Offering Plan.

22. Each Residential Unit Owner and their Residential Unit will be subject to an easement of ingress and egress in, over and through any hallway that may be part of their Residential Unit to any other Residential Unit Owner, tenant, resident or other persons needing ingress or egress to their respective Residential Unit that may be necessary for said purpose. See Section III of the Offering Plan.

23. All Residential Owners are required to keep their thermostats at a minimum of sixty (60) degrees Fahrenheit to prevent freezing of pipes. In the event the Residential Unit Owner fails to adhere to this requirement the Residential Unit Owner shall be responsible for any damage done to the Common Elements of the Condominium and/or any other Residential Unit. See the By-Laws contained in Part II of the Offering Plan as Schedule J.

24. This Development is subject to the Housing Merchant Implied Warranty Law of the State of New York, Article 36-B of the General Business Law, which pertains to warranties on the sale of certain new Residential Units. This law is applicable to all Residential Units offered for sale under this Offering Plan. Pursuant to Section 777-b of said statute the Sponsor is permitted to provide its own Limited Warranty ("Limited Warranty") and as such, the Sponsor is providing its own Limited Warranty to Purchasers of Residential Units in the Condominium. As a result, Sponsor excludes the warranty provisions set forth in Article 36-B of the General Business Law and all other warranties except the Limited Warranty. The Limited Warranty provides for a Limited Warranty to Purchasers on certain items. Certain of the limitations contained in the Limited Warranty are noted as follows: the Limited Warranty provides coverage for the first Residential Unit Buyer only; Sponsor's liability is limited to fifty thousand ($50,000) dollars, less any insurance proceeds received by Purchaser; incidental, special, indirect consequential or other similar damages are excluded; and detailed procedures must be followed for giving notice of a warranty claim to Sponsor as well as detailed procedures for commencing a lawsuit against Sponsor. See the complete terms of the Limited Warranty contained in

the Rider to the Purchase Agreement set forth in Schedule D-7. NOTWITHSTANDING ANYTHING STATED ABOVE, SPONSOR HAS AN ABSOLUTE DUTY TO CONSTRUCT THE PREMISES IN ACCORDANCE WITH ALL APPLICABLE CODES AND FILED PLANS AND SPECIFICATIONS IDENTIFIED IN THE OFFERING PLAN. For details see Section XVII of the Offering Plan and the full text of the law set forth in Schedule M of the Offering Plan.

25. Subsequent to a Purchaser executing a Purchase Agreement, Sponsor must either return a fully executed Purchase Agreement to the Purchaser or reject the Purchase Agreement within thirty (30) days. In the event the Sponsor rejects the Purchase Agreement within the thirty (30) day period the Sponsor will be required to refund the deposit monies. In the event the Sponsor does not act within said thirty (30) day period the Purchase Agreement will be deemed rejected by the Sponsor. See Section XII of the Offering Plan.

26. If a Purchaser fails to appear and Close Title in accordance with the Purchase Agreement on the date and at the time and place stated in Sponsor's Notice for Closing, or if a Purchaser fails to observe or perform any other thing to be observed or performed by Purchaser under the Purchase Agreement, Sponsor may send Purchaser a written notice of default giving Purchaser thirty (30) days from the date of such notice to cure any such default. Time is of the Essence for Purchaser to cure such default within such thirty (30) day period. As used herein, the phrase "time is of the essence" means that a Purchaser's failure to strictly comply with Purchaser's obligations within the applicable time period will constitute a material breach of the Purchase Agreement, entitling the Sponsor to declare the Purchaser in default of the Purchase Agreement, deem the Purchase Agreement terminated and of no further force or effect, and retain Purchaser's Deposit and other amounts paid in connection with the Purchase Agreement as liquidated damages. In the event the Purchaser does not cure the default within the thirty (30) days' notice period the Purchaser will forfeit Purchaser's Deposit. See Section XII of the Offering Plan and the Purchase Agreement contained in Part II of the Plan.

27. Purchasers should note that pursuant to the terms of the Offering Plan as long as the Sponsor retains control of the Board of Managers, the Board of Managers of the Condominium retain the right to delay commencement of the collection of Common Charges. During any such delay period, the Sponsor will timely pay all expenses of the Condominium, including but not limited to insurance premiums and any Reserve Funds reflected in the Budget. Upon the commencement of the collection of Common Charges, there will be no assessment of Residential Unit Owners for prior expenses of the budget during the period Sponsor was paying the Common Expenses of the Condominium. Sponsor shall remain obligated to update the budget for the Condominium as provided for in the governing regulations. In the event Sponsor elects to delay collection of Condominium Common Charges, it will disclose such fact in the closing notice to Purchasers and will further disclose such fact in the Post-Closing Amendment to the Offering Plan. Such Amendment will also disclose the anticipated period of delay. Sponsor will notify all Residential Unit Owners in writing of the expiration of the delay period at least thirty (30) days prior to commencing collection of Common Charges and

will disclose such fact in the following Amendment to the Offering Plan. See Section I of the Offering Plan.

28. Purchasers should note that the Residential Unit Owners shall indemnify and hold harmless each of the Members of the Board of Managers of the Condominium against all contractual liability to others arising out of contracts made by the Board of Managers on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provision of the Declaration or of the By-Laws. It is intended that the Members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium (except as Residential Unit Owners). It is understood and permissible for the original Board of Managers, who may be affiliated with or be employed by the Sponsor, to contract with the Sponsor and affiliated corporations and entities without incurring any liability for self-dealing. It is also intended that the liability of any Residential 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 the Purchaser's Percentage of Common Interest in the Common Elements bears to the Percentage of Common Interest of all the Residential Unit Owners in the Common Elements. Every agreement made by the Board of Managers or by the managing agent or by a Member on behalf of the Condominium, shall provide that the Members of the Board of Managers, or the managing agent, or the Member, as the case may be, are acting only as agent for the Residential Unit Owners and shall have no personal liability thereunder (except as Residential Unit Owners). See Article III, Section 14 of the By-Laws of the Condominium contained in Schedule J of the Offering Plan.

29. The Percentage of Common Interest of each of the Residential Units has been determined pursuant to Section 339-i(1)(iv) of the Condominium Act, based on floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Residential Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Residential Unit. Based upon final specifications, construction conditions and/or "as-built" Plans for the Buildings reflecting relative measurements, areas and uses of portions of the Buildings, application of such method of allocation the Percentage of Common Interest may justify a minor increase or decrease in the aggregate Percentage of Common Interest appurtenant to Residential Units. In such event, the Percentage of Common Interest appurtenant to each individual Residential Unit would be adjusted pro rata. Sponsor expressly reserves the right, from time to time, prior to the first Closing, to effect such a change in the Percentage of Common Interests and to amend the Plan so as to reflect the same. In no event, however, will the Percentage of Common Interest of any Residential Unit be increased or decreased as the result of any of the foregoing a material amount. Purchasers should note that there is a rebuttable presumption that a five (5%) percent change in the square footage of a Unit does not constitute a material change. See Section XX of the Offering Plan.

30. Purchasers are advised that in New York, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a permanent Certificate of Occupancy ("PCO") covering the entire building but with only a temporary

Certificate of Occupancy ("TCO"), and sometimes with several successive temporary Certificates of Occupancy. Certificates of Occupancy are generally governed by section 301 of the New York Multiple Dwelling Law and local building codes and rules. The TCOs and PCOs are issued by the New York City Department of Buildings ("DOB)". A TCO is intended to indicate that the property is safe for occupancy but means that not all of the construction work and/or inspections have been performed, or that not all of the required documents have been submitted to the Building Department. All TCOs have an expiration date. A TCO typically expires 90 days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance, or sell Residential Units. In New York City, it is common for sponsors to commence Residential Unit closings when some or all Residential Units are covered by a TCO rather than a PCO. Sponsor anticipates this scenario may occur. Sponsor and its principals will undertake the responsibility for extending each TCO received prior to expiration thereof and ultimately for obtaining a PCO covering the entire building within two years from the date of issuance of the first TCO. However, Sponsor and its principals make no representation or guarantee that the Building Department will issue the PCO within such two (2) year period. Notwithstanding the foregoing, Sponsor and its principals are obligated to procure the PCO for the entire building and shall exercise its best efforts to obtain the PCO within such two (2) year period while keeping the TCO current. Residential Unit Owners and the Board of Managers shall be obligated to cooperate with and refrain from obstructing Sponsor in these undertakings. Residential Unit Owners will not be permitted to make any changes, additions or alterations to their Residential Unit requiring DOB approval prior to the issuance of a Permanent Certificate of Occupancy or renewal of a temporary Certificate of Occupancy. See Section III of the Offering Plan.

31. Residential Unit Owners will not be permitted to make any changes, additions or alterations to their Residential Unit prior to the issuance of a Permanent Certificate of Occupancy for the Residential Unit and/or Building. Residential Unit Owners will be permitted to make standard improvements to their Residential Units such as painting, installation of flooring, cabinetry, fixtures etc. as long as the improvements do not affect the ability of the Sponsor to obtain a Permanent Certificate of Occupancy or extension or renewal of a Temporary Certificate of Occupancy. Residential Unit Owners are responsible for obtaining all necessary permits from the City of New York and any other required municipal agencies for any changes the Residential Unit Owner makes to their Residential Unit subsequent to the Closing of Title with the Sponsor. Sponsor will not be liable for nor responsible to a Residential Unit Owner in the event an inspection by the Department of Buildings of the City of New York prevents the issuance of a renewal and/or extension of a Temporary Certificate of Occupancy or Permanent Certificate of Occupancy as a result of changes made to the Residential Unit by a Residential Unit Owner. In such an event, Sponsor shall provide documentation substantiating the assertion that the Residential Unit Owner's changes prevented the issuance of a PCO or renewal of a TCO for the Property. In the event a Residential Unit Owner makes any changes, additions or alterations to their Residential Unit prior to the issuance of a Permanent Certificate of Occupancy for the Residential Unit and/or Buildings, the Residential Unit Owner shall reimburse Sponsor within ten (10) days following Sponsor's demand therefore, for any and all costs incurred by Sponsor with respect to the

Residential Unit Owner's changes to the Residential Unit that prevent the extension or renewal of a Temporary Certificate of Occupancy or the issuance of a final Certificate of Occupancy by the Department of Buildings of the City of New York. See Section XVIII of the Offering Plan.

32. The projected real estate taxes for the first year of operation contained in Schedule A are based on an assessment of the Buildings before construction is complete. Purchasers are advised that real estate taxes may increase materially when the Buildings are reassessed after construction is complete. See footnote number 5 to Schedule A for more information regarding the projected assessed valuation after completion of construction. In addition, the actual assessed value of the Residential Units will be determined by the City of New York may be higher than what is currently estimated and therefore may result in greater total estimated taxes on said Units of the Condominium. See Section XXI of the Offering Plan.

33. Purchasers should note that that the reserve fund line item in the budget plus annual budgeted amounts for the Reserve Fund may not be adequate to provide for needed capital expenditures within five (5) years following the first Closing of title to a Residential Unit. If additional funds are required over and above said funds, it may be necessary to increase the Common Charges payable by the Residential Unit Owners, collect a Special Assessment from each Residential Unit Owner or borrow money for the capital expenditures. See Section XXIV of the Offering Plan.

34. Purchasers should note that the Financial Crimes Enforcement Network ("FinCEN"), of the U.S. Department of the Treasury issued a revised Geographic Targeting Order ("GTO") dated November 15, 2018, as renewed on May 10, 2020 requiring U.S. title insurance companies to report to FinCEN the personal identity of purchasers in residential transactions in which:

(a) the Purchaser is a legal entity as defined in the GTO as follows: a corporation, limited liability company, partnership or other similar business entity, whether formed under the laws of a state or of the Residential United States or a foreign jurisdiction;

(b) the Purchaser purchases residential real property located in the Boroughs of the Bronx, Brooklyn, Queens, Manhattan and Staten Island;

(c) the total purchase price is in the amount of $300,000 or more;

(d) such 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 or cashier's check, a certified check, a traveler's check, a personal check, a business check, a money order in any form, a funds transfer or virtual currency.

The Order affects all residential real property closings meeting the above criteria occurring on or after November 17, 2018, and as long as the GTO remains in effect. Further information regarding the revised Geographical Targeting Order is available at the following web address:

https://www.fincen.gov/sites/default/files/shared/Real%20Estate%20GTO%20GENERIC111518_FINAL.pdf

See Section XIV of the Offering Plan.

35. No Residential Unit may be used as a youth hostel, Airbnb, bed and breakfast and/or for any other transient purposes. See Section XX and Article VIII of the By-Laws.

36. The Smoke-Free Air Act of New York City prohibits Smoking and using E-cigarettes of any kind in indoor common areas, including but not limited to any applicable lobbies, hallways, stairwells, mailrooms, fitness areas, storage areas, garages and laundry rooms in any building with three or more Residential Units. NYC Admin. Code, § 17-505. Effective as of August 28, 2018, Local Law 147 of the City of New York became effective. Local Law 147 amends the Administrative Code of the City of New York to require that all class A multiple dwellings (i.e., buildings with 3 or more residential dwelling Residential Units) adopt a written smoking policy (the "Smoking Policy"). In compliance with Local Law 147 the following is the smoking policy that will apply to this Condominium:

(a) Definitions:

(i) Smoking: Inhaling, exhaling, burning or carrying any lighted or heated cigar, cigarette, little cigar, pipe, water pipe or hookah, herbal cigarette, non-tobacco smoking product (e.g., marijuana or non-tobacco shisha), or any similar form of lighted object or device designated for people to use to inhale smoke.

(ii) Electronic Cigarette (E-Cigarette): A battery-operated device that heats a liquid, gel, herb, or other substance and produces a vapor for people to inhale.

(b) Policy:

(i) All types of Smoking and use of Electronic Cigarettes as defined above are prohibited from all general common areas of the Condominium, including but not limited to any applicable lobby, hallway, stairwell, mailroom, fitness room or other recreational facility, meeting room, laundry room, storage area, mechanical room, equipment room, cellar, basement, elevator, garage, rooftop, play areas, parking areas, shared balconies, shared courtyards, shared patios, shared porches, shared yards and/or any outdoor common

area within 15 feet of entrances, exits, windows, and air intake Units on property grounds.

(ii) All types of Smoking and Electronic Cigarette use are prohibited from any balcony and/or terrace or any space designated as an Individual Residential Unit's Limited Common Element appurtenant to the Residential Unit.

(iii) All legal Smoking and use of Electronic Cigarettes is permitted within the interior area of a Residential Unit.

(iv) The Smoking Policy shall be applicable to all Unit Owners, residents, tenants, guests, licensees, employees, and all persons that may be in or on any portion of the Condominium.

(v) Any Unit Owner who leases their Unit shall incorporate the provisions of the Smoking Policy into the lease with the Residential Unit Owner's tenant.

(c) Complaints:

Complaints about smoke drifting into a Unit or common area should be made promptly to the Managing Agent. Complaints should be made in writing and should be as specific as possible, including the date, approximate time, location where smoke was observed, building address, description of incident and apparent source of smoke.

The Smoking Policy shall be applicable to all Unit Owners, residents, tenants, guests, licensees, employees, and all persons that may be in or on any portion of the Property and any Building located thereon constituting the Condominium. Pursuant to the requirements of Local Law 147 all tenants in the Buildings are required to receive a copy of the Building's Smoking Policy and the Smoking Policy must be incorporated into all leases or interim leases. The provisions of Local Law 147 of the City of New York shall take precedent in the event of any conflict with the Smoking Policy contained herein.

37. Purchasers should note that pursuant to the Federal Tax Cuts and Jobs Act of 2017 (the "Tax Act"), which went into effect on January 1, 2018, the maximum mortgage in which an individual can deduct the interest on is $750,000. In addition, the Act placed a maximum of $10,000 on the amount an individual can deduct for the combined amount of real estate taxes and State income taxes. Purchasers are advised to seek the advice of their tax consultant to ascertain the income tax ramifications to the Purchaser pursuant to the Tax Cuts and Jobs Act of 2017. See Section XXII of the Offering Plan.

38. Pursuant to the Paragraph 33 of the Purchase Agreement a Purchaser waives all rights to trial by jury in any action, proceeding or counterclaim in any way arising out of or relating to the Purchase Agreement or the Plan. Purchaser agrees to pay any

and all court fees, including, without limitation, reasonable attorney's fees, should Purchaser bring an action against Sponsor in any court of proper jurisdiction (including, without limitation, small claims court) and should Sponsor be deemed the prevailing party in any such dispute or action. Purchaser agrees to waive the right to file a Lis pendens if not filed within sixty (60) days of the cancellation of the Purchase Agreement. See Section XII of the Offering Plan.

39. Purchasers should note that any dispute as to the allocation of the Common Charges to Residential Unit Owners would require arbitration pursuant to the terms of the Offering Plan and Article XIV of the By-Laws.

40. At the Closing of each Residential Unit, the Sponsor will collect the equivalent of two (2) months' Common Charges from each Purchaser to be paid to the Condominium as initial working capital ("Working Capital"). While Sponsor is in control of the Board of Managers of the Condominium the Working Capital Funds may be used to reduce the Common Charges. The Condominium Board of Managers may authorize the use of the Working Capital Fund to reimburse Sponsor for prepaid expenses of the Condominium. The only budgetary item that might require a substantial credit to the Sponsor would be the insurance disclosed in Schedule B. At such time as the Sponsor relinquishes control of the Board of Managers, oversight and management of any remaining balance of the Working Capital Fund will be the obligations of the residential Members of the Board of Managers. The Offering Plan does not provide for any minimum Working Capital Fund to be turned over to the Board of Managers. See Section XXV of the Offering Plan.

41. Each Residential Unit Owner can sell their Residential Unit to whomever they desire subject to the Board of Managers' Right of First Refusal. Residential Unit Owners may lease their Residential Units subject to the conditions contained in Section XIX of the Offering Plan which include the Right of First Refusal by the Board of Managers.

42. The Sponsor will not enter into interim leases with Purchasers for Residential Units prior to Closing. In no event shall Purchaser take possession of the Residential Unit prior to the time of the delivery of the deed, nor shall Purchaser enter the Residential Unit or have the Residential Unit Owner's contractors or agents enter the Residential Unit to perform work prior to Closing without the written authorization of the Sponsor. Should the Purchaser violate this provision, Sponsor will have the right to remove Purchaser from the Residential Unit as a squatter and intruder by summary proceedings. Upon the Purchaser's unauthorized possession, the Purchaser shall be deemed in default of the Purchase Agreement and Sponsor may retain as liquidated damages the Deposit funds being held in escrow to a maximum of ten (10%) percent of the sales price. See Section XII of the Offering Plan.

43. Purchasers should note that if only the Residential Unit(s) and/or the Limited Common Elements are damaged or destroyed by fire or other casualty or taken in a Taking and the insurance proceeds or condemnation awards are not sufficient to cover, or exceed, the cost of repairs and restoration, the deficit or surplus will be borne or shared

entirely by all the Residential Unit Owners in proportion to their respective Common Interest in the Buildings. See Section XX of the Offering Plan.

44. Residential Unit Owners will be permitted to keep dogs, cats or other common household pets in their Residential Unit subject to the provisions herein. The foregoing notwithstanding, no more than two (2) dogs per Residential Unit will be permitted. No exceptions will be permitted unless the same in each instance be expressly permitted in writing by the Board of Managers of the Condominium. No animals may be kept or maintained in a Residential Unit for any commercial purposes. No exotic animals such as snakes or undomesticated wild animals are permitted in a Residential Unit. Any pet causing or creating a nuisance or unreasonable disturbance, or noise shall be permanently removed from the Property upon fifteen (15) days written notice from the Board of Managers. All Residential Unit Owners shall advise the Board of Managers of any household pet intended to be kept in their Residential Unit prior to the household pet residing therein. In addition to the above restrictions, the Board of Managers shall have the right to further adopt additional rules and regulations regarding pets including, but not limited to limiting the number, size and type of pet including but not limited to the type of breed of such pet permitted to be kept in a Residential Unit. In no event shall any animal be permitted in any of the public corridors or lobbies of the Condominium unless carried or on leash and in compliance with the local and municipal rules and regulations regarding pets. All Residential Unit Owners shall be responsible for picking up and disposing of their pet's waste and for any damage caused by their pets to any Common Elements of the Condominium. See Section XX of the Offering Plan.

45. Although all funds received by Sponsor from Purchaser for upgrades, options, extras, special work or custom work ("Extras") not included in the base price of a Residential Unit will initially be placed in the Escrow Account as described in Section XII of the Offering Plan, such funds may be released from the Escrow Account as long as the Sponsor uses the funds for such Extras. As a result, in the event a Purchaser is entitled to rescission, the Purchaser will not receive a refund of any funds paid to the Sponsor for Extras which (i) have been installed by Sponsor, (ii) not installed, but paid for by Sponsor or (iii) not installed, but which have been ordered but not installed by Sponsor and for which Sponsor is obligated to pay for unless the Offering Plan has been abandoned. In the event the Offering Plan is abandoned the Purchaser shall be entitled to receive a refund of all funds paid to the Sponsor for such Extras. See Section XIV of the Offering Plan.

46. Common Charges are generally levied in proportion to the Percentage of Common Interest in the "Common Elements" appurtenant to each Residential Unit. However, pursuant to Section 339-m of the Real Property law of the State of New York, the Board of Managers may also make allocations and assessments of Common Charges to the Common Elements in accordance with sub-metering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are based on special or exclusive use or availability or exclusive control of particular Residential Units or common areas by particular Residential Unit Owners. In the event of any dispute relating to the Common Charges to be borne by a Residential Unit Owner such dispute shall be submitted to arbitration in accordance with

the provisions contained in Article XIII of the By-Laws. The Schedule B budget set forth in Section VI of this Offering Plan does not contemplate any special allocation of Common Expenses. See Section I of the Offering Plan.

47. Sponsor is offering a total of twenty (20) Storage Spaces, ten (10) Storage Spaces located in the cellar of each Building, ("Storage Space Area") pursuant to a License Agreement at an initial license fee ("Storage Space Purchase Price") payable to the Sponsor as reflected in Schedule A-1. The Storage Spaces may be used only for storage of normal household items. Nothing shall be stored in a Storage Space that will result in the cancellation or increase of insurance on the Building, or the contents thereof, or that would be in violation of any law. No inflammable, combustible, or explosive fluid, material, chemical, or substance shall be stored in a Storage Space. Purchasers should further note that the cellar space may not be used for sleeping or dining space and has less light and air than ordinary living space and is more susceptible to dampness. All provisions for safety shall be the sole responsibility of the Residential Unit Owner who is the Licensee of the Storage Space, and the Residential Unit Owner should have their own insurance covering the Storage Spaces. If a Purchaser of a Residential Unit elects to enter into a License Agreement for one (1) of the Storage Spaces, the price of their purchase of the Residential Unit will be increased to include the price of the Storage Space. Purchasers should also note that they will be responsible to pay to the Condominium a monthly License Fee as reflected in Schedule A-1 of the Offering Plan. A copy of the License Agreement is contained in Schedule D-6 in Part II of the Offering Plan.

48. Purchasers are advised that Sponsor has elected to subsidize the operating expenses for the First Year of Operations in the amount of $9,000 ("Sponsor Subsidy"). The Sponsor Subsidy is shown as an additional income line-item on Schedule B and offsets the operating expenses for the projected First Year of Condominium Operations. Purchasers are advised that the Residential Unit Owners will be responsible for the full amount of operating expenses for the second (and subsequent) years of condominium operation. As a result, Common Charges applicable to each Residential Unit will increase at such time so that Unit Owners will be responsible for the entire cost of Condominium operation, allocated to each Unit Owner based on their Unit's Percentage of Common Interest. The Sponsor Subsidy will be deposited with the Board of Managers as of the date of commencement of collection of Common Charges. See Schedule B and footnotes to Schedule B set forth as Section VI of this Offering Plan.

49. Purchasers should note that pursuant to the Administrative Code of the City of New York (the "Administrative Code") Section 27-052, et. seq. in the event a Building has 9 or more rental units (1) the owners perform the janitorial services on their own (2) a full-time superintendent who resides in the building or within 200 feet of the building; or (3) a janitorial service approved by the Department of Buildings available 24 hours per day. Purchasers and Residential Unit Owners should note that this provision of the Administrative Code is applicable to rental buildings only. In addition pursuant to a New York Court the statutory janitorial residency requirements do not apply to multiple dwellings whose owners personally reside in the premises and that in a Condominium the Board of Managers of the Condominium would qualify as a resident owner and therefore

would meet the requirements of Section 1 above (see Hatcher v. Bd. of Managers of 420 W. 23rd St. Condo., 2007 NY Slip Op 3750, 39 A.D.3d 436, 835 N.Y.S.2d 112 (App. Div.) and Hatcher v. Bd. of Managers, 12 Misc.3d 78 at 80, 819 N.Y.S.2d 374 [2006]). The Condominium will use option 1 of Section 27-052 above. Individual Residential Unit Owners will be responsible for the following janitorial services: taking out household refuse for removal by the New York City Department of Sanitation and sweeping, vacuuming, mopping and/or dusting the Common Elements immediately in front of their Residential Unit. All other services of the Condominium will be contracted for and performed by independent contractors who are not employees of the Condominium on an as needed basis. In addition, the Managing Agent will provide for a 24/7 call in line that will meet emergency situations. See footnotes to the Schedule B budget set forth in Section VI.

50. Based on the budget expert's experience in managing new construction Condominiums, the electrical projections in the Schedule B budget have been reduced from those set forth in the utility estimate letter by 30% to reflect the ramp up of occupancy in the first year. As it is not anticipated that any services will be inoperable, the expected usage of components contributing to the total electric cost to be used is approximately 30% less than projections contained in the utility estimate letter set forth in Schedule B-1, which assumes full occupancy for the entire first year of operations. The 30% reduction is derived from the projected absorption rate and ramp up of occupancy in the first year, thus reducing the usage of each mechanical that contributes to the total budgeted amount for electricity. It is anticipated that the utility expense may increase upon full occupancy of the Buildings to coincide with the anticipated costs set forth in the utility estimate letter. See Footnotes to Schedule B set forth as Section VI of the Plan.

51. Paragraph 7 of the Purchase Agreement for a Residential Unit, entitled "Severance of Mortgage," states the following:

> "7) Purchaser shall use its best efforts to direct Purchaser's lender (i) to accept an assignment of the existing mortgage(s) encumbering the Property, as severed, to encumber only the Unit and its appurtenant percentage of Common Interest in the Common Elements, and (ii) to cooperate with Seller and Seller's existing lender as necessary to effectuate such assignment. At Closing, Purchaser shall execute the affidavits required pursuant to Section 255 of the Tax Law of the State of New York. Seller shall receive, as a credit from Purchaser at Closing, a sum equal to the full mortgage tax credit which Purchaser may be entitled under any applicable law by reason of mortgage taxes having been previously paid by Seller on the amount of Purchaser's mortgage. In the event Seller is not entitled to a credit, Purchaser will be responsible for the mortgage tax on their mortgage, if they obtain a mortgage. The severance and assignment of a portion of the mortgage on the Property, as contemplated herein, may result in an additional cost to the Purchaser in the nature of a fee for the assignment/severance by the lender. Any severance or assignment transaction will be initiated only after financing has been procured by Purchaser. Should this transaction fail to take

place and result in the loss of Purchaser's financing commitment, Purchaser will be entitled to an opportunity to obtain new financing, if Purchaser so elects."

See the Purchase Agreement set forth as Schedule D to this Offering Plan.

52. Paragraph 26 of the Purchase Agreement provides that:

"26) NO BROKER CONSULTED BY PURCHASER – Purchaser represents that no broker other than Seller's broker, Douglas Elliman Real Estate ("Broker"), or their co-broker ("Co-Broker") pursuant to a standard co-brokerage agreement, brought about this sale, and Purchaser indemnifies Seller against any and all claims brought by any broker other than Broker or Co-Broker for brokerage commission based upon Purchaser's acts. Seller shall pay Broker and/or Co-Broker pursuant to a separate agreement between Seller and Broker and/or Co-Broker. In the event Purchaser is represented or has consulted with an outside broker (other than Broker or Co-Broker), Purchaser shall be responsible for any and all costs and commissions associated therewith, and Seller shall not be responsible for any co-broker commission. This Paragraph shall survive Closing and delivery of the deed."

See the Purchase Agreement set forth as Schedule D to this Offering Plan.

53. Purchasers should note that there are lot line windows at Residential Units as follows:

1504 Jefferson Avenue: 2B, 3B, PHB and PHA
1437 Hancock Street: 2B, 3B, PHB and PHA

The lot line windows do not provide legal light and air required for residential occupancy. The lot line windows provide supplementary light and air only. In the event the lot line windows require closing, all expenses associated with any replacement or modification of a lot line window will be the responsibility of the Residential Unit Owner if part of a Residential Unit or Individual Residential Unit's Limited Common Elements or the Condominium's responsibility if part of the General Common Elements. The Condominium shall approve all work and shall have the right to designate or approve the contractor doing the work. Under the applicable building code, lot line windows must meet certain requirements. All lot line windows will be built in full compliance with all applicable building codes and other regulations, and all the Residential Units meet the light and ventilation requirements without taking those windows into account. See Section III and the Description of Building in Schedule G of the Offering Plan.

54. Seller anticipates that construction will be substantially completed by January of 2023, subject to circumstances beyond Sponsor's control such as weather conditions, pandemic, labor strikes, material shortages, acts of God and sales conditions.

55. The washer/dryer provided for Residential Unit 1A is located outside of the Unit on the Cellar level within the Storage Space allocated to Unit 1A as a Limited Common Element.

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HANCOCK AND JEFFERSON CONDOMINIUM

PLAN OF CONDOMINIUM OWNERSHIP

I. INTRODUCTION

This is an Offering Plan (the "Plan") for the offer of eighteen (18) Residential Units ("Residential Units") for sale to Residential Unit Owners in two (2) 4-story buildings located at 1504 Jefferson Avenue and 1437 Hancock Street, New York, NY 11237. The Condominium will contain two (2) newly constructed buildings, one (1) building located at 1504 Jefferson Avenue and one (1) building located at 1437 Hancock Street in Brooklyn, New York (the "Buildings"). The property was previously vacant land. Each newly constructed Building will have a separate entrance and each Building will contain nine (9) Residential Units, for a total of eighteen (18) Residential Units in the Condominium. Each Building will contain 4 stories and a cellar. In addition, there will be a total of twenty (20) Storage Spaces with each Building containing ten (10) Storage Spaces located in the cellar of each Building. The Storage Spaces are being offered for sale to prospective Purchasers pursuant to a License Agreement as provided for in Section IX of the Offering Plan. In addition, a roof terrace ("Roof Terrace") will be located on the roof of each Building for use by the Residential Unit Owners and residents of the Buildings (including family and permitted occupants of the Residential Unit Owner and their tenants). The Roof Terraces are General Common Elements of the Condominium. The Condominium will be known as Hancock and Jefferson Condominium. The Residential Units are referred to as the "Residential Units" unless otherwise stated.

The purpose of the Plan is to set forth all material terms of the offer for the benefit of Prospective Purchasers.

The Plan may be amended at any time and from time to time provided that the amendment is duly filed with the Department of Law of the State of New York and is served on Purchasers and Residential Unit Owners.

A Declaration submitting the property to Article 9-B of the Real Property Law of the State of New York (hereinafter referred to as the "Condominium Act") and By-Laws will be recorded prior to conveyance of title to the first Residential Unit by the Sponsor. The property will be subject to the Condominium Act. The Declaration and By-Laws will be substantially similar to those set forth in this Offering Plan and will not be changed so as to adversely affect the Purchaser. This Offering Plan and the accompanying documentation should be carefully studied by Prospective Purchasers and their attorneys prior to the purchase of a Residential Unit.

The property that the Condominium is being constructed on is owned by 1504 Jeff LLC (the "Sponsor") with an address at 53 Broadway, Brooklyn, New York 11249. Said company acquired the property by deed dated October 30, 2020. Said entity will be the Sponsor of the offer of Residential Units in the proposed Condominium that is the subject of this Offering Plan to be known as Hancock and Jefferson Condominium.

The purpose of the Plan is to set forth all the terms of the offer for the benefit of Prospective Purchasers.

All portions of the Condominium, excluding the Residential Units, are Common Elements of the Condominium. The Common Elements of the Condominium are described as follows:

A. General Common Elements – General Common Elements are those shared by all Residential Unit Owners and include all portions of the Condominium except for the individual Residential Units and the Limited Common Elements (irrevocably restricted in use to specified Residential Units or Residential Unit Owners) and include without limitation the following:

1. The land on which the Condominium is erected and all other land within the boundaries of the Property;

2. All portions of the roof, including gutters and leaders, parapets, copings, railings bulkheads, rooftop antenna that are not restricted in use to a specific Residential Unit or Residential Units and intended for the common use and service of the Condominium and its residents;

3. The exterior façade and walls of a Building;

4. All structural elements, foundations, foundation walls, footings, columns, girders, beams, supports, interior load-bearing walls, floor slabs (but not flooring material);

5. Stairs, stairways, common hallways, which are not located wholly within a Residential Unit and entrances and exits to and from the Condominium other than entrances to the individual Residential Units and which are intended for the common use and service of the Condominium and its residents;

6. All improved and unimproved areas of the Condominium located outside the boundaries of the Residential Units, including sidewalks, fences and landscaped areas intended for common use and service of the Condominium and its residents;

7. All central and appurtenant installations for services such as power, light, telephone, television, cable, hot and cold water and heat (including all boilers, pipes, ducts, wires, chutes, cables and conduits used in connection therewith located in the Common Elements) and all other mechanical equipment spaces intended for the common use and service of the Condominium and its residents;

8. The refuse recyclable rooms;

9. All drainage systems, sewer equipment, sewers and/or storm sewer systems, sewer ejector pump, pipes, building drains, drywells, or detention tanks or facilities (including vent lines, ejectors, interceptors, filters and valves) downspouts, and roof drainage systems intended for the common use and service of the Condominium and its residents;

10. All applicable mechanical rooms, ventilation system, refuse rooms, compactor, utility meters, storage areas, if applicable, that are intended for the common use and that service of the Condominium and its residents;

11. Any heating, cooling, ventilation or other mechanical system located in the Common Elements intended for the common use and service of the Condominium and its residents;

12. All electrical risers, feeders, lines and equipment, including incoming services, main switchgear and distribution panelboards, conduits, wires, meters, and transformers for the common use and service of the Condominium and its residents;

13. The fire protection system including standpipes/combined standpipe sprinkler risers, fire hose valve, sprinkler heads and Siamese connections for the common use and service of the Condominium and its residents;

14. All telephone and cable rooms, meter rooms, mechanic rooms, equipment rooms, machine rooms, and any other mechanical rooms or areas intended for the common use and service of the Condominium and its residents;

15. All tanks, pumps, motors, fans, compressors, and control equipment intended for the common use and service of the Condominium and its residents;

16. Any sprinkler system located in the Common Elements and intended for the common use and service of the Condominium and its residents;

17. Any plantings and landscaping intended for the common use of the Condominium and its residents;

18. Any pedestrian walkways and ramps intended for the common use and service of the Condominium and its residents;

19. Any fences, retaining walls and gates located on the Property for the common use of the Condominium and its residents;

20. All flues and vent caps for the common use and service of the Condominium and its residents;

21. All lighting and lighting fixtures intended for the common use and service of the Condominium and its residents;

22. The Roof Terrace located in the Condominium for the common use by Residential Unit Owners and residents of the Condominium;

23. Any general storage area if applicable, located for the common use and service of the Condominium and its residents;

24. The mailboxes located in the lobby of a Building;

25. The Residential Lobby located on the ground level of a Building;

26. Any general storage area located in the Building;

27. The Storage Spaces and Storage Area subject to the rights of the Board of Managers to enter into a License Agreement with a Residential Unit Owner for the use of a Storage Space subject to the provisions of Article XIX of the Declaration and Article XII of the By-Laws;

28. Any intercom system intended for the common use and service of the Condominium and its residents; and

29. All other parts of the Condominium, the Buildings and all apparatus and installations existing in each Building or Property for common use and service of the Condominium or necessary or convenient to the existence, maintenance or safety of the Condominium.

B. Irrevocably Restricted Areas/Limited Common Elements - Certain portions of the Common Elements are irrevocably restricted in use to specified Residential Units or Residential Unit Owners subject to the right of the Board of Managers of the Condominium to enter upon any restricted area for maintenance, repair or improvement of a Residential Unit or the Common Elements and subject to the Rules and Regulations of the Board of Managers (see By-Laws, Article VIII). Said irrevocably restricted Common Elements are also referred to as a Limited Common Element. Any portion of the Common Elements which is not restricted in use may be used by any Residential Unit Owner. Purchasers should refer to Schedule A in Section V of the Offering Plan for additional information regarding the Limited Common Elements.

Following are descriptions of the irrevocably restricted Limited Common Elements:

1. Any balcony or terrace (including any drains or railings located thereon) appurtenant to a Residential Unit shall be a Limited Common Element for the exclusive use of the Residential Unit Owner of the applicable Residential Unit;

2. Any private gardens and any pavers thereon appurtenant to a Residential Unit;

3. The private roof terraces and appurtenant Juliet balcony to a Residential Unit;

4. The Storage Space for Residential Unit 1A located at 1504 Jefferson Avenue and Residential Unit 1A located at 1437 Hancock Street;

5. The lightwell appurtenant to Residential Units Garden B and Garden C in the Building located at 1504 Jefferson Avenue and Residential Units Garden B and Garden C in the Building located at 1437 Hancock Street.

6. Any hot water tank, boiler, air conditioning condenser, fireplace, heat pumps and any other heating, cooling or other mechanical system servicing an individual Residential Unit that is located in or on the Common Elements; and

7. All apparatus, installations, systems equipment and facilities in the Common Elements (including pipes, wire ducts, vents, cables, conduits and lines) which will serve or benefit a Residential Unit exclusively.

C. Provisions Applicable to All Common Elements

1. The Common Elements shall remain undivided and no Residential Unit Owner shall bring any action for partition or division unless otherwise provided by law.

2. The Common Elements are not subject to partition nor are they severable from the Residential Units except in accordance with the Real Property Law.

3. The Percentage of Common Interest in the Common Elements established herein shall not be changed except with the consent of all of the Residential Unit Owners affected expressed in a duly recorded amendment to the declaration.

4. The Percentage of Common Interest in the Common Elements shall not be separated from the Residential Units to which it appertains and shall be deemed conveyed or encumbered with the Residential

Units even though such interest is not expressly mentioned or described in the conveyance or other instrument.

The Common Expenses associated with the Condominium, General Common Elements, Limited Common Elements, that are the obligation of the Condominium to repair maintain and replace, as necessary and other costs designated as a Condominium obligation or Common Expense shall be paid for by all Residential Unit Owners based upon their Percentage of Common Interest in the Condominium as reflected in Schedule A of the Offering Plan except as provided in Section 339-m of the Real Property Law. Pursuant to Section 339-m of the Real Property law of the State of New York, the Board of Managers may also make allocations and assessments of Common Charges to the Common Elements in accordance with sub-metering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are based on special or exclusive use or availability or exclusive control of particular Residential Units or common areas by particular Residential Unit Owners. In the event of any dispute relating to the Common Charges to be borne by a Residential Unit Owner such dispute shall be submitted to arbitration in accordance with the provisions contained in Article XIII of the By-Laws. The Schedule B budget set forth in Section VI of this Offering Plan does not contemplate any special allocation of Common Expenses.

The individual costs associated with a Limited Common Element shall be borne exclusively by the respective Residential Unit Owner except as otherwise provided in the Declaration and By-Laws. All repairs, maintenance and any replacement of any heating, cooling or other mechanical system servicing an Individual Residential Unit that is located in or on the Common Elements, equipment and facilities in the Common Elements (including pipes, wire, ducts, vents, cables, conduits and lines) which will serve or benefit exclusively a Residential Unit shall be the responsibility of the Residential Unit Owner for such equipment services, etc.

There are a number of different model types of Residential Units. See Schedule G-2 in Part II of the Plan for a detailed description of each model and/or Residential Unit type. The land and all improvements to be erected thereon are hereinafter referred to as the “Development” or the “Condominium”.

Sponsor will endeavor in good faith to market and sell the Residential Units in the Condominium. Notwithstanding, Sponsor is retaining the unconditional right to rent rather than sell the Residential Units. Because Sponsor is retaining the unconditional right to rent rather than sell the Residential Units after Plan consummation, this Plan may result in the creation of a condominium in which a majority of the Residential Units are not owned by owner-occupants or investors unrelated to the Sponsor. Due to the fact Sponsor is not limiting the conditions under which it will rent rather than sell Residential Units, there is no commitment to sell more Residential Units than necessary to declare the plan effective. Purchasers for their own occupancy may never gain control of the Board of Managers under the terms of the Offering Plan. In the event Sponsor makes a bulk sale of all or some of its unsold Residential Units, the transferee successor Sponsor

will be bound by Sponsor's representations regarding its commitment to sell Residential Units. A bulk sale consists of the transfer of ten (10) or more Residential Units or twenty (20%) percent or more of the total number of Residential Units in the Condominium, whichever is less.

Sponsor is currently utilizing its own funds to construct the Condominium. In the event Sponsor obtains a construction loan Sponsor will amend the Offering Plan to disclose the construction loan. In the event Sponsor obtains a construction loan, the Sponsor will be obligated to pay off and otherwise comply with the terms of any construction loan on the entire Condominium and will be required to release each Residential Unit from the construction loan at the time of Closing.

As in the ownership of a private one (1) family Home, the Purchaser of a Residential Unit in a Condominium (the "Residential Unit Owner") owns their Residential Unit in fee simple absolute and is entitled to exclusive possession of their Residential Unit. Each Purchaser of a Residential Unit will also own an undivided interest in and right to use the Limited Common Elements that pertain to an individual Residential Unit. A full description of the General and applicable Limited Common Elements is described above.

All measurements are approximate and subject to construction variances. Plans and dimensions may contain minor variations from floor to floor.

The Residential Units have been measured as follows:

(a) The approximate square foot area of each Residential Unit is measured horizontally on each of one or more floors from the outermost extent of exterior walls of a Building to the midpoint of the interior walls and partitions separating one Residential Unit from another Residential Unit, or the midpoint of the interior walls and partitions separating a Residential Unit from, egress stairs and other mechanical equipment spaces or any Common Elements excluding Common Corridors, to the opposite outermost extent of exterior walls of a Building, as the case may be.

(b) Columns, mechanical pipes, shafts, shaft ways, chases, chase ways, conduits, and private convenience stairways in all Residential Units are not deducted from measurement of each Residential Unit.

(c) When a Residential Unit shares a wall with a common corridor, the area shall be measured to the finished face of the corridor wall on the corridor side of the wall.

(d) Area on the Common Corridor side of Residential Unit Entry Doors shall be included in the Residential Unit Area up to the outermost extents of the architectural millwork frame of the door.

(e) Measured vertically, each Residential Unit will consist of the volume from the top of the floor slab (located under the finished flooring and sub-floor materials) to the underside of the floor slab above.

(f) Terraces, exterior to a Building envelope and complying with parapet and fencing height restrictions set forth in the NYC Zoning resolution, are not subject to inclusion in floor area calculations. Terrace areas are not included in the Residential Unit Floor Areas.

As such the areas are not based upon measurements from interior surfaces of interior walls, and the actual living area comprising the Residential Unit is significantly less than the area listed in Schedule A. See Section V of the Offering Plan. Purchasers should also refer to the floor plans of each Residential Unit in Schedule G-2 of Part II of the Offering Plan for details of each type of Residential Unit.

A Residential Unit Owner is required to pay monthly Common Charges assessed by the Board of Managers for the operation and maintenance of the Condominium pursuant to Sections 339(i) and (m) of the New York Condominium Act. Monthly Common Charges may commence with the Closing of the first Residential Unit which is expected to be April 1, 2023. Purchasers should refer to Section XIX as to the right of the first Board of Managers to commence the collection of Common Charges at a subsequent date. Purchasers should note that pursuant to the terms of the Offering Plan as long as the Sponsor retains control of the Board of Managers, the Board of Managers retains the right to delay the commencement of the collection of Common Charges. During any such delay period, the Sponsor will timely pay all expenses of the Condominium, including but not limited to insurance premiums and any Reserve Funds reflected in the Budget. Upon the commencement of the collection of Common Charges, there will be no assessment of Residential Unit Owners for prior expense of the budget during the period Sponsor was paying the Common Expenses of the Condominium. Sponsor shall remain obligated to update the budget for the Condominium as provided for in the governing regulations. In the event Sponsor elects to delay collection of Condominium Common Charges, it will disclose such fact in the closing notice to Purchasers and will further disclose such fact in the post-closing Amendment to the Offering Plan. Such Amendment will also disclose the anticipated period of delay. Sponsor will notify all Residential Unit Owners in writing of the expiration of the delay period at least thirty (30) days prior to commencing collection of Common Charges and will disclose such fact in the following Amendment to the Offering Plan.

Any Purchaser who enters into a License Agreement for a Storage Space will be responsible to pay the Condominium a monthly License Fee as reflected in Schedule A-1.

At such time as the Board of Managers commences the collection of Common Charges the Sponsor will be obligated to pay such Common Charges and Special Assessments as are assessed by the Board of Managers on the Residential Units to which title has not passed. Upon the commencement of the collection of Common Charges and upon title to a Residential Unit being passed to a Purchaser, the Purchaser will be responsible for all Common Charges, Special Assessments and all individual expenses associated with the Residential Unit, including any costs associated with the Limited Common Elements that are the obligation of the Residential Unit Owner and that pertain to the Residential Unit Owner's Residential Unit.

A Residential Unit Owner, upon acquiring title to their Residential Unit, will be obligated to comply with the Declaration of Condominium, Condominium By-Laws and its Rules and Regulations and any other requirements of the Board of Managers of the Condominium.

There is no restriction upon ownership of a Residential Unit. Occupancy of a Residential Unit, however, may only be for residential purposes as described in Section XX of the Offering Plan. The Board of Managers will have a Right of First Refusal on the sale or rental of a Residential Unit as provided in Section XIX of the Offering Plan. Residential Units can be sold by a Residential Unit Owner, subject to said Right of First Refusal and provided that the Residential Unit Owner is not in arrears on the payment of Common Charges (except where the payment of such unpaid Common Charges is paid by the Grantee or provided for out of the proceeds of the sale) and subject to restrictions contained in the mortgage, if any, covering their Residential Unit. A Purchaser is free to make a gift of their Residential Unit to anyone during their lifetime or to devise their Residential Unit by will, or to have it pass by intestacy without any restriction. No Residential Unit can be sold without a simultaneous sale of the undivided interest in the Limited Common Elements that pertain to the Residential Unit.

The Sponsor does not wish to sell Residential Units to Purchasers who intend to purchase the Residential Unit as a short-term resale investment. As such the Purchase Agreement provides that in the event a Purchaser elects to sell their Residential Unit to a third-party purchaser within twelve (12) months of the Closing Date, Purchasers shall be required to pay (at or before such resale closing) to Sponsor the lesser of (a) the net proceeds of such resale of the Residential Unit (which shall be computed based on the gross sales price less the amounts owed under any third-party unaffiliated mortgage lender and less all closing costs payable by Purchaser in connection with such resale) and (b) ten percent (10%) of difference between (i) the gross purchase price paid by such third-party purchaser to Purchaser (without deduction for closing and other transaction costs) and (ii) the Purchase Price. This provision only applies to the initial Purchaser of a Residential Unit from Sponsor and not to subsequent re-sales and does not apply if the Residential Unit Owner or spouse dies within the twelve (12) month period or if all the Residential Units have been titled by Sponsor before the twelve (12) month period. In addition, it does not apply to any mortgagee who forecloses or accepts a deed in lieu of foreclosure for a default under a first mortgage. See Paragraph 35 of the Purchase Agreement.

The Residential Units can be purchased for all cash or may be purchased partly for cash and partly by mortgage. The Purchase Agreement is not conditioned upon a Purchaser securing satisfactory mortgage financing. Obtaining a mortgage shall be the sole responsibility of each Purchaser. In no event will the Sponsor be obligated to return a Purchaser's Deposit in the event a Purchaser is unable to obtain a mortgage. In addition, the Purchase Agreement will remain in full force and effect and Purchaser will be obligated to pay the balance of the purchase price at Closing regardless of the availability of financing. In the event a Purchaser does not Close Title to the Residential Unit as a result of Purchaser's inability to obtain a mortgage Purchaser will be deemed in default of the Purchase Agreement and after Sponsor complies with the required notices

may, at its option, retain as liquidated damages all or any part of the monies paid on account of the Purchase Agreement plus Extras paid by Purchaser which Extras have been installed by Sponsor, paid for but not installed by Sponsor or which have been ordered but not installed by Sponsor and for which Sponsor is obligated to pay unless the Offering Plan has been abandoned. In the event the Offering Plan is abandoned a Purchaser will be entitled to a return of all funds paid for Extras.

A Residential Unit Owner may mortgage their Residential Unit at any time after they acquire title to the Residential Unit in whatever amount and under whatever terms they can obtain. Any Residential Unit Owner may also, upon the resale of their Residential Unit, grant a purchase money mortgage to a Purchaser of their Residential Unit. A Residential Unit Owner may mortgage their Residential Unit only if all arrears for Common Charges and/or Special Assessments, if any, are provided for at the closing of the mortgage.

Primary responsibility for operating the Condominium rests with the Board of Managers who are elected by the Residential Unit Owners. See the By-Laws contained in Part II of the Offering Plan. For information concerning Sponsor's initial control of the Board of Managers, see Section XVIII of the Offering Plan.

Each Residential Unit Owner, upon obtaining title, will automatically have one (1) vote at all meetings of Residential Unit Owners for each Residential Unit owned by such Residential Unit Owner.

Each Residential Unit will be taxed separately for real estate tax purposes and each Residential Unit may be separately mortgaged. Therefore, no Residential Unit Owner is liable for the payment of real estate taxes or mortgage payments on any other Residential Unit. In the opinion of counsel, a Residential Unit Owner is presently entitled to deductions for federal income tax purposes for payments for state and local income taxes and real estate taxes applicable to their Residential Unit to a maximum amount of $10,000 as currently permitted by law under the Tax Act. In addition, provided the Residential Unit will be the Purchaser's principal residence, a Residential Unit Owner may also deduct the interest on a mortgage, to a maximum mortgage of $750,000 they procure to finance the purchase of their Residential Unit for income tax purposes pursuant to the Tax Act. See Section XXI of the Offering Plan.

The projected real estate taxes applicable to the Residential Units during the first year of operation contained in Schedule A are based on an assessment of the Building before construction is complete. Purchasers are advised that real estate taxes may increase materially when the Buildings are reassessed after construction is complete. See footnote number 5 to Schedule A for more information regarding the projected assessed valuation after completion of construction and Section XXI of the Offering Plan and the Opinion Counsel contained in Section XXIII of the Offering Plan.

Fire and liability insurance covering the General Common Elements are included with other items as part of Common Charges, but fire and liability insurance for the Purchaser's personal effects, the interior of the Residential Unit and the Limited Common Elements for an individual Residential Unit Owner's exclusive use should be carried by the individual Purchaser. Common Charges are generally levied in proportion to the

Percentage of Common Interest in the “Common Elements” appurtenant to each Residential Unit. However, pursuant to Section 339-m of the Real Property law of the State of New York, the Board of Managers may also make allocations and assessments of Common Charges to the Common Elements in accordance with sub-metering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are based on special or exclusive use or availability or exclusive control of particular Residential Units or common areas by particular Residential Unit Owners. For possible increases in Common Charges upon default in payment by a Residential Unit Owner see Section XX of the Offering Plan. Each Residential Unit Owner is responsible for the cost of their own interior repairs and decoration in their Residential Unit after Closing. In the event of any dispute relating to the Common Charges to be borne by a Residential Unit Owner such dispute shall be submitted to arbitration in accordance with the provisions contained in Article XIII of the By-Laws. The Schedule B budget set forth in Section VI of this Offering Plan does not contemplate any special allocation of Common Expenses.

The price of the Residential Units will include only the appliances and fixtures detailed in the Description of Property Report contained in Part II of the Plan. Installation and the cost of any Extras, upgraded appliances, upgraded fixtures or appliances or fixtures not provided is the sole responsibility of each Residential Unit Owner. The Sponsor reserves the right to provide fixtures and appliances by different manufacturers which are Equal or Better Quality than noted in the Description of Property found in Part II of the Offering Plan.

The prices for the Residential Units are set forth in Schedule A. THESE PRICES HAVE BEEN SET BY THE SPONSOR ALONE AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.

This Offering Plan contains all of the material terms of this transaction. Parts I and II along with Parts A, B, C and D of the Schedules submitted along with the Offering Plan together constitute the entire Offering Plan. Copies of the Plan and Parts A, B, C and D of the Schedules will be available for inspection by Prospective Purchasers and their attorneys without charge and for copying at a reasonable charge at the Condominium site whenever the on-site sales office is open, at the office of the Sponsor or any Selling Agent engaged by Sponsor and at the New York State Department of Law, 28 Liberty Street, New York, New York 10005.

There are no restrictions on who may purchase a Residential Unit in the Condominium except that this offer is made only to persons over eighteen (18) years of age. Each Residential Unit Owner can sell their Residential Unit to whomever they desire subject to the limitation regarding resale of a Residential Unit within twelve (12) months of the Closing of Title to an initial Purchaser of a Residential Unit from the Sponsor. See Paragraph 35 of the Purchase Agreement.

See Section XX as to the Right of First Refusal on the sale or rental of a Residential Unit.

THE PURCHASE OF A CONDOMINIUM RESIDENTIAL 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.

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II. DEFINITIONS

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

1. "Annual Meeting" – The meeting of the Residential Unit Owners of the Condominium held on a yearly basis or such other convenient date as the Board of Managers may designate subsequent to the First Annual Meeting.

2. "Amendment" – An amendment to the Offering Plan disclosing changes and updates to the Offering Plan.

3. "Board of Managers" - The governing body of the Condominium responsible for its affairs.

4. "Board Member" or "Member" – Each individual representative elected, designated, or appointed to the Board of Managers.

5. "Buildings" - The two (2) buildings including the Residential Units and Common Elements of the Condominium.

6. "Building Department" – The Department of Buildings of the City of New York.

7. "By-Laws" - The document governing the operation of the Condominium.

8. "Closing" – The consummation of the sale of the Unit transferring title via a deed from the Sponsor to the Purchaser.

9. "Closing Costs" or "Closing Adjustments" or "Closing Fees" or "Closing Apportionments" – Fees and expenses over and above the price of the Unit, incurred by the Purchaser and/or Sponsor at the Closing.

10. "Closing Date" or "Date of Closing" – The date of Closing of Title.

11. "Common Charges" - Each Residential Unit Owner's proportionate share of Common Expenses of the Condominium.

12. "Common Elements" - All portions of the Condominium, other than the Residential Units. The Common Elements are divided as follows:

    a. General Common Elements, which are Common Elements shared by all Residential Unit Owners.

    b. Limited Common Elements which are the Common Elements for the exclusive use of an individual Residential Unit Owner or Owners.

13. "Common Expenses" - (a) Expenses incurred by all Residential Unit Owners for the purpose of paying costs of the Condominium in connection with the repair, maintenance, replacement, restoration or operation of, and any

alteration, addition or improvement to the General Common Elements and to any Limited Common Element that have been delegated to the Condominium as a Common Expense; and (b) All sums designated common expenses by or pursuant to the provisions of the Condominium Act, the Declaration or the By-Laws.

14. “Condominium” – Hancock and Jefferson Condominium which includes the Residential Unit Owners, the Residential Units and the Common Elements and as said term is used in Article 9-B of the Real Property Law of the State of New York.

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

16. “Condominium Documents” - The Declaration of Condominium, the By-Laws, the As-Built Floor Plans of the Residential Units, and the Condominium Residential Unit Designation Map (as provided in the Condominium Act) as the same may be amended from time to time.

17. “Condominium Property” or “Property” – The overall area of the Condominium.

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

19. “Department of Finance” or “DOF”- The New York City agency that assigs separate tax lots to the individual Units in the Condominium.

20. “Department of Law” – The New York State agency responsible for the review and enforcement of offering plans for the offer and sale to the general public of condominiums, cooperatives and homeowner associations.

21. “Deposit” or “Deposits” – The amount(s) deposited by a Purchaser towards the Purchase Price of a Residential Unit, upon execution of the Purchase Agreement.

22. “Description of Property Report” – The report contained as Schedule G in Part II of the Offering Plan.

23. “Equal or Better Quality” – Comparable or better quality as recognized by industry standards for performance, efficiency, longevity, and classifications, as applicable.

24. “Escrow Account” – The attorneys’ accounts where a Purchaser’s Deposit will be held as provided for in Section XII of the Offering Plan.

25. “Escrow Agent” – The attorneys or law firms overseeing the Escrow Accounts as provided for in Section XII of the Offering Plan.

26. “Extras” – Builder upgrades, extras, and/or custom or specialty work not included in the base price of the Residential Unit.

27. “Federal Tax Cuts and Jobs Act” or “Tax Act” – The act passed by the federal government in 2017 that went into effect in January of 2018 revising the deductions available to a homeowner for real estate taxes and interest on a mortgage.

28. “First Annual Meeting” – The date of the first annual meeting of the Residential Unit Owners.

29. “First Board of Managers” – The initial Board Members of the Board of Managers appointed by the Sponsor and Owner.

30. “Floor Plans” – The plans filed with the New York City Building Department for the Building.

31. “Grantee” – The person to whom an interest in real property is conveyed.

32. “Grantor” – The person conveying an interest in real property.

33. “Institutional Lender” – A bank, savings and loan association, life insurance company, pension fund, trust company or other institutional lender or a mortgage granted by the Sponsor, its successor, designee or assignee to a purchaser of a Residential Unit or in which the Sponsor, its successor, designee or assignee participates with one of the above that issues a first mortgage.

34. “Institutional Mortgage” - A first mortgage granted by a bank, savings and loan association, life insurance company, pension fund, trust company or another institutional lender or a mortgage granted by the Sponsor, its successor, designee, or assignee to a purchaser of a Residential Unit or in which the Sponsor, its successor, designee, or assignee participates with one of the above.

35. “License Agreement” – The agreement entitling the Licensee the exclusive right to use a Storage Space during the term of the agreement.

36. “License Fee” – The monthly fee charged for the costs associated with the Storage Spaces subject to a License Agreement to be paid by each Licensee who has entered into a License Agreement for a Storage Space.

The License Fee is in addition to the Common Charges and any Special Assessments for the Residential Units.

37. “Licensee” – A Residential Unit Owner in the Condominium who has entered into a License Agreement with the Board of Managers for a Storage Space.

38. “Licensor” – The Board of Managers of the Condominium who has entered into a License Agreement with a Residential Unit Owner in the Condominium for a Storage Space.

39. “Limited Common Elements” - A Common Element appurtenant to a particular Residential Unit or Residential Units, the use of which is restricted to the Residential Unit Owner or Residential Unit Owners of such Residential Unit or Residential Units. Limited Common Elements may also be referred to as an Irrevocably Restricted Common Element.

40. “Mansion Tax” - The tax paid by a Purchaser at the closing of title pursuant to Sections 1402-a and 1402-b of the Tax Law of the State of New York when the consideration paid for the Unit is $1,000,000 or more.

41. “Martin Act” – Article 23-A of the General Business Law.

42. “Notice for Closing” – The written notice of the date of the closing of title to a Residential Unit provided to a Purchaser.

43. “Offering Plan” – The offering plan submitted and accepted for filing by the New York State Department of Law for the offer and sale of Residential Units in this Condominium.

44. “Officer” – One (1) of the officers of the Condominium chosen by the Board of Managers as provided for in Article IV of the By-Laws of the Condominium including the President, Vice President, Secretary and Treasurer.

45. “Percentage of Common Interest” - The proportionate, undivided interest each Residential Unit Owner has in the Common Elements.

46. “Property” – The property described in Exhibit A of the Declaration.

47. “Purchaser” – The person(s) who have entered into a Purchase Agreement to acquire a Residential Unit in the Condominium.

48. “Purchase Agreement” – The document to be executed by the Purchaser which will obligate the Purchaser to acquire the Residential Unit in the Condominium, and which will obligate the Sponsor to sell the Purchaser the Residential Unit in the Condominium.

49. “Reserve Fund” – The fund to be held by the Condominium for capital improvements for the Condominium.

50. “Residential Lobby” – The lobby located on the ground level of the Buildings for use by the Residential Unit Owners, residents of the Buildings (including family and permitted occupants of a Residential Unit Owner and their tenants), guests, employees, agents, independent contractors, licensees, or invitees of a Residential Unit Owner.

51. “Residential Unit” – One (1) of the eighteen (18) Residential Units designated as a Residential Unit in Schedule B of the Declaration for residential use.

    As used herein the terms “Residential Unit” is equivalent to the term “Residential Unit” in Article 9-B of the Real Property Law of the State of New York.

52. “Residential Unit Owner” – A Residential Unit Owner includes all the Residential Unit Owners in the Condominium.

53. “Right of First Refusal” - The right of the Board of Managers to match a bona fide offer of a sale or lease of a Residential Unit as provided for in the By-Laws.

54. “Roof Terrace” - The terrace located on the roof of each Building for use by the Residential Unit Owners and residents of the Buildings (including family and permitted occupants of the Residential Unit Owner and their tenants).

55. “Rules and Regulations” – The Rules and Regulations contained in Article VIII of the By-Laws as the same may be amended, altered, waived, or added to by the Board of Managers.

56. “Special Assessment” – A Common Expense of the Condominium that is not included in the monthly Common Charges applicable to a Residential Unit.

57. “Special Meeting”- A special meeting of the Residential Unit Owners called by pursuant to Article II, Section 10 of the By-Laws.

58. “Sponsor” – The Sponsor of the Offering Plan, 1504 Jeff LLC, a New York limited liability company with an address at 53 Broadway, Brooklyn, New York 11249.

59. “Sponsor Control Period” – The period of time the Sponsor has the right to retain control of the Board of Managers of the Condominium.

60. “Storage Space” – One (1) of the storage spaces located in the cellar of each Building that will be offered to Residential Unit Owners pursuant to a license agreement.

61. “Storage Space Area” – The area of the Buildings located in the cellar of each Building that contains the Storage Spaces.

62. “Storage Space Purchase Price” – The total fee charged to an initial Purchaser of a Residential Unit who enters into a License Agreement for a Storage Space, which Storage Space Purchase Price is to be paid to the Sponsor.

63. “Unsold or Untitled Residential Unit” – Any Residential Unit in which title is retained by the Sponsor and any of its successors, assigns or designees until such time as the same has been sold and title conveyed to a third party. It shall not include a Residential Unit which is used for personal occupancy of the Sponsor, any of its principals or any of its successors or assigns or designees and shall not include any untitled Residential Unit that is subject to a Purchase Agreement with a Purchaser.

64. “Tax Consultant” – The tax expert who has provided the opinion letter regarding real estate taxes applicable to this Condominium.

65. “Working Capital” – The funds paid by each Purchaser at Closing to the Condominium to be used towards expenses of the Condominium and to reimburse Sponsor for prepaid expenses of the Condominium as described in Section XXV of the Offering Plan.

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III. DESCRIPTION OF PROPERTY AND IMPROVEMENTS

Location, Acreage and Zoning

The Condominium is located at 1504 Jefferson Avenue and 1437 Hancock Street, New York, NY 11237. The Condominium is zoned R6 which permits construction of the Condominium. The overall lot size of the Condominium is approximately 3,480 square feet.

Topographical Features

The site consists of two (2) buildings over gently sloped land.

Improvements - General Description

The newly constructed Buildings are in the process of being constructed and it is anticipated that the Closing of Title to the first Residential Unit will occur on or about April 1, 2023, subject to factors beyond Sponsor's control such as weather conditions, pandemic, force majeure, strikes, material shortages, acts of God and sales conditions. The Condominium as proposed will contain two (2) buildings, one (1) building located at 1504 Jefferson Avenue and one (1) building located at 1437 Hancock Street in Brooklyn, New York (the "Buildings"). The property was previously vacant land. Each newly constructed Building will have a separate entrance and each Building will contain nine (9) Residential Units, for a total of eighteen (18) Residential Units in the Condominium. Each Building will contain 4 stories and a cellar. In addition, each Building will contain ten (10) Storage Spaces located in the cellar of each Building for a total of twenty (20) Storage Spaces. The Storage Spaces are being offered for sale to prospective Purchasers pursuant to a License Agreement as provided for in Section IX of the Offering Plan. In addition, a roof terrace ("Roof Terrace") will be located on the roof of each Building for use by the Residential Unit Owners and residents of the Buildings (including family and permitted occupants of the Residential Unit Owner and their tenants). The Roof Terraces are General Common Elements of the Condominium.

The Building Plans have been filed with the Building Department of the City of New York and are available for inspection at the Sponsor's Office.

The Residential Units, the Buildings containing them and all other improvements will comply with all applicable rules, regulations, laws, and other requirements of all governmental authorities having jurisdiction thereof, including those governing zoning and construction, and the Sponsor and all other persons engaged by the Sponsor in connection with this Plan have complied and will comply with all applicable laws, rules and regulations and other governmental requirements pertaining thereto. Construction of the Condominium will comply with the Building Code of the City of New York and The Sponsor will diligently and expeditiously complete construction of the Condominium in accordance with the plans and specifications described in this Offering Plan. Before the Closing of Title to a Residential Unit, a temporary or permanent Certificate of Occupancy

will be issued for such Residential Unit or the Building in which it is located. At the time of the first Closing of Title to a Residential Unit all Residential Units in that Building will have been partially or substantially completed.

Purchasers should note that there are lot line windows at Residential Units as follows:

1504 Jefferson Avenue: 2B, 3B, PHB and PHA
1437 Hancock Street: 2B, 3B, PHB and PHA

The lot line windows do not provide legal light and air required for residential occupancy. The lot line windows provide supplementary light and air only. In the event the lot line windows require closing, all expenses associated with any replacement or modification of a lot line window will be the responsibility of the Residential Unit Owner if part of a Residential Unit or Individual Residential Unit's Limited Common Elements or the Condominium's responsibility if part of the General Common Elements. The Condominium shall approve all work and shall have the right to designate or approve the contractor doing the work. Under the applicable building code, lot line windows must meet certain requirements. All lot line windows will be built in full compliance with all applicable building codes and other regulations, and all the Residential Units meet the light and ventilation requirements without taking those windows into account. See the Description of Building in Schedule G of the Offering Plan. The Sponsor reserves the right to provide fixtures and appliances by different manufacturers which are Equal or Better Quality than noted in the Description of Property Report found in Part II of the Offering Plan.

Purchasers are advised that in New York, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a permanent Certificate of Occupancy ("PCO") covering the entire building but with only a temporary Certificate of Occupancy ("TCO"), and sometimes with several successive temporary certificates of occupancy. Certificates of Occupancy are generally governed by section 301 of the New York Multiple Dwelling Law and local building codes and rules. Both TCOs and PCOs are issued by the New York City Department of Buildings ("DOB"). A TCO is intended to indicate that the property is safe for occupancy but means that not all of the construction work and/or inspections have been performed, or that not all of the required documents have been submitted to the Building Department. All TCOs have an expiration date. A TCO typically expires 90 days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance, or sell Residential Units. In New York City, it is common for sponsors to commence Residential Unit closings when some or all Residential Units are covered by a TCO rather than a PCO. Sponsor anticipates this scenario may occur. Sponsor and its principals will undertake the responsibility for extending each TCO received prior to expiration thereof and ultimately for obtaining an FCO covering the entire Building within two years from the date of issuance of the first TCO. However, Sponsor and its principals make no representation or guarantee that the Building Department will issue the PCO within such two (2) year period. Notwithstanding the foregoing, Sponsor and its principals are obligated to procure the PCO for the entire Building and shall exercise its best efforts to obtain the PCO within

such two-year period while keeping the TCO current. Residential Unit Owners and the Board of Managers shall be obligated to cooperate with and refrain from obstructing Sponsor in these undertakings. Residential Unit Owners will not be permitted to make any changes, additions or alterations to their Residential Unit requiring DOB approval prior to the issuance of a Permanent Certificate of Occupancy or renewal of a temporary Certificate of Occupancy.

Construction Data for Residential Units, Common Elements and Limited Common Elements

The Buildings, the Residential Units and Common Elements will be constructed in the manner set forth in the Building Plans filed with the City of New York, which Plans will not be changed so as to adversely affect the Residential Unit Owners. For a detailed description of such data see the Description of Property Report in Part II of the Plan. Construction of the Building has commenced and Closing of Title to the first Residential Unit is expected to take place on or about April 1, 2023, barring any unforeseen delays beyond the control of the Sponsor such as weather conditions, pandemic, force majeure, strikes, material shortages, acts of God and sales conditions. It is anticipated that the first Residential Unit, the overall Building and the roof terrace will be completed by January 1, 2023, subject to factors beyond Sponsor's control such as weather conditions, pandemic, force majeure, strikes, material shortages, acts of God and sales conditions.

Unsupervised visits to the Property may present a dangerous circumstance and could incur liability to Sponsor. Unless specifically agreed to by Sponsor in writing and escorted by a representative of Sponsor in each instance, Purchaser shall not visit the Unit or any other portion of the Property and shall only have the right to visit the sales office prior to Closing. Pursuant to Paragraph 13 of the Purchase Agreement, Purchaser will agree to release and indemnify, defend and hold Sponsor harmless from and against any and all claims and liabilities incurred by Sponsor resulting from the presence of Purchaser or Purchaser's family members, agents, licensees or invitees on the Property prior to Closing. Purchaser will also be required to execute the Express Assumption of Risk Form included as Schedule D-5 to the Offering Plan.

Purchasers should refer to Section XV of the Offering Plan for a detailed description of the easements applicable to the Condominium.

Allocation of Common Interest

The Common Interest of the Condominium establishes the Residential Unit Owners' percentage of ownership in the Common Elements and percentage of liability for the payment of Common Charges subject to the provisions of Section 339-m. Pursuant to Section 339-m of the Real Property law of the State of New York, the Board of Managers may also make allocations and assessments of Common Charges to the Common Elements in accordance with sub-metering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are based on special or exclusive use or availability or exclusive control of particular Residential Units or common areas by particular Residential Unit

Owners. In the event of any dispute relating to the Common Charges to be borne by a Residential Unit Owner such dispute shall be submitted to arbitration in accordance with the provisions contained in Article XIII of the By-Laws. The Schedule B budget set forth in Section VI of this Offering Plan does not contemplate any special allocation of Common Expenses. Each Residential Unit Owner has the Percentage of Common Interest in the Condominium set forth on Schedule A. The Percentage of Common Interest of each of the Residential Units has been determined pursuant to Section 339-i(1)(iv) of the Condominium Act, based on floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Residential Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Residential Unit. Sponsor shall have the right to adjust the Percentage of Common Interest a de minimis amount so that the Percentage of Common Interest equals 100%.

Recreation Facilities

The facilities in the Buildings for either passive or active use by residents include the following:

(a) "Roof Terrace" - The terrace located on the roof of each Building for use by the Residential Unit Owners and residents of the Condominium (including family and permitted occupants of the Residential Unit Owner and their tenants).

The roof terrace is anticipated to be fully operational as of the date of commencement of Condominium operation, which is expected to occur on April 1, 2023, subject to factors beyond Sponsor's control such as weather conditions, pandemic, force majeure, strikes, material shortages, acts of God and sales conditions.

The roof terrace will be referenced on the temporary and permanent certificate of occupancy for the Building. The maximum occupancy load of the roof terrace located at 1504 Jefferson Avenue is four (4) persons and for the roof terrace located at 1437 Hancock Street is two (2) persons.

Purchasers should refer to Section 20.7(JH)(7)(vii) of the Description of Property Report contained in Part II of the Offering Plan as Schedule G for further details of the Recreation Facilities.

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IV. LOCATION AND AREA INFORMATION

Location and Area Information

The property is located at 1504 Jefferson Avenue and 1437 Hancock Street in the Borough of Brooklyn in Kings County, City and State of New York.

Transportation

The property enjoys favorable access to transportation as follows:

L and M trains

Municipal Services:

The City of New York will provide water, sanitation, police and fire services to the building.

Gas

Neither the common areas of the Condominium nor the individual Residential Units utilize gas and as a result no gas is provided.

Electric

Electric service will be provided by Con Edison as described in the Description of Property Report in Part II of the Offering Plan. The electricity consumed for the common portion of each Building will be metered by Con Edison and paid for as part of the Common Charges. Each Residential Unit will be individually metered for electric usage, and the cost thereof will be an individual expense of each Residential Unit Owner.

Telephone

Telephone service will be available for all Residential Units. Each Residential Unit Owner will be responsible for their own phone service. Any telephone charges with respect to the public areas of the building will be borne by the Residential Unit Owners as a Common Expense, as applicable.

Water and Sewage

Water supply and sewer servicing the Buildings will be provided by the City of New York as described in the Description of Property Report in Part II of the Offering Plan.

Refuse Removal

Refuse removal will be provided by the New York City Department of Sanitation.

Snow Removal

Snow removal and road maintenance for all public streets adjoining the Condominium is provided by the New York City Sanitation Department. All snow removal and cleaning of any sidewalks and entranceways that abut the Condominium that is not the responsibility of the City of New York shall be the responsibility of the Condominium and a Common Expense of all the Residential Units in the Condominium.

Medical, Educational and Religious Facilities

A number of medical centers are located within proximity to the Buildings, such as Wyckoff Heights Medical Center and Woodhull Hospital.

Elementary, Middle and High Schools

Public schools located in the general vicinity are as follows:

P.S. 106 Edward Everett Hale
J.H.S. 291 Roland Hayes
Bushwick Community High School
Academy for Excellence-Leadership
Bushwick High School
Math Engineering and Science Academy
J.H.S. 291 Roland Hayes

No representation can be made as to the actual school children in the Condominium may attend or whether the children will have school bus service provided.

The above listing is by no means inclusive. No representation is made that the children of Residential Unit Owners will be entitled to attend any particular school.

There are houses or worship of most faiths in the vicinity of the property.

Zoning

The Condominium is zoned R6 which permits construction of the Condominium.

All surrounding areas are fully developed. Sponsor makes no representation as to whether or not said areas will remain in their current use or if redeveloped, as to their eventual use.

Neither Sponsor nor any of its Principals have an option or right to acquire any of the adjoining areas except for rental projects being developed by affiliated entities of the Sponsor located at 389 Weirfield Street and 376 Weirfield Street.

General

Sponsor does not make any representations to the continued existence of any of the named establishments or transportation lines. Additionally, no representation is made that future construction in the neighborhood surrounding the Condominium will not result in the obstruction of the views from any windows and/or terrace.

Subsequent to the Sponsor Control Period, Sponsor makes no guarantee or representation as to the continued operation of any of the services or amenities disclosed in this Section of the Offering Plan.

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V. SCHEDULE A

HANCOCK AND JEFFERSON CONDOMINIUM

1504 Jefferson Avenue and 1437 Hancock Street

Brooklyn, New York 11237

UNIT INFORMATION FOR THE PERIOD

APRIL 1, 2023 THROUGH MARCH 31, 2024

Unit Number	BR/Study/ Bath	Area Square Feet	Private Garden Limited Common Element**	Private Terrace Limited Common Element**	Private Rooftop Limited Common Element**	Juliet Balcony Limited Common Element**	Lightwell Square Footage	Storage Space Square Footage	Offering Price	Percent of Common Interest	Estimated Monthly Common Charges***	Estimated Annual Common Charges	Estimated Monthly Real Estate Taxes	Estimated Annual Real Estate Taxes	Total Estimated Monthly Carrying Charges	Total Estimated Annual Carrying Charges
1504 Jefferson Avenue																
1A	0/0/1	422	172					85	$ 350,000	3.2631%	$322	$ 3,858	$ 317	$ 3,809	$ 639	$ 7,667
Garden B	0/0/1.5	803	444				92		$ 655,000	6.2880%	$620	$ 7,434	$ 612	$ 7,341	$ 1,232	$ 14,775
Garden C	0/0/1.5	827	391				97		$ 720,000	6.3685%	$627	$ 7,529	$ 620	$ 7,435	$ 1,247	$ 14,964
2A	1/1/1	742				19			$ 705,000	5.0112%	$494	$ 5,925	$ 488	$ 5,850	$ 982	$ 11,775
2B	1/1/1	702		59					$ 685,000	4.8099%	$474	$ 5,687	$ 468	$ 5,615	$ 942	$ 11,302
3A	1/1/1	745		81					$ 715,000	5.1354%	$506	$ 6,072	$ 500	$ 5,995	$ 1,006	$ 12,067
3B	1/1/1	708		53					$ 695,000	4.8401%	$477	$ 5,722	$ 471	$ 5,650	$ 948	$ 11,372
PHB	1/0/1	677		128					$ 660,000	4.7579%	$469	$ 5,625	$ 463	$ 5,554	$ 932	$ 11,179
PHA	2/1/2	1184		59	425				$ 1,250,000	8.7576%	$863	$ 10,354	$ 852	$ 10,223	$ 1,715	$ 20,577
1437 Hancock Street																
1A	0/0/1	404	158					85	$ 345,000	3.1188%	$307	$ 3,687	$ 303	$ 3,641	$ 610	$ 7,328
Garden B	0/0/1.5	989	391				92		$ 778,000	7.4472%	$734	$ 8,805	$ 725	$ 8,694	$ 1,459	$ 17,499
Garden C	0/0/1.5	853	444				97		$ 695,000	6.6319%	$653	$ 7,841	$ 645	$ 7,742	$ 1,298	$ 15,583
2A	1/1/1	745				18			$ 707,000	5.0297%	$496	$ 5,947	$ 489	$ 5,872	$ 985	$ 11,819
2B	1/1/1	706		57					$ 677,000	4.8334%	$476	$ 5,715	$ 470	$ 5,643	$ 946	$ 11,358
3A	1/1/1	743		87					$ 720,000	5.1320%	$506	$ 6,068	$ 499	$ 5,991	$ 1,005	$ 12,059
3B	1/1/1	704		56					$ 675,000	4.8183%	$475	$ 5,697	$ 469	$ 5,625	$ 944	$ 11,322
PHB	2/0/1	922			351				$ 915,000	6.7762%	$668	$ 8,012	$ 659	$ 7,910	$ 1,327	$ 15,922
PHA	2/0/1	921		126	351				$ 935,000	6.9808%	$688	$ 8,253	$ 679	$ 8,149	$ 1,367	$ 16,402
TOTAL		**13,797**	**2,000**	**706**	**1,127**	**37**	**378**	**170**	**$ 12,882,000**	**100.0000%**	**$9,855**	**$ 118,230**	**$ 9,729**	**$ 116,739**	**$ 19,584**	**$ 234,970**

***Projected real estate tax projections for the first year of operation contained on Schedule A are based on an assessment of the building before construction is complete. Purchasers are advised that real estate taxes may increase materially when the building is reassessed after construction is complete. See Footnote 5 to Schedule A for more information regarding the projected assessed valuation after completion to construction.**

****The private garden, private terrace, private rooftop, Juliet balcony, lightwell and storage space areas appurtenant to a Residential Unit are designated as Limited Common Elements of a Residential Unit. The square footage of the prviate garden, private terrace, private rooftop, Juliet balcony, lightwell and storage space areas are not included in the overall square footage reflected in the Residential Unit square footage. The private gardens, private terraces, private rooftops, and Juliet balconies cannot be enclosed and are not permitted to be used as a bedroom or living room. The Cellar is for accessory use only and may not be used for sleeping, cooking, and/or living purposes and will not be rented independently. To do any of the foregoing may result in a building code violation being issued for the Buildings.**

*****Any Purchaser who enters into a License Agreement for a Storage Space will be required to pay the License Fee for said Storage Space reflected in Schedule A-1 in addition to the Common Charges.**

Pursuant to contracual agreement, the obligation to pay the New York State Real Estate Transfer Taxes at the rate of $2.00 per $500 of consideration and New York City Transfer Tax of 1% of the purhcase price where consideration is less than $500,000 and 1.4259% of the purchase price where consdieration is $500,000 or greater has been transferred to Purchaser.

SCHEDULE A-1

HANCOCK AND JEFFERSON CONDOMINIUM

Schedule A-1: Purchase Prices for Storage Space Licenses and Related Information for the Projected First Year of Condominium Operation (April 1, 2023 – March 31, 2024)

Storage Unit	Storage Space Square Feet	Storage Space Purchase Price	License Fee Per Month	License Fee Per Year
1437 Hancock Street				
1	8.75	$12,000	$15.00	$180.00
2	8.75	$12,000	$15.00	$180.00
3	8.75	$12,000	$15.00	$180.00
4	8.75	$12,000	$15.00	$180.00
5	8.75	$12,000	$15.00	$180.00
6	8.75	$12,000	$15.00	$180.00
7	8.75	$12,000	$15.00	$180.00
8	8.75	$12,000	$15.00	$180.00
9	9.00	$12,000	$15.00	$180.00
10	9.00	$12,000	$15.00	$180.00
1504 Jefferson Avenue				
1	9.00	$12,000	$15.00	$180.00
2	9.00	$12,000	$15.00	$180.00
3	9.00	$12,000	$15.00	$180.00
4	9.00	$12,000	$15.00	$180.00
5	9.00	$12,000	$15.00	$180.00
6	9.00	$12,000	$15.00	$180.00
7	9.00	$12,000	$15.00	$180.00
8	9.00	$12,000	$15.00	$180.00
9	9.00	$12,000	$15.00	$180.00
10	9.00	$12,000	$15.00	$180.00
Total License Fees	**178.00**	**$240,000**	**$300.00**	**$3,600.00**

FOOTNOTES TO SCHEDULE A AND A-1

1. Sale prices are as of date of initial acceptance for filing of the Offering Plan by the Attorney General's Office. No change in the sales prices will be made other than pursuant to a duly filed amendment, except that the Sponsor reserves the right to decrease the sales prices below the Offering Plan prices without filing an amendment to the Plan at any time during the offering where a reduction in sales price does not constitute a general offering but is rather the result of an individually negotiated Residential Unit purchase. See Section IX of the Offering Plan as to other terms of the offering which are negotiable. See Section XVI of the Offering Plan for estimated Closing Costs and Adjustments, which costs are in addition to the sale prices set forth herein. The number of rooms in each Residential Unit is based upon standard Department of Buildings requirements. Purchasers should refer to Schedule A as to the Residential Units that include a terrace as a Limited Common Element. The terraces, balconies, rooftop terrace and yard/court/patio area may not be legally used as a bedroom or living room and to do so may result in a building code violation being issued for the building. The residential cellar space appurtenant to a Residential Unit may not be used for sleeping or a dining room. The cellar has less light and air than ordinary living space and it may be more susceptible to dampness Said space is included in the total square footage of a Residential Unit.

2. Purchasers of a Residential Unit should refer to the floor plans in Schedule G-2 of Part II of the Plan for details of each type of Residential Unit. Purchasers of a Residential Unit should refer to the floor plans in Schedule G-2 of Part II of the Plan for details of each type of Residential Unit. All dimensions are approximate and subject to construction variances. Plans and dimensions may contain minor variation from floor to floor. All measurements are approximate and subject to construction variances. Plans and dimensions may contain minor variations from floor to floor.

   The Residential Units have been measured as follows:

   (a) The approximate square foot area of each Residential Unit is measured horizontally on each of one or more floors from the outermost extent of exterior walls of a Building to the midpoint of the interior walls and partitions separating one Residential Unit from another Residential Unit, or the midpoint of the interior walls and partitions separating a Residential Unit from, egress stairs and other mechanical equipment spaces or any Common Elements excluding Common Corridors, to the opposite outermost extent of exterior walls of a Building, as the case may be.

   (b) Columns, mechanical pipes, shafts, shaft ways, chases, chase ways, conduits, and private convenience stairways in all Residential Units are not deducted from measurement of each Residential Unit.

(c) When a Residential Unit shares a wall with a common corridor, the area shall be measured to the finished face of the corridor wall on the corridor side of the wall.

(d) Areas on the Common Corridor side of Residential Unit Entry Doors shall be included in the Residential Unit Area up to the outermost extents of the architectural millwork frame of the door.

(e) Measured vertically, each Residential Unit will consist of the volume from the top of the floor slab (located under the finished flooring and sub-floor materials) to the underside of the floor slab above.

(f) Terraces, exterior to a Building envelope and complying with parapet and fencing height restrictions set forth in the NYC Zoning resolution, are not subject to inclusion in floor area calculations. Terrace areas are not included in the Residential Unit Floor Areas.

As such the areas are not based upon measurements from interior surfaces of interior walls, and the actual living area comprising the Residential Unit is significantly less than the area listed in Schedule A.

3. The Percentage of Common Interest of each Residential Unit has been based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Residential Unit, the availability of Common Elements for exclusive or shared use, and overall dimensions of the particular Residential Unit. Said method of determining the Percentage of Common Interest in a condominium complies with and is pursuant to Section 339-i(1) (iv) of the Real Property Law of the State of New York. This Percentage of Common Interest determines the amount each of said Residential Unit Owners will pay for their Common Charges, subject to the provisions of Section 339-m of the Real Property Law of the State of New York. See Section I of the Offering Plan. Based upon final specifications, construction conditions and/or “as-built” Plans for the Building reflecting relative measurements, areas and uses of portions of the Buildings, application of such method of allocation of the Percentage of Common Interest may justify a minor increase or decrease in the aggregate of the Percentage of Common Interest appurtenant to Residential Units. In such event, the Percentage of Common Interest appurtenant to each individual Residential Unit would be adjusted pro rata. Sponsor expressly reserves the right, from time to time, prior to the first Closing, to effect such a change in the Percentage of Common Interests and to amend the Plan so as to reflect the same. In no event, however, will the Percentage of Common Interest of any Residential Unit be increased or decreased as a result of any of the foregoing a material amount without the written consent of any Purchaser in contract for a Residential Unit affected. Purchasers should note that there is a rebuttable presumption that a five (5%) percent change in the square footage of a Unit does not constitute a material change.

4. The projected monthly Common Charges provide for the maintenance of the Property outlined in Schedule B. The actual first year of operation may be earlier

or later than the projected annual period. In addition to these estimated charges, each Residential Unit Owner will be responsible for paying, at a minimum, the following charges pertaining to their Residential Unit:

(a) mortgage debt payments under any loan or loans obtained to finance the acquisition of a Residential Unit;

(b) the cost of electricity, cable, or internet service supplied to the Residential Unit, which will be separately metered, sub-metered or measured by, and will be payable directly to, the utility company or provider of such services as and when billed; See "Budget for Individual Energy Costs Schedule B-1" in Part I of the Offering Plan for a more detailed description of the projected cost of electricity supplied to the Residential Unit.

(c) the cost of interior repairs to, and the maintenance, painting and decoration of, the Residential Unit and any general maintenance applicable to the Residential Unit's Limited Common Elements that are the responsibility of a Residential Unit Owner as provided in the Offering Plan (including, without limitation, the equipment and appliances contained therein); and

(d) the cost of insurance that the Residential Unit Owner covering (i) furniture, belongings, equipment, and other personal property and (ii) The Residential Unit Owner's liability to others for personal injury or property damage as a result of occurrences in the Residential Unit.

Purchasers who enter into a License Agreement for a Storage Space will also be required to pay the applicable License Fee for said Storage Space reflected in Schedule A-1.

5. Real Estate Tax estimates were provided to the Sponsor by the law firm of Korngold, Powers, LLP, Counselors at Law ("Real Estate Tax Counsel") with offices located at 60 East 42nd Street, Suite 4600, New York, New York 10165 based upon information provided to them by the Sponsor. A copy of their Opinion Letter is contained in Section XXIII of the Offering Plan.

The assessed value of the Residential Units is determined by the City of New York. Taxes may increase in subsequent years if the tax rates increase. In view of the fact the projected real estate taxes for the first year of operation contained in Schedule A are based on an assessment of the Buildings before construction is complete real estate taxes may increase materially when the Building is reassessed after construction is complete.

The estimated real estate tax assessment has also considered the recent tax assessment history of the property, the cost of the new project, the potential income for the new structure (if operated as a rental), comparable properties in the Borough of Brooklyn which have been newly constructed or undergone renovation as well as market conditions in the general area. **This estimate has not fully considered**

the effect of the current Corona Virus pandemic, it is unknown how this will affect assessed values going forward and therefore was not fully factored into this estimate.

Real Property Tax Law Section 581 provides that condominium units shall be assessed for tax purposes as if the building was a comparable rental property. As such the New York City Department of Finance ("DOF") is prohibited from utilizing the sales prices of the individual condominium units in determining the assessed valuation. Therefore, the prices of the individual Residential Units reflected in Schedule A and any subsequent sales or resales are not relevant in determining the assessed value of the property or of the individual Residential Units. Upon the conversion to a condominium and after an application is submitted by the Sponsor to DOF, the DOF will assign individual tax lot numbers to each of the Residential Units. The Residential Units of the Property will be designated by the DOF as a Tax Class 2 property and will pay on a Class 2 rate at the next tax year. The 2021/2022 tax class 2 residential tax rate has been set at $12.235 for each $100 of assessed valuation.

Tax Class 2C is a protected residential tax class covering condominium buildings where there are ten or fewer residential units and which limits the increases in assessed value that may be imposed on the condominium units. Pursuant to Real Property Tax Law Section 1805, the assessor shall not increase the assessment of any parcel in this tax class in any one year, as measured from the actual assessment on the previous year's assessment roll, by more than eight percent and shall not increase such assessment by more than thirty percent in any five-year-period. Increases due to physical improvements (such as the construction of the buildings) are added in full to the next year's assessment and are not subject to the 8% and 30% limitations. Therefore, the increase in the assessed value which is forecast for the post construction tax year below will not be subject to the 8% and 30% limitations. Since the law grants the 2C tax cap benefit on a per parcel basis, each building should be deemed a separate parcel and thus the 2C protection should be applied but no guarantee is made that the Department of Finance will not disregard the limitation due to the condominium status.

In June of 2021, the New York State Legislature passed legislation extending property tax abatements for homeowners in New York City cooperatives and condominiums through June 30, 2023, at the rate of 17.5% with buildings with average assessments greater than $60,000 per unit and a greater percentage for buildings with a lesser average per unit. It is anticipated that this bill will become law. Assuming the post construction assessed value is set as estimated in this letter, the abatement for eligible unit owners would be set at 17.5% of the annual taxes. A unit owner must acquire title by January 5 and an application must be timely filed with the New York City Department of Finance to be possibly eligible for the abatement for immediately successive tax year. The law makes additional changes from the original abatement law which will eliminate such abatement benefits for units which are not the primary residence of the owner. The law further limits the benefits of a maximum of three units in the building, one of which must

be the primary residence of the owner. Units owned by limited liability companies and corporations are not eligible. In September of 2021, Governor Hochul signed into law an amendment to the existing condo abatement law which would require certain buildings to pay a prevailing wage to all building service workers in order to be eligible for this condo abatement. If the assessed value is determined as estimated in this letter, this condominium will initially not have to pay such prevailing wage to any building service worker, but if the assessed value is determined to be greater than $1,800,000, then such prevailing wage must be paid in order to obtain the tax abatement. It is unknown at this time if unit owners will have acquired their ownership interests at a point in time by which they will be eligible to apply for this abatement or if this law will be reenacted. The Condominium may not qualify for the abatement unless a prevailing wage is paid to all building service workers. Therefore, in predicting the taxes no consideration has been given to this tax benefit. Unit Owners are advised to beware of various filing deadlines that may be included in the renewed law as well as possible changes in the level of abatement and eligibility.

Since November 28, 2005, the DOF calls for the locking-in of common-interest percentages extracted from the condominium declaration filed at the New York City Register's Office. As a result, it is anticipated that the individual residential units will have a relationship with each other in line with such common interests.

Predicated upon the foregoing, it is estimated that for the initial budget year of April 1, 2023, through March 31, 2024, the total taxable assessed value of the property for 2022/2023 will be $66,573 which represents the first three months of the initial budget year and for following nine months which shall be during the 2023/2024 tax year it is estimated that the actual assessed value will be $1,250,000 which is also estimated to be the post construction assessed value. It is anticipated that the Building will be complete by April 1, 2023. It is anticipated that the partial assessment as described below will be for the year of operation commencing April 1, 2023 through March 1, 2024. It is anticipated that the full assessment will commence for the year of operation commencing April 1, 2024 through March 31, 2025. Purchasers are cautioned that the assessment practices of the New York City Department of Finance have been notoriously inconsistent in assessing properties during the course of construction and as a result and in view of the fact that the projected real estate taxes for the first year of operation contained in Schedule A are based on an assessment of the Buildings before construction is complete real estate taxes may increase materially when the Buildings are reassessed after construction is complete.

The real estate taxes for the first year of operation of the Condominium are estimated as follows:

April 1, 2023, through June 30, 2023 (3 Months of the 2022/2023 Tax Year)

Assessed Value	Tax Rate	Tax (3 months)
$66,573	.12235%	$2,036

July 1, 2023, through March 31, 2024 (9 Months of the 2023/2024 Tax Year)

Assessed Value	Tax Rate	Tax (9 months)
$1,250,000	.12235%	$114,703

Estimated Initial Budget Year Real Estate Taxes	$ 116,739
Estimated Post Construction Real Estate Taxes	$ 152,938

The real estate taxes for the fully assessed completed Condominium for the year of operation April 1, 2024 through March 31, 2025 are estimated using an estimated assessed value of $1,250,000 based upon an estimated tax rate of .12235.

Any projected or estimated amount set forth above including, without limitation, the estimates of the Property's assessed valuation during the first year of Condominium operation; the estimates of the portions of such assessed valuations that will be allocable to the Residential Units; the tax rate that will be in effect during the first year; will approximate the actual amount.

Although the aforesaid estimate of Actual Assessed Valuation is a good faith estimate, it is not possible to estimate the same with any degree of certainty. Assessed valuations, when actually made, may be lesser or greater based on interpretation of the administrative code and the applicable rules and regulations of the City of New York. The estimates are not intended and should not be construed as warranties as to future assessed valuations of the Property.

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

Pursuant to Tax Act, the real estate taxes payable by a Residential Unit Owner which are assessed against their Residential Unit by any governmental taxing authority, are a proper deduction in connection with Federal Income Taxes payable by such Residential Unit Owner to a maximum of $10,000. In the event a Purchaser of a Residential Unit obtains a mortgage, the interest payable on a maximum mortgage of $750,000, will be deductible for Federal income tax purposes provided the Residential Unit will be the Purchaser's principal residence. Any projected tax deduction (where applicable) may vary in future years due to changes in the interest rate on the Unit Owner's mortgage (if any) or from changes in the allocation of constant debt service payments to interest and principal, or due to changes in real property taxes resulting from the expiration of real estate tax benefits, or from changes in the assessed value, the tax rate or the method of assessing real property.

See “Real Estate Taxes” in Section XXI of this Offering Plan and the opinion of Real Estate Tax Counsel in Section XXIII of the Offering Plan.

6. The Sponsor is not offering and has not procured mortgage financing. As a result, the projected monthly carrying charges for financing have not been included in Schedule A. In the event a Purchaser obtains a mortgage, a Purchaser’s monthly carrying charges will increase. Any Purchaser who applies for a mortgage from a lending institution should check with that institution as to the monthly mortgage costs as well as any Closing Costs that the Purchaser will be obligated to pay the lending institution.

   In the event a Purchaser of a Residential Unit obtains a mortgage, the interest payable on the mortgage, to a maximum mortgage of $750,000 will be deductible for Federal income tax purposes, to the extent allowed by law, provided the Residential Unit will be the Purchaser’s principal residence.

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VI. SCHEDULE B
PROJECTED BUDGET

Hancock and Jefferson Condominium
1504 Jefferson Avenue and 1437 Hancock Street, BROOKLYN, NEW YORK
ESTIMATED SCHEDULE OF RECEIPTS AND EXPENSES
FOR FIRST FULL YEAR OF OPERATION
April 1, 2023 to March 31, 2024

INCOME	
(1) COMMON CHARGES – RESIDENTIAL	$118,230
(2) LICENSE FEES STORAGE LICENSES	$ 3,600
(3) SPONSOR CONTRIBUTION	$ 9,000
TOTAL INCOME	$130,830
EXPENSES	
(4) LABOR	$ 24,460
(5) ELECTRICITY	$ 27,025
(6) GAS	$ -
(7) WATER CHARGES & SEWER RENTS	$ 11,101
(8) REPAIRS, MAINTENANCE & SUPPLIES	$ 8,000
(9) SERVICE CONTRACTS	$ 13,600
(10) INSURANCE	$ 13,250
(11) MANAGEMENT FEE	$ 18,000
(12) LEGAL & AUDIT FEES	$ 3,500
TOTAL OPERATING EXPENSES	$118,936
(11) RESERVE FUND	$ 11,894
TOTAL OPERATING EXPENSES	**$130,830**

* In the event the actual first year budget differs from the actual commencement of the budget year by six (6) months or more, Sponsor will amend the Offering Plan to include a revised budget. See explanatory footnotes. If amended projections exceed the original projections by twenty-five (25%) percent or more, the Sponsor will offer all Purchasers the right to rescind their Purchase Agreement and have their Deposits returned, with interest, if any within a reasonable period of time that is not less than fifteen (15) days. In addition, in the event the estimated commencement date of the first year of operation of the Condominium is delayed by twelve (12) months or more, Purchasers will be offered a right of rescission unless Purchaser enters into a Purchase Agreement subsequent to an amendment disclosing a revised estimated date of the first Closing. In such an event the Purchaser will be offered a right of rescission by an amendment to the Offering Plan if the estimated date of the Closing of the first Residential Unit is delayed by twelve (12) months or more from the estimated date disclosed in the amendment.

FOOTNOTES TO PROJECTED BUDGET

1. **COMMON CHARGES - RESIDENTIAL**

These amounts represent the total Common Charges to be levied against, and collected from, the Residential Unit Owners during the anticipated First Year of Condominium Operation. The Common Charges will be utilized by the Condominium Board to defray the operational expenses of the Condominium. Except as otherwise set forth herein, the Common Charges have been allocated between the Residential Unit Owners on the basis of Percentage of Common Interest allocated to each Residential Unit.

Purchasers should note that the projected Common Charges do not include certain costs for which the Residential Unit Owner is responsible such as (where applicable) repairs to the interior of the Residential Unit, separately metered electricity, hot water, heat, air conditioning and cable television service. Purchasers should refer to Schedule B-1 for individual utility costs that are not part of the Common Charges.

2. **LICENSE FEES – STORAGE**

There will be a total of twenty (20) Storage Spaces (ten (10) Storage Spaces will be located in the cellar of each Building). The Condominium will charge a License Fee for the use of the individual Storage Spaces as reflected in Schedule A-2. Each Storage Space Licensee will be charged a monthly License Fee. The monthly Storage Space License Fees projected herein are based upon estimated expenses for the twelve (12) month period commencing April 1, 2023. The residential Common Charges will be offset by the income derived by the License Fees for a Storage Space.

The License Fees for a Storage Space will be subject to increases based on the percentage increase in subsequent budgets approved by the Board of Managers or as otherwise determined as the Board of Managers deems necessary in its discretion.

3. **SPONSOR SUBSIDY**

Purchasers are advised that Sponsor has elected to subsidize the operating expenses for the First Year of Operations in the amount of $9,000 ("Sponsor Subsidy"). The Sponsor Subsidy is shown as an additional income line-item on Schedule B and offsets the operating expenses for the projected First Year of Condominium Operations. Purchasers are advised that the Residential Unit Owners will be responsible for the full amount of operating expenses for the second (and subsequent) years of condominium operation. As a result, Common Charges applicable to each Residential Unit will increase at such time so that Unit Owners will be responsible for the entire cost of Condominium operation, allocated to each Unit Owner based on their Unit's Percentage of Common Interest. The

Sponsor Subsidy will be deposited with the Board of Managers on the date of commencement of collection of Common Charges.

4. **SALARIES INCLUDING PAYROLL, TAXES, AND BENEFITS**

All building staff will be provided by Monarch Realty Group Holdings, LLC, a 3rd party company and the Managing Agent for the Condominium. As a result, the Condominium will not have any direct employees on their payroll. Staffing will include one (1) Part Time Super/Porter inclusive of all labor costs. Staffing is outlined under "Service Contracts." Purchasers should note that pursuant to the Administrative Code of the City of New York (the "Administrative Code") Section 27-052, et. seq. in the event a Building has 9 or more rental units (1) the owners perform the janitorial services on their own (2) a full-time superintendent who resides in the building or within 200 feet of the building; or (3) a janitorial service approved by the Department of Buildings available 24 hours per day. Purchasers and Residential Unit Owners should note that this provision of the Administrative Code is applicable to rental buildings only. In addition pursuant to a New York Court the statutory janitorial residency requirements do not apply to multiple dwellings whose owners personally reside in the premises and that in a Condominium the Board of Managers of the Condominium would qualify as a resident owner and therefore would meet the requirements of Section 1 above (see Hatcher v. Bd. of Managers of 420 W. 23rd St. Condo., 2007 NY Slip Op 3750, 39 A.D.3d 436, 835 N.Y.S.2d 112 (App. Div.) and Hatcher v. Bd. of Managers, 12 Misc.3d 78 at 80, 819 N.Y.S.2d 374 [2006]). The Condominium will use option 1 of Section 27-052 above. Individual Residential Unit Owners will be responsible for the following janitorial services: taking out household refuse for removal by the New York City Department of Sanitation and sweeping, vacuuming, mopping and/or dusting the Common Elements immediately in front of their Residential Unit. All other services of the Condominium will be contracted for and performed by independent contractors who are not employees of the Condominium on an as needed basis. In addition, the Managing Agent will provide for a 24/7 call in line that will meet emergency situations. Such staffing complies with all applicable housing and labor laws. It is expected that the staff will be paid Prevailing Wage and will comply with all NYS Labor Law. The labor costs included in this line item will be paid to the Managing Agent who will employ the Part-Time Super/Porter on behalf of the Condominium.

5. **ELECTRICITY**

Based on an estimate from A&D Engineering, PLLC, with offices located at 2613 East 65th Street, Suite 204, Brooklyn, New York 11234, it is anticipated that light and power and heat for the Common Elements as well as the mechanical equipment will be at an approximate annual cost of $38,607.00. **Based on the budget expert's experience in managing new construction Condominiums, the electrical projections in the Schedule B budget have been reduced from those set forth in the utility estimate letter by 30% due to the fact that the Buildings are not expected to be fully occupied**

during said period and the mechanical equipment will be underutilized. As it is not anticipated that any services will be inoperable, the expected usage of components contributing to the total electric cost to be used is approximately 30% less than projections contained in the utility estimate letter set forth in Schedule B-1, which assumes full occupancy for the entire first year of operations. The 30% reduction is derived from the projected absorption rate and ramp up of occupancy in the first year, thus reducing the usage of each mechanical that contributes to the total budgeted amount for electricity. It is anticipated that the utility expense may increase upon full occupancy of the Buildings to coincide with the anticipated costs set forth in the utility estimate letter. The current budget reflects a projection of $27,024.90. Con Edison Electric costs are based on a rate of $0.2297/KWH. Sponsor has added an inflationary factor to said amount. Purchasers can expect that the common electrical costs will increase as the Building becomes fully occupied.

Electricity shall be supplied to all Residential Units directly through a Con Edison meter for each Residential Unit. The cost of electricity consumed for use in order to operate HVAC Systems in each such Residential Unit or any Residential Limited Common Elements will be charged accordingly based on individual usage by each particular Residential Unit**.**

It is not possible to predict whether the budgeted figure will reflect the actual cost to be incurred during the first year of Condominium operation due to the level of consumption being an estimate. Many factors affect the cost of electricity, including a cost of oil used to generate electricity, which cost has been highly volatile and unpredictable. In recent years, electric rates have been increasing steadily.

Purchasers should refer to Schedule B-1 for estimated individual electrical costs applicable to the different type of Residential Units.

6. **GAS**

The Buildings will not utilize any gas for the Common Elements or Individual Residential Units.

7. **WATER AND SEWER**

Based on an estimate from A&D Engineering, PLLC, with offices located at 2613 East 65th Street, Suite 204, Brooklyn, New York 11234, it is anticipated that water and sewer charges for the Residential Units and all Common Elements, will be approximately $17,443.80 based on a combined water and usage charge of $13.54 per HCF. This price per HCF is reflective of the current market. In addition, an increase of 10% was used to reflect an inflation increase to HCF. Based on the budget experts experience in managing new construction Condominiums, the water/sewer projections have been reduced by 30% to reflect the ramp up of occupancy in the first year. The current budget reflects a projection of $11,100.60.

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

8. REPAIRS AND MAINTENANCE

This estimate includes painting, maintenance and repair costs of Common Elements and Residential Common Elements only. Residential Unit Owners will be responsible for the cost of repairs and painting in the interiors of their Residential Units. This estimate also includes the estimated annual cost of services and supplies (excluding service contracts) provided to and for the benefit of the Residential Units.

Supplies and Hardware	$3,000
Plumbing	$1,000
Electrical	$1,000
Elevators	$0
Intercom	$0
Window, Lock and Doors	$1,000
General Repairs	$1,000
Plastering/Painting	$1,000
Total	$8,000

This estimate is based on experience of Sponsor's budget expert, Monarch Realty Group Holdings, LLC., in operating comparable buildings. The intercom system is subject to a one (1) year warranty and their will not be any costs for repairs and maintenance to the Condominium for the first year of operation.

9. SERVICE CONTRACTS

This estimate includes the cost of various services used in or for the Common Elements as follow:

Fire Alarm	$ 2,200
Exterminating	$ 1,000
Sprinkler	$ 3,800
Telephone/Internet	$ 3,750
Carson/Virtual Doorman	$ 2,850
Total	$13,600

No maintenance or service contracts have been entered into as of the Filing Date of the Plan. The budgeted amounts are based on recent estimates received from contractors and the experience of Sponsor's budget expert, Monarch Realty Group Holdings, LLC, in operating comparable buildings. While this Schedule B includes a reasonable allowance for possible increases in cost, which may occur prior to and during the First Year of Condominium Operation, no warranty or guarantee is

made that the actual cost for these services or other services will be in accordance with this projection.

10. INSURANCE

The insurance premiums are based on a letter from Peace of Mind Insurance located at 2 Skillman Street, Brooklyn, New York 11205. The fire, casualty and general liability are on the terms set therein:

Building Limit:	$4,109,400 all risk, 100% replacement cost, no co-insurance
Rent Loss:	Actual loss up to 12 months
Deductible:	$2,500
Liability:	$1,000,000 per occurrence, $2,000,000 aggregate
Directors and Officers Coverage:	
Fidelity Bond:	
Boiler and Machinery Coverage:	
Workers Compensation:	
Excess Liability:	$1,000,000 coverage

The special cause loss and general liability insurance carried by the Condominium on a single entity basis, extending coverage of like kind and quality as original will provide: that each Residential Unit Owner is an additional insured party; that there will be no cancellation without notice to the Condominium Board; a waiver of subrogation; a waiver of invalidity because of acts of the insured and Residential Unit Owners; and a waiver of pro-rata reduction if Residential Unit Owners obtain additional coverage.

This coverage does not include claims for personal injury or property damage resulting from occurrences in individual Residential Units or any Common Elements exclusive to such Residential Units, nor does it include coverage of any Residential Unit (as such term is more particularly described in the Plan and the Declaration).

Insurance coverage must meet the requirements of any mortgage lender procured by the Sponsor.

Fire, casualty and general liability insurance must be on terms that provide:

Each Residential Unit owner is an additional insured party;
There will be no cancellation without notice to the Board of Managers;
A waiver of subrogation;
A waiver of invalidity because of acts of insured and Residential Unit owners; and
A waiver of pro-rata reduction if Residential Unit owners obtain additional coverage.

Residential Unit Owners are required to obtain additional insurance for their Residential Unit pursuant to the provisions of Article VII, Section 4 of the By-Laws at their own cost to cover such risks as fire and casualty losses to Residential Unit owners, replacements, additions, fixtures and improvements, and liability coverage for occurrences within the Residential Unit or the limited common elements subject to the By-Laws.

The proposed insurance provides property coverage on an All Risk/Replacement Cost basis. The Building limits and Business Income limits are based on an Agreed Amount which is a waiver of co-insurance.

This quotation is an indication of insurance premiums at current rates. Because conditions in the insurance marketplace are volatile, it is not possible to predict what the premiums will be for the first year of Condominium Operation. Purchasers should be aware of the possibility of rate increases. The insurance is adequate for the replacement of the building in the event of a total loss. The carrier will be selected at the time the coverage is bound. This will occur prior to the first closing. Sponsor will procure, on behalf of the Condominium Board, on or before the first closing, the general liability insurance that is required to be carried by the Condominium.

11. MANAGEMENT FEE

Based on the management agreement to be entered into Monarch Realty Group Holdings, LLC, at or before the first closing, it is expected that the Condominium Managing Agent will receive an annual fee for the first year of $19,500 ($1,650 x 12 months). This fee is commercially reasonable and comparable to management fees for buildings of similar size and quality as the Property. The term of the management agreement (the “Agreement”) shall be for a period of 1 year. The Agreement shall automatically renew for successive 1-year terms at an increase of $648 (3%) percent at each anniversary of the commencement date. In addition, the labor costs included in line item 4 of the budget will be paid to the Managing Agent who will employ the Part-Time Super/Porter on behalf of the Condominium. The managing agent is not affiliated with the Sponsor and does not have any financial interest in the Property except for its management fees for managing the Condominium. Purchasers should refer to Section XXVI of the Offering Plan for full details of the services to be provided by the Management Company.

12. LEGAL & AUDIT FEES

Based upon the estimate from Robert J. Futterman CPA, P.C. located at 202 Newtown Road, Plainview, New York 11803, Sponsor has budgeted $2,800 for estimated auditing and accounting fees in connection with the preparation of the audited financial statements for the First Year of Condominium Operation and federal, state and city income tax returns.

The remaining amount in this line item has been estimated to provide for minor legal services to be rendered in connection with the operation of the Buildings such as attendance at Condominium Board meetings, preparation of Condominium Board minutes and negotiation of minor agreements. The amount budgeted for legal services is calculated based on the Sponsor's budget expert's previous management experience in managing newly constructed buildings of comparable size.

13. **RESERVE FUND**

The Sponsor has estimated reserves for major capital improvements at approximately ten percent (10%) of the estimated operating budget. Said amount is sufficient to comply with Fannie Mae and FHA guidelines. It shall be the obligation of the Board of Managers to collect and utilize this Reserve Fund strictly and solely for capital expenditures for the Common Elements of this Condominium regime. The funds collected under this line item are for deposit into an account established by the Board of Managers to hold the Replacement Reserve Fund which is to be funded out of Common Charges and used for periodic maintenance, repair and replacement of the Common Elements, in accordance with the By-Laws. No representation is made that the reserve fund line item will be adequate for future expenses including repairs or replacements of Common Elements during the first five (5) years of the Condominium. If additional funds are required over and above said funds, it may be necessary to increase the Common Charges payable by the Residential Unit Owners, collect a Special Assessment from each Residential Unit Owner or borrow money.

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VII. SCHEDULE B-1

The projected energy costs for the individual Residential Units have been provided by A&D Engineering, PLLC, with offices located at 2613 East 65th Street, Brooklyn, New York 11234 as per the attached projections.

Actual costs may vary depending upon the hours of use, thermostat settings and proper maintenance. These cost figures are estimates and are not intended as guarantees.

In view of the fact that these averages may include the use of energy by persons of varying need with different standards of comfort or with families of different sizes, the amount of energy used by the Purchaser may vary substantially from the average estimates herein provided. In addition, the effect of inflation, fuel shortages and other factors may raise the cost of electricity substantially higher than the current or projected rate.

Although the Sponsor is under obligation to provide accurate information to Prospective Purchasers, factors beyond its control may substantially affect the cost of electricity after the purchase of a Residential Unit or in subsequent years. Sponsor represents however, that it has followed the plans and specifications provided by the manufacturer of the appliances together with the recommendation of the manufacturer and other experts to enable these items of equipment to operate at optimum efficiency at the lowest cost. Further, that it has not been induced to select the appliances etc., described herein on the basis of any financial inducement other than the cooperative advertising and price of the system made to it by the manufacturer or distributor of the system or by the supplier of energy to be used in connection therewith or by any of their agents or employees. Although Sponsor is of the opinion the amounts set forth in Schedule B-1 appear reasonable and adequate under existing circumstances to meet the reasonably anticipated costs to provide utility services to the Residential Units, no item is warranted as to its accuracy, sufficiency or otherwise.

A&D ENGINEERING, PLLC
CONSULTING ENGINEERS
HVAC – PLUMBING - FIRE PROTECTION
ELECTRICAL - FIRE ALARM
Tel: (718) 872-6122 / (718) 872-6144
E-mail: ad@adnyeng.com ; www.adnyeng.com
Main Office: 2606 East 15th Street, Suite #204, Brooklyn, NY 11235

May 18, 2022

Projection of Utility Cost for Building and Individual Units
1437 Hancock Street, Brooklyn, NY 11237

GENERAL

The charges indicated below are based on the following assumption:

1. Heating is based on 4,619 degree-days officially provided datum obtained from New York State Energy Research and Development Authority (NYSERDA). The System shall maintain 68 degree Fahrenheit in the residential units when outdoor air temperature is -4 degree Fahrenheit (2014 NYC BC, SECT 1204).
2. Air conditioning system shall maintain 78 degree Fahrenheit when outdoor air temperature is 89 degree Fahrenheit (2014 NYC BC, SECT 1204). Windows to have curtains, Venetian blinds or other shading materials.
3. Energy rate structure for electricity use is based on NYSERDA Rate for Residential.
4. Each residential unit is calculated to have a mini-split electrical heat pump HVAC system, electrical washer and dryer, and all other appliances included in the sale. The hot water is produced by individual electrical hot water heaters instantaneous type.
5. The estimated first year cost for Water and Sewer as of April 1, 2023 projected first year of condominium operation, using current rate as of April 2022, is an estimated rate of $4.10 per hundred cubic feet of water and the average as listed below:

   Studio (2 people) – 120 gal/day.
   1-bedroom apartment (2 people) – 120 gal/day.
   2-bedroom apartment (3 people) – 180 gal/day.

   Charges for waste and storm sewer services are $6.34, for a combined water/sewer charge of $10.61 per 100 cf of water, plus an inflation factor estimated at 10%, results in an estimated cost of $13.54. This is an estimated rate which includes service charge, taxes and estimated increase.

Bare Cost	$ 10.610
10% Increase (Est.)	$ 1.0610
Sub-total	$ 11.671
16% Taxes	$ 1.8674
Total (Estimated)	**$ 13.538**

6. The estimated Electric cost, as of April 1, 2023 projected first year of condominium operation, using current rate as of January 2022, plus an inflation factor estimated at 10%, results in an estimated cost of $0.2680/kWH. This is an estimated rate which includes service charge, taxes and estimated increase. Note that the state of the electrical industry in New York City and State is extremely volatile due to various political and economic issues and the future electrical costs cannot be accurately predicted. However, the costs provided below should allow for an accurate order of magnitude estimate.

Bare Cost	$ 0.2100
10% Increase (Est.)	$ 0.0210
Sub-total	$ 0.2310
16% Taxes	$ 0.0370
Total (Estimated)	**$ 0.2680**

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7. The figures can vary considerably depending on the severity of the weather, the efficiency of the actual equipment installed, occupants' personal habits as well as other operating parameters. These figures are not intended to be a guarantee.

A. ESTIMATED UTILITIES FOR HOUSE LOADS / AREAS

WATER CHARGE & SEWER RENT

Water and Sewer Charges for the metered building are assessed by the City of New York based on the actual amount of usage. The City of New York currently charges $10.61 per hundred cubic feet of water and sewer (approximately 748 gallons). **$13.54** this is an estimated rate which includes service charge, taxes and estimated increase. There will be one water meter servicing the entire building.

We estimate that daily water consumption will be as listed below for an annual water consumption of:

STUDIO (2 People)	3 apt	x	120 gal	x	365 days		131,400 gal/yr
1 BR APT (2 People)	4 apt	x	120 gal	x	365 days		175,200 gal/yr
2 BR APT (3 People)	2 apt	x	180 gal	x	365 days		131,400 gal/yr
Total apartments	**9**						**438,000 gal/yr**
	438,000 gal/yr	/	748 gal				586 HCF/yr
Total annual usage	586 HCF/yr	x	$ 13.54	per HCF		**$**	**7,929 per year**

Based on current combined water and sewer rates (with taxes and estimated increase) of $13.54 per HCF.

* These costs may vary based on occupancy and use.

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ELECTRICAL USAGE (CONDO)

Typical Calculations for :
Units: **STUDIO (#1A)**
Area: 418 sq. ft.

Lighting		0.7 w	x	418.00 sq.ft.	x	3 hr/day	x	30 days	26.3 kwh/month
Refrigerator		0.6 kw	x	5 hr/day	x	30 days			90 kwh/month
Washing Machine		2 kw	x	16 hr/month					32 kwh/month
Electrical Dryer		2.5 kw	x	16 hr/month					40 kwh/month
Electrical Range		6.3 kw	x	0.5 hr/day	x	30 days			94.5 kwh/month
Microwave		0.95 kw	x	0.25 hr/day	x	30 days			7.125 kwh/month
Hood		0.04 kw	x	0.5 hr/day	x	30 days			0.6 kwh/month
Sub-Total Annual Usage:		290.6 kwh/months	x	12 month					**3,487 kwh/yr**
Air Handler(s)		0.13 kw	x	12 hr/day	x	30 days			46.8 kwh/month
CU unit:		2.83 kw	x	10 hr/day	x	30 days			849 kwh/month
		896 kwh/month	x	8 month					**7,166** kw/yr
Exhaust(kitchen):	1 x	0.0111 kw	x	0.1 hr/day	x	30 days			0.03 kwh/month
Exhaust(bathroom):	1 x	0.0111 kw	x	0.1 hr/day	x	30 days			0.03 kwh/month
		0.067 kwh/month	x	12 month					**0.8** kw/yr
Heating(storage):	1 x	1.125 kw	x	2 hr/day	x	30 days			68 kwh/month
Heating(bathrooms):	1 x	1 kw	x	2 hr/day	x	30 days			60 kwh/month
		128 kwh/month	x	3 month					**383** kw/yr
Electrical Water Heater	1 x	18 kw	x	1.5 hr/day	x	30 days			810 kwh/month
		810 kwh/month	x	12 month					**9,720** kw/yr
HW Circulating Pump	1 x	0.167 kw	x	1 hr/day	x	30 days			5 kwh/month
		5 kwh/month	x	12 month					**60** kw/yr
Annual Cost:		20,817 kwh/yr	x	26.80 c/kw					**$ 5,579 per year**

TOTAL ANNUAL USAGE: **$5,579** per year or **$464.90** per month

* These costs may vary based on occupancy and use

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Typical Calculations for :
Units: **STUDIO (#1B)**
Area: 991 sq. ft.

Lighting		0.7 w	x	991.00 sq.ft.	x	3 hr/day	x	30 days	62.4 kwh/month
Refrigerator		0.6 kw	x	5 hr/day	x	30 days			90 kwh/month
Washing Machine		2 kw	x	16 hr/month					32 kwh/month
Electrical Dryer		2.5 kw	x	16 hr/month					40 kwh/month
Electrical Range		6.3 kw	x	0.5 hr/day	x	30 days			94.5 kwh/month
Microwave		0.95 kw	x	0.25 hr/day	x	30 days			7.125 kwh/month
Hood		0.04 kw	x	0.5 hr/day	x	30 days			0.6 kwh/month
Sub-Total Annual Usage:		326.7 kwh/months	x	12 month					**3,920 kwh/yr**
Air Handler(s)		0.27 kw	x	12 hr/day	x	30 days			97.2 kwh/month
CU unit:		2.83 kw	x	10 hr/day	x	30 days			849 kwh/month
		946 kwh/month	x	8 month					**7,570** kw/yr
Exhaust(kitchen):	1 x	0.0111 kw	x	0.1 hr/day	x	30 days			0.03 kwh/month
Exhaust(bathrooms):	2 x	0.0111 kw	x	0.1 hr/day	x	30 days			0.07 kwh/month
		0.10 kwh/month	x	12 month					**1.2** kw/yr
Heating(bathrooms):	1 x	1 kw	x	2 hr/day	x	30 days			60 kwh/month
		60 kwh/month	x	3 month					**180** kw/yr
Electrical Water Heater	1 x	18 kw	x	1.5 hr/day	x	30 days			810 kwh/month
		810 kwh/month	x	12 month					**9,720** kw/yr
HW Circulating Pump	1 x	0.167 kw	x	1 hr/day	x	30 days			5 kwh/month
		5 kwh/month	x	12 month					**60** kw/yr
Annual Cost:		21,451 kwh/yr	x	26.80 c/kw					**$ 5,749 per year**

TOTAL ANNUAL USAGE: **$5,749** per year or **$479.07** per month

* These costs may vary based on occupancy and use

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ELECTRICAL - FIRE ALARM
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Typical Calculations for :
Units: **STUDIO (#1C)**
Area: 853 sq. ft.

Lighting		0.7 w	x	853.00 sq.ft.	x	3 hr/day	x	30 days	53.7 kwh/month
Refrigerator		0.6 kw	x	5 hr/day	x	30 days			90 kwh/month
Washing Machine		2 kw	x	16 hr/month					32 kwh/month
Electrical Dryer		2.5 kw	x	16 hr/month					40 kwh/month
Electrical Range		6.3 kw	x	0.5 hr/day	x	30 days			94.5 kwh/month
Microwave		0.95 kw	x	0.25 hr/day	x	30 days			7.125 kwh/month
Hood		0.04 kw	x	0.5 hr/day	x	30 days			0.6 kwh/month
Sub-Total Annual Usage:		318.0 kwh/months	x	12 month					**3,816 kwh/yr**
Air Handler(s)		0.17 kw	x	12 hr/day	x	30 days			61.2 kwh/month
CU unit:		2.83 kw	x	10 hr/day	x	30 days			849 kwh/month
		910 kwh/month	x	8 month					**7,282** kw/yr
Exhaust(kitchen):	1 x	0.0111 kw	x	0.1 hr/day	x	30 days			0.03 kwh/month
Exhaust(bathrooms):	2 x	0.0111 kw	x	0.1 hr/day	x	30 days			0.07 kwh/month
		0.10 kwh/month	x	12 month					**1.20** kw/yr
Electrical Water Heater	1 x	18 kw	x	1.5 hr/day	x	30 days			810 kwh/month
		810 kwh/month	x	12 month					**9,720** kw/yr
HW Circulating Pump	1 x	0.167 kw	x	1 hr/day	x	30 days			5 kwh/month
		5 kwh/month	x	12 month					**60** kw/yr
Annual Cost:		20,878 kwh/yr	x	26.80 c/kw					**$ 5,595 per year**

TOTAL ANNUAL USAGE: **$5,595** per year or **$466.29** per month

* These costs may vary based on occupancy and use

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Typical Calculations for :
Units: **1BEDROOM (#2A, #2B)**
Renging between: 699-741 sq. ft.

Lighting		0.7 w	x	720.00 sq.ft.	x	3 hr/day	x	30 days	45.4 kwh/month
Refrigerator		0.6 kw	x	5 hr/day	x	30 days			90 kwh/month
Washing Machine		2 kw	x	16 hr/month					32 kwh/month
Electrical Dryer		2.5 kw	x	16 hr/month					40 kwh/month
Electrical Range		6.3 kw	x	0.5 hr/day	x	30 days			94.5 kwh/month
Microwave		0.95 kw	x	0.25 hr/day	x	30 days			7.125 kwh/month
Hood		0.04 kw	x	0.5 hr/day	x	30 days			0.6 kwh/month
Sub-Total Annual Usage:		309.6 kwh/months	x	12 month					**3,715 kwh/yr**
Air Handler(s)		0.22 kw	x	12 hr/day	x	30 days			79.2 kwh/month
CU unit:		2.83 kw	x	10 hr/day	x	30 days			849 kwh/month
		928 kwh/month	x	8 month					**7,426** kw/yr
Exhaust(kitchen):	1 x	0.0111 kw	x	0.1 hr/day	x	30 days			0.03 kwh/month
Exhaust(bathroom):	1 x	0.0111 kw	x	0.1 hr/day	x	30 days			0.03 kwh/month
		0.03 kwh/month	x	12 month					**0.40** kw/yr
Heating(bathrooms):	1 x	1 kw	x	2 hr/day	x	30 days			60 kwh/month
		60.00 kwh/month	x	3 month					**180.00** kw/yr
Electrical Water Heater	1 x	18 kw	x	1.5 hr/day	x	30 days			810 kwh/month
		810 kwh/month	x	12 month					**9,720** kw/yr
HW Circulating Pump	1 x	0.167 kw	x	1 hr/day	x	30 days			5 kwh/month
		5 kwh/month	x	12 month					**60** kw/yr
Annual Cost:		21,101 kwh/yr	x	26.80 c/kw					**$ 5,655 per year**

TOTAL ANNUAL USAGE: **$5,655** per year or **$471.26** per month

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Typical Calculations for :
Units: **1BEDROOM (#3A, #3B)**
Renging between: 698-738 sq. ft.

Lighting		0.7 w	x	718.00 sq.ft.	x	3 hr/day	x	30 days	45.2 kwh/month
Refrigerator		0.6 kw	x	5 hr/day	x	30 days			90 kwh/month
Washing Machine		2 kw	x	16 hr/month					32 kwh/month
Electrical Dryer		2.5 kw	x	16 hr/month					40 kwh/month
Electrical Range		6.3 kw	x	0.5 hr/day	x	30 days			94.5 kwh/month
Microwave		0.95 kw	x	0.25 hr/day	x	30 days			7.125 kwh/month
Hood		0.04 kw	x	0.5 hr/day	x	30 days			0.6 kwh/month
Sub-Total Annual Usage:		309.5 kwh/months	x	12 month					**3,714 kwh/yr**
Air Handler(s)		0.22 kw	x	12 hr/day	x	30 days			79.2 kwh/month
CU unit:		2.83 kw	x	10 hr/day	x	30 days			849 kwh/month
		928 kwh/month	x	8 month					**7,426** kw/yr
Exhaust(kitchen):	1 x	0.0111 kw	x	0.1 hr/day	x	30 days			0.03 kwh/month
Exhaust(bathroom):	1 x	0.0111 kw	x	0.1 hr/day	x	30 days			0.03 kwh/month
		0.07 kwh/month	x	12 month					**0.80** kw/yr
Heating(bathrooms):	1 x	1 kw	x	2 hr/day	x	30 days			60 kwh/month
		60.00 kwh/month	x	3 month					**180.00** kw/yr
Electrical Water Heater	1 x	18 kw	x	1.5 hr/day	x	30 days			810 kwh/month
		810 kwh/month	x	12 month					**9,720** kw/yr
HW Circulating Pump	1 x	0.167 kw	x	1 hr/day	x	30 days			5 kwh/month
		5 kwh/month	x	12 month					**60** kw/yr
Annual Cost:		21,100 kwh/yr	x	26.80 c/kw					**$ 5,655 per year**

TOTAL ANNUAL USAGE: **$5,655** per year or **$471.23** per month

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Typical Calculations for :
Units: **2BEDROOMS (#PHA, #PHB)**
Area: 905 sq. ft.

Lighting		0.7 w	x	905.00 sq.ft.	x	3 hr/day	x	30 days	57.0 kwh/month
Refrigerator		0.6 kw	x	5 hr/day	x	30 days			90 kwh/month
Washing Machine		2 kw	x	16 hr/month					32 kwh/month
Electrical Dryer		2.5 kw	x	16 hr/month					40 kwh/month
Electrical Range		6.3 kw	x	0.5 hr/day	x	30 days			94.5 kwh/month
Microwave		0.95 kw	x	0.25 hr/day	x	30 days			7.125 kwh/month
Hood		0.04 kw	x	0.5 hr/day	x	30 days			0.6 kwh/month
Sub-Total Annual Usage:		321.2 kwh/months	x	12 month					**3,855 kwh/yr**
Air Handler(s)		0.22 kw	x	12 hr/day	x	30 days			79.2 kwh/month
CU unit:		4.83 kw	x	10 hr/day	x	30 days			1,449 kwh/month
		1,528 kwh/month	x	8 month					**12,226** kw/yr
Exhaust(kitchen):	1 x	0.0111 kw	x	0.1 hr/day	x	30 days			0.03 kwh/month
Exhaust(bathroom):	1 x	0.0111 kw	x	0.1 hr/day	x	30 days			0.03 kwh/month
		0.07 kwh/month	x	12 month					**0.80** kw/yr
Heating(bathrooms):	1 x	1 kw	x	2 hr/day	x	30 days			60 kwh/month
		60.00 kwh/month	x	3 month					**180.00** kw/yr
Electrical Water Heater	1 x	18 kw	x	1.5 hr/day	x	30 days			810 kwh/month
		810 kwh/month	x	12 month					**9,720** kw/yr
HW Circulating Pump	1 x	0.167 kw	x	1 hr/day	x	30 days			5 kwh/month
		5 kwh/month	x	12 month					**60** kw/yr
Annual Cost:		26,041 kwh/yr	x	26.80 c/kw					**$ 6,979 per year**

TOTAL ANNUAL USAGE: **$6,979** per year or **$581.59** per month

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ELECTRICAL - FIRE ALARM
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E-mail: ad@adnyeng.com; www.adnyeng.com
Main Office: 2606 East 15th Street, Suite #204, Brooklyn, NY 11235

May 18, 2022

Projection of Utility Cost for Building and Individual Units
1504 Jefferson Avenue, Brooklyn, NY 11237

GENERAL

The charges indicated below are based on the following assumption:

1. Heating is based on 4,619 degree-days officially provided datum obtained from New York State Energy Research and Development Authority (NYSERDA). The System shall maintain 68 degree Fahrenheit in the residential units when outdoor air temperature is -4 degree Fahrenheit (2014 NYC BC, SECT 1204).
2. Air conditioning system shall maintain 78 degree Fahrenheit when outdoor air temperature is 89 degree Fahrenheit (2014 NYC BC, SECT 1204). Windows to have curtains, Venetian blinds or other shading materials.
3. Energy rate structure for electricity use is based on NYSERDA Rate for Residential.
4. Each residential unit is calculated to have a mini-split electrical heat pump HVAC system, electrical washer and dryer, and all other appliances included in the sale. The hot water is produced by individual electrical hot water heaters instantaneous type.
5. The estimated first year cost for Water and Sewer as of April 1, 2023 projected first year of condominium operation, using current rate as of April 2022, is an estimated rate of $4.10 per hundred cubic feet of water and the average as listed below:

   Studio (2 people) – 120 gal/day.
   1-bedroom apartment (2 people) – 120 gal/day.
   2-bedroom apartment (3 people) – 180 gal/day.

   Charges for waste and storm sewer services are $6.34, for a combined water/sewer charge of $10.61 per 100 cf of water, plus an inflation factor estimated at 10%, results in an estimated cost of $13.54. This is an estimated rate which includes service charge, taxes and estimated increase.

Bare Cost	$ 10.610
10% Increase (Est.)	$ 1.0610
Sub-total	$ 11.671
16% Taxes	$ 1.8674
Total (Estimated)	**$ 13.538**

6. The estimated Electric cost, as of April 1, 2023 projected first year of condominium operation, using current rate as of April 2021, plus an inflation factor estimated at 10%, results in an estimated cost of $0.2680/kWH. This is an estimated rate which includes service charge, taxes and estimated increase. Note that the state of the electrical industry in New York City and State is extremely volatile due to various political and economic issues and the future electrical costs cannot be accurately predicted. However, the costs provided below should allow for an accurate order of magnitude estimate.

Bare Cost	$ 0.2100
10% Increase (Est.)	$ 0.0210
Sub-total	$ 0.2310
16% Taxes	$ 0.0370
Total (Estimated)	**$ 0.2680**

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A. ESTIMATED UTILITIES FOR HOUSE LOADS / AREAS

WATER CHARGE & SEWER RENT

Water and Sewer Charges for the metered building are assessed by the City of New York based on the actual amount of usage. The City of New York currently charges $10.61 per hundred cubic feet of water and sewer (approximately 748 gallons). **$13.54** this is an estimated rate which includes service charge, taxes and estimated increase. There will be one water meter servicing the entire building.

We estimate that daily water consumption will be as listed below for an annual water consumption of:

STUDIO (2 People)	3 apt	x	120 gal	x	365 days		131,400 gal/yr
1 BR APT (2 People)	5 apt	x	120 gal	x	365 days		219,000 gal/yr
3 BR APT (4 People)	1 apt	x	240 gal	x	365 days		87,600 gal/yr
Total apartments	**9**						**438,000 gal/yr**
	438,000 gal/yr	/	748 gal				586 HCF/yr
Total annual usage	586 HCF/yr	x	$	13.54	per HCF	**$**	**7,929 per year**

Based on current combined water and sewer rates (with taxes and estimated increase) of $13.54 per HCF.

* These costs may vary based on occupancy and use.

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ELECTRICAL USAGE (CONDO)

Typical Calculations for :
Units: **STUDIO (#1A)**
Area: 442 sq. ft.

Lighting		0.7 w	x	442.00 sq.ft.	x	3 hr/day	x	30 days	27.8 kwh/month
Refrigerator		0.6 kw	x	5 hr/day	x	30 days			90 kwh/month
Washing Machine		2 kw	x	16 hr/month					32 kwh/month
Electrical Dryer		2.5 kw	x	16 hr/month					40 kwh/month
Electrical Range		6.3 kw	x	0.5 hr/day	x	30 days			94.5 kwh/month
Microwave		0.95 kw	x	0.25 hr/day	x	30 days			7.125 kwh/month
Hood		0.04 kw	x	0.5 hr/day	x	30 days			0.6 kwh/month
Sub-Total Annual Usage:		292.1 kwh/months	x	12 month					**3,505 kwh/yr**
Air Handler(s)		0.08 kw	x	12 hr/day	x	30 days			28.8 kwh/month
CU unit:		2.83 kw	x	10 hr/day	x	30 days			849 kwh/month
		878 kwh/month	x	8 month					**7,022** kw/yr
Exhaust(bathroom):	1 x	0.0111 kw	x	0.1 hr/day	x	30 days			0.03 kwh/month
		0.03 kwh/month	x	12 month					**0.40** kw/yr
Heating(storage):	1 x	1.125 kw	x	2 hr/day	x	30 days			68 kwh/month
		68 kwh/month	x	3 month					**203** kw/yr
Electrical Water Heater	1 x	18 kw	x	1.5 hr/day	x	30 days			810 kwh/month
		810 kwh/month	x	12 month					**9,720** kw/yr
HW Circulating Pump	1 x	0.167 kw	x	1 hr/day	x	30 days			5 kwh/month
		5 kwh/month	x	12 month					**60** kw/yr
Annual Cost:		20,510 kwh/yr	x	26.80 c/kw					**$ 5,497 per year**

TOTAL ANNUAL USAGE: **$5,497** per year or **$458.06** per month

* These costs may vary based on occupancy and use

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HVAC – PLUMBING - FIRE PROTECTION
ELECTRICAL - FIRE ALARM
Tel: (718) 872-6122 / (718) 872-6144
E-mail: ad@adnyeng.com; www.adnyeng.com
Main Office: 2606 East 15th Street, Suite #204, Brooklyn, NY 11235

Typical Calculations for :
Units: **STUDIO (#1B)**
Area: 820 sq. ft.

Lighting		0.7 w	x	820.00 sq.ft.	x	3 hr/day	x	30 days	51.7 kwh/month
Refrigerator		0.6 kw	x	5 hr/day	x	30 days			90 kwh/month
Washing Machine		2 kw	x	16 hr/month					32 kwh/month
Electrical Dryer		2.5 kw	x	16 hr/month					40 kwh/month
Electrical Range		6.3 kw	x	0.5 hr/day	x	30 days			94.5 kwh/month
Microwave		0.95 kw	x	0.25 hr/day	x	30 days			7.125 kwh/month
Hood		0.04 kw	x	0.5 hr/day	x	30 days			0.6 kwh/month
Sub-Total Annual Usage:		315.9 kwh/months	x	12 month					**3,791 kwh/yr**
Air Handler(s)		0.22 kw	x	12 hr/day	x	30 days			79.2 kwh/month
CU unit:		2.83 kw	x	10 hr/day	x	30 days			849 kwh/month
		928 kwh/month	x	8 month					**7,426** kw/yr
Exhaust(bathrooms):	2 x	0.0111 kw	x	0.1 hr/day	x	30 days			0.07 kwh/month
		0.07 kwh/month	x	12 month					**0.80** kw/yr
Heating(bathrooms):	2 x	1 kw	x	2 hr/day	x	30 days			120 kwh/month
		120 kwh/month	x	3 month					**360** kw/yr
Electrical Water Heater	1 x	18 kw	x	1.5 hr/day	x	30 days			810 kwh/month
		810 kwh/month	x	12 month					**9,720** kw/yr
HW Circulating Pump	1 x	0.167 kw	x	1 hr/day	x	30 days			5 kwh/month
		5 kwh/month	x	12 month					**60** kw/yr
Annual Cost:		21,357 kwh/yr	x	26.80 c/kw					**$ 5,724 per year**

TOTAL ANNUAL USAGE: **$5,724** per year or **$476.98** per month

* These costs may vary based on occupancy and use

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Typical Calculations for :
Units: **STUDIO (#1C)**
Area: 818 sq. ft.

Lighting		0.7 w	x	818.00 sq.ft.	x	3 hr/day	x	30 days	51.5 kwh/month
Refrigerator		0.6 kw	x	5 hr/day	x	30 days			90 kwh/month
Washing Machine		2 kw	x	16 hr/month					32 kwh/month
Electrical Dryer		2.5 kw	x	16 hr/month					40 kwh/month
Electrical Range		6.3 kw	x	0.5 hr/day	x	30 days			94.5 kwh/month
Microwave		0.95 kw	x	0.25 hr/day	x	30 days			7.125 kwh/month
Hood		0.04 kw	x	0.5 hr/day	x	30 days			0.6 kwh/month
Sub-Total Annual Usage:		315.8 kwh/months	x	12 month					**3,789 kwh/yr**
Air Handler(s)		0.17 kw	x	12 hr/day	x	30 days			61.2 kwh/month
CU unit:		2.83 kw	x	10 hr/day	x	30 days			849 kwh/month
		910 kwh/month	x	8 month					**7,282** kw/yr
Exhaust(bathrooms):	2 x	0.0111 kw	x	0.1 hr/day	x	30 days			0.07 kwh/month
		0.07 kwh/month	x	12 month					**0.80** kw/yr
Heating(bathrooms):	2 x	1 kw	x	2 hr/day	x	30 days			120 kwh/month
		120.00 kwh/month	x	3 month					**360.00** kw/yr
Electrical Water Heater	1 x	18 kw	x	1.5 hr/day	x	30 days			810 kwh/month
		810 kwh/month	x	12 month					**9,720** kw/yr
HW Circulating Pump	1 x	0.167 kw	x	1 hr/day	x	30 days			5 kwh/month
		5 kwh/month	x	12 month					**60** kw/yr
Annual Cost:		21,212 kwh/yr	x	26.80 c/kw					**$ 5,685 per year**

TOTAL ANNUAL USAGE: **$5,685** per year or **$473.73** per month

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Typical Calculations for :
Units: **1BEDROOM (#2A, #2B)**
Renging between: 698-738 sq. ft.

Lighting		0.7 w	x	718.00 sq.ft.	x	3 hr/day	x	30 days	45.2 kwh/month
Refrigerator		0.6 kw	x	5 hr/day	x	30 days			90 kwh/month
Washing Machine		2 kw	x	16 hr/month					32 kwh/month
Electrical Dryer		2.5 kw	x	16 hr/month					40 kwh/month
Electrical Range		6.3 kw	x	0.5 hr/day	x	30 days			94.5 kwh/month
Microwave		0.95 kw	x	0.25 hr/day	x	30 days			7.125 kwh/month
Hood		0.04 kw	x	0.5 hr/day	x	30 days			0.6 kwh/month
Sub-Total Annual Usage:		309.5 kwh/months	x	12 month					**3,714 kwh/yr**
Air Handler(s)		0.22 kw	x	12 hr/day	x	30 days			79.2 kwh/month
CU unit:		2.83 kw	x	10 hr/day	x	30 days			849 kwh/month
		928 kwh/month	x	8 month					**7,426** kw/yr
Exhaust(bathroom):	1 x	0.0111 kw	x	0.1 hr/day	x	30 days			0.03 kwh/month
		0.03 kwh/month	x	12 month					**0.40** kw/yr
Heating(bathrooms):	1 x	1 kw	x	2 hr/day	x	30 days			60 kwh/month
		60.00 kwh/month	x	3 month					**180.00** kw/yr
Electrical Water Heater	1 x	18 kw	x	1.5 hr/day	x	30 days			810 kwh/month
		810 kwh/month	x	12 month					**9,720** kw/yr
HW Circulating Pump	1 x	0.167 kw	x	1 hr/day	x	30 days			5 kwh/month
		5 kwh/month	x	12 month					**60** kw/yr
Annual Cost:		21,100 kwh/yr	x	26.80 c/kw					**$ 5,655 per year**

TOTAL ANNUAL USAGE: **$5,655** per year or **$471.23** per month

* These costs may vary based on occupancy and use

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Typical Calculations for :
Units: **1BEDROOM (#3A, #3B)**
Renging between: 705-741 sq. ft.

Lighting		0.7 w	x	723.00 sq.ft.	x	3 hr/day	x	30 days	45.5 kwh/month
Refrigerator		0.6 kw	x	5 hr/day	x	30 days			90 kwh/month
Washing Machine		2 kw	x	16 hr/month					32 kwh/month
Electrical Dryer		2.5 kw	x	16 hr/month					40 kwh/month
Electrical Range		6.3 kw	x	0.5 hr/day	x	30 days			94.5 kwh/month
Microwave		0.95 kw	x	0.25 hr/day	x	30 days			7.125 kwh/month
Hood		0.04 kw	x	0.5 hr/day	x	30 days			0.6 kwh/month
Sub-Total Annual Usage:		309.8 kwh/months	x	12 month					**3,717 kwh/yr**
Air Handler(s)		0.22 kw	x	12 hr/day	x	30 days			79.2 kwh/month
CU unit:		2.83 kw	x	10 hr/day	x	30 days			849 kwh/month
		928 kwh/month	x	8 month					**7,426** kw/yr
Exhaust(bathroom):	1 x	0.0111 kw	x	0.1 hr/day	x	30 days			0.03 kwh/month
		0.03 kwh/month	x	12 month					**0.40** kw/yr
Heating(bathrooms):	1 x	1 kw	x	2 hr/day	x	30 days			60 kwh/month
		60.00 kwh/month	x	3 month					**180.00** kw/yr
Electrical Water Heater	1 x	18 kw	x	1.5 hr/day	x	30 days			810 kwh/month
		810 kwh/month	x	12 month					**9,720** kw/yr
HW Circulating Pump	1 x	0.167 kw	x	1 hr/day	x	30 days			5 kwh/month
		5 kwh/month	x	12 month					**60** kw/yr
Annual Cost:		21,103 kwh/yr	x	26.80 c/kw					**$ 5,656 per year**

TOTAL ANNUAL USAGE: **$5,656** per year or **$471.31** per month

* These costs may vary based on occupancy and use

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Typical Calculations for :
Units: **1BEDROOM (#PHA)**
Area: 678 sq. ft.

Lighting		0.7 w	x	678.00 sq.ft.	x	3 hr/day	x	30 days	42.7	kwh/month
Refrigerator		0.6 kw	x	5 hr/day	x	30 days			90	kwh/month
Washing Machine		2 kw	x	16 hr/month					32	kwh/month
Electrical Dryer		2.5 kw	x	16 hr/month					40	kwh/month
Electrical Range		6.3 kw	x	0.5 hr/day	x	30 days			94.5	kwh/month
Microwave		0.95 kw	x	0.25 hr/day	x	30 days			7.125	kwh/month
Hood		0.04 kw	x	0.5 hr/day	x	30 days			0.6	kwh/month
Sub-Total Annual Usage:		306.9 kwh/months	x	12 month					**3,683**	**kwh/yr**
Air Handler(s)		0.15 kw	x	12 hr/day	x	30 days			54	kwh/month
CU unit:		2.83 kw	x	10 hr/day	x	30 days			849	kwh/month
		903 kwh/month	x	8 month					**7,224**	kw/yr
Exhaust(bathroom):	1 x	0.0111 kw	x	0.1 hr/day	x	30 days			0.03	kwh/month
		0.03 kwh/month	x	12 month					**0.40**	kw/yr
Heating(bathrooms):	1 x	1 kw	x	2 hr/day	x	30 days			60	kwh/month
		60.00 kwh/month	x	3 month					**180.00**	kw/yr
Electrical Water Heater	1 x	18 kw	x	1.5 hr/day	x	30 days			810	kwh/month
		810 kwh/month	x	12 month					**9,720**	kw/yr
HW Circulating Pump	1 x	0.167 kw	x	1 hr/day	x	30 days			5	kwh/month
		5 kwh/month	x	12 month					**60**	kw/yr
Annual Cost:		20,868 kwh/yr	x	26.80 c/kw					**$ 5,593**	**per year**

TOTAL ANNUAL USAGE: **$5,593** per year or **$466.05** per month

* These costs may vary based on occupancy and use

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Typical Calculations for :
Units: **3BEDROOMS (#PHB)**
Area: 1,183 sq. ft.

Lighting		0.7 w	x	1,183.00 sq.ft.	x	3 hr/day	x	30 days	74.5 kwh/month
Refrigerator		0.6 kw	x	5 hr/day	x	30 days			90 kwh/month
Washing Machine		2 kw	x	16 hr/month					32 kwh/month
Electrical Dryer		2.5 kw	x	16 hr/month					40 kwh/month
Electrical Range		6.3 kw	x	0.5 hr/day	x	30 days			94.5 kwh/month
Microwave		0.95 kw	x	0.25 hr/day	x	30 days			7.125 kwh/month
Hood		0.04 kw	x	0.5 hr/day	x	30 days			0.6 kwh/month
Sub-Total Annual Usage:		338.8 kwh/months	x	12 month					**4,065 kwh/yr**
Air Handler(s)		0.28 kw	x	12 hr/day	x	30 days			100.8 kwh/month
CU unit:		4.83 kw	x	10 hr/day	x	30 days			1,449 kwh/month
		1,550 kwh/month	x	8 month					**12,398** kw/yr
Exhaust(bathroom):	2 x	0.0111 kw	x	0.1 hr/day	x	30 days			0.07 kwh/month
		0.07 kwh/month	x	12 month					**0.80** kw/yr
Heating(bathrooms):	2 x	1 kw	x	2 hr/day	x	30 days			120 kwh/month
		120.00 kwh/month	x	3 month					**360.00** kw/yr
Electrical Water Heater	1 x	18 kw	x	1.5 hr/day	x	30 days			810 kwh/month
		810 kwh/month	x	12 month					**9,720** kw/yr
HW Circulating Pump	1 x	0.167 kw	x	1 hr/day	x	30 days			5 kwh/month
		5 kwh/month	x	12 month					**60** kw/yr
Annual Cost:		26,604 kwh/yr	x	26.80 c/kw					**$ 7,130 per year**

TOTAL ANNUAL USAGE: **$7,130** per year or **$594.16** per month

* These costs may vary based on occupancy and use

CERTILMAN BALIN
ATTORNEYS

90 MERRICK AVENUE, 9TH FLOOR
EAST MEADOW, NY 11554
PHONE: 516.296.7000 • FAX: 516.296.7111
www.certilmanbalin.com

VIII. COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-i

September 1, 2022

State of New York
Department of Law
28 Liberty Street – 21st Floor
New York, New York 10005

Re: **Hancock and Jefferson Condominium**

Gentlepeople:

The Sponsor of the Condominium Offering Plan for the captioned property has retained this office to review the Percentage of Common Interest applied to the Units contained in Schedule A of the Offering Plan.

Our experience includes the preparation of hundreds of Condominium Offering Plans and legal representation of numerous Condominium Boards of Managers in the State of New York for over thirty (30) years.

In reviewing said Schedule A, the Percentage of Common Interest for each Unit as contained therein has been determined based upon the floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Residential Unit. Said method of determining the percentage of Common Interest in a Condominium complies with and is pursuant to Section 339-i(1)(iv) of the Real Property Law of the State of New York.

I hereby authorize inclusion of this opinion in the Offering Plan for this Condominium to be filed with the Department of Law.

Very truly yours,

CERTILMAN BALIN ADLER & HYMAN, LLP

By:_____
Richard Herzbach, Partner

CERTILMAN BALIN ADLER & HYMAN, LLP
SUFFOLK OFFICE: HAUPPAUGE, NY 11788

IX. STORAGE SPACES/LICENSE AGREEMENT

The Sponsor is offering pursuant to a License Agreement a total of twenty (20) Storage Spaces, ten (10) Storage Spaces located in the Storage Area of the cellar of each Building to Purchasers of Residential Units in the Condominium at the Storage Space Purchase Price reflected in Schedule A-1. The twenty (20) Storage Spaces that will be subject to a License Agreement do not include the storage spaces assigned to Residential Units 1A in the Buildings located at 1504 Jefferson Avenue and 1437 Hancock Street.

The twenty (20) Storage Spaces will each be subject to a License Agreement between a Residential Unit Owner as the Licensee and the Board of Managers as the Licensor. The Board of Mangers shall be required to keep a list of all Storage Spaces and the Residential Units that are subject to a License Agreement or subject to a rental. All Residential Unit Owners subject to the Declaration shall be required to advise the Board of Managers of the Condominium of any assignment or rental of any Storage Space pursuant to a License Agreement within ten (10) days of such assignment or rental.

Storage Spaces may only be utilized pursuant to the provisions of the Declaration of Condominium and By-Laws of the Condominium and any Rules and Regulations regarding the Storage Spaces.

All repairs and maintenance of the Storage Spaces and Storage Areas shall be the responsibility of the Condominium as a Common Expense, subject to the provisions of the By-Laws. Each Residential Unit Owner who has entered into a License Agreement for a Storage Space will be required to pay a monthly License Fee to the Condominium to cover the costs associated with the Storage Spaces and Storage Areas as determined by the Board of Managers. The Board of Managers shall have the right to increase or decrease said amount as required by the costs of said services. Said License Fees associated with the Storage Spaces and Storage Areas shall be in addition to the Common Charges and any Special Assessments charged to any Residential Unit Owner. Licensees of a Storage Space and Storage Areas should refer to Schedule A-1 regarding the initial License Fee being charged for the Storage Spaces. Any dispute regarding the allocation or amount of the License Fees for a Storage Space shall be decided by Arbitration pursuant to the terms of Article XIII of the By-Laws of the Condominium. The Board of Managers shall have the same rights of collection and enforcement of the License Fees for a Storage Space as they have for Common Charges and Special Assessments as provided for in Article IX of the By-Laws or elsewhere in the Declaration or By-Laws.

The Sponsor shall be authorized to execute all initial License Agreements for a Storage Space subject to the Declaration of Condominium for any Storage Space entered into with a Residential Unit Owner and to receive the proceeds of such License Agreement ("Storage Space License Offering Fee"). A designated member of the Board of the Managers of the Condominium shall be authorized and required to execute the License Agreement on behalf of the Condominium as the Licensor of the License Agreement.

The License Agreement for a Storage Space may only be assigned and rented to another Residential Unit Owner in the Condominium ("Assignee or "Tenant"). The Board of Managers of the Condominium shall have the right to promulgate rules and regulations regarding the assignment or rental of the Storage Spaces. In no event shall the Board of Managers have the right to prohibit the right of a Residential Unit Owner or the Sponsor to assign or rent a Storage Space to a purchaser of the Residential Unit Owner or another Residential Unit Owner in the Condominium. The Board of Managers shall have the right to approve the form of a License Agreement or promulgate a standard form for use by all Residential Unit Owners.

Residential Unit Owners must comply with all applicable laws regarding the Storage Spaces, which may be subject to periodic inspection by the police and fire departments of the City of New York and other governmental agencies having jurisdiction there over.

In the event there are Storage Spaces that have not been Licensed to a Residential Unit Owner after the Sponsor has conveyed all of the Residential Units to bona fide Purchasers, the Sponsor shall have the right but not the obligation to enter into a License Agreement for a Storage Space with a Licensee who does not reside in the Building and the Board of Managers and the Sponsor shall be obligated to pay the then applicable License Fee to the Condominium for such Storage Spaces.

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X. CHANGES IN PRICES AND RESIDENTIAL UNITS

The prices for these Residential Units may be changed from those set forth in this Offering Plan so that Purchasers may pay different prices for similar Residential Units. No such change will be made other than pursuant to a duly filed amendment, except that the Sponsor reserves the right to decrease the sales prices below the Offering Plan prices without filing an amendment to the Offering Plan at any time during the offering where a reduction in sales prices does not constitute a general offering but is rather the result of an individually negotiated Residential Unit purchase. All changes in prices which are an across the board increase or decrease affecting one (1) or more lines of Residential Units or models or is to be advertised or is a price increase for an individual Purchaser will be done by a duly filed amendment to the Offering Plan.

The Sponsor further reserves the right, but not the obligation, to negotiate with a Purchaser on an individual basis in connection with all aspects of the purchase price, including but not limited to: upgrades to the Residential Unit or the fixtures or equipment contained therein or credits or allowances therefor; payment of all or part of a Purchaser's acquisition or financing costs such as, but not limited to: origination fees and commitment fees; any and all other costs relating to the cost of acquiring title to a Residential Unit; the resale prohibition; mortgage contingency; maintenance subsidies, rebates or other costs associated with maintaining a Residential Unit as a credit against the purchase price or payable on a periodic basis or any other manner as is negotiated between the parties; promotional gifts on purchase of a Residential Unit and application of rent toward the purchase price. As a result, a Purchaser may receive different terms as other Purchasers for a similar Residential Unit.

The Sponsor is not offering any financing. As a result, in no event will the Sponsor be obligated to return a Purchaser's Deposit in the event a Purchaser is unable to obtain a mortgage. Furthermore, the Sponsor reserves the right to amend the Plan from time to time to add and/or delete negotiable terms or at its sole option to expand the applicability of such negotiable terms to some or all Purchasers pursuant to Section 352-e of the General Business Law.

Sponsor will not make any changes in the size or number of Residential Units and/or their respective Percentage of Common Interest and no material change will be made in the size or quality of Common Elements, except by amendment to the Plan and to the Declaration of Condominium (if the Declaration was filed prior to such change). Sponsor reserves the right to change the model type of the Residential Units as long as the Percentage of Common Interest for the Residential Units is not affected, there is no Purchase Agreement in effect for said Residential Unit, as long as the Sponsor does not change the total number of Residential Units being offered for sale or the total number of Buildings in the Condominium. Purchasers should note that a decrease in a Unit's area of five (5%) percent or less will not affect a Purchaser's obligations unless such decrease is determined to be a material change. There is a rebuttable presumption that an area diminished by five (5%) percent or less is not material.

Site conditions may cause variations in walls, ceilings, heights and other dimensions from those included in the floor plans or otherwise described in this Offering Plan. If the layout and dimensions of a Residential Unit does not materially deviate from the Plans and Specifications, subject to Sponsor's right to make changes necessitated by site conditions, a Purchaser will not be excused from purchasing the Residential Unit for such reason and will not have any claim against Sponsor as a result of such non-material deviation. Sponsor will have no liability to any Purchaser, nor will any Purchaser be entitled to a credit, offset or reduction in the Purchase Price for Purchaser's Residential Unit or otherwise be relieved from any obligations under the Purchase Agreement, by virtue of a minor inaccuracy or error in the floor plans as determined by the reasonable person standard.

In order to meet the possible varying demand for number and type of Residential Units, or to meet the particular requirements of prospective Purchasers, or for any other reason, Sponsor reserves the right at any time, both before and after recording the Declaration of Condominium and without the consent of Purchasers, Residential Unit Owners or the Board of Managers, with respect to Unsold Units owned by Sponsor and for which no Purchase Agreement has been executed, to (i) change or reverse the layout of any Unsold Unit and make adjustments in interior dimensions of Unsold Units, (ii) change the number of rooms in any Unsold Unit, (iii) change the size and/or number of Unsold Units by subdividing one or more such Unsold Units into two or more separate Unsold Units, combining separate Unsold Units into one or more Unsold Units, altering boundary walls of Unsold Units, or otherwise, including, without limitation, incorporating any wall, hallway or portion thereof, space, or other area abutting an Unsold Unit or Unsold Unit(s) owned by Sponsor into one or more of said Unsold Units or otherwise, and (iv) if appropriate, reapportion the Common Interest among the Unsold Units affected by such change.

In the event Sponsor changes the size and/or number of Residential Units, Sponsor shall increase or decrease the Common Interests appurtenant to such affected Residential Units accordingly, however, the aggregate amount of the Common Interests of all of the Residential Units shall remain at 100%. As a result of such a reapportionment of Common Interests of affected Residential Units, the amount of the Common Charges and the real estate taxes and assessments payable by the Residential Owners of such affected Residential Units will be increased or decreased in direct proportion to changes made to Common Interests. However, the amount of the Common Charges and real estate taxes and assessments payable by the Residential Owners of Residential Units unaffected by these changes and for whom there has been no change in Common Interest will not be varied. Common Interest need not be reapportioned if a portion of the public hallway is incorporated into a Residential Unit or Residential Units as described above.

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

Notwithstanding anything in this Offering Plan to the contrary, if Sponsor must make material changes to size, dimension, Common Interest, floor space or layout of Residential Units or to size, dimension, layout, quantity or quality of Common Elements, due to site conditions, governmental requirements or other unforeseen circumstances, Sponsor will amend the Offering Plan accordingly to disclose the changes.

The Percentage of Common Interest of each of the Residential Units has been determined pursuant to Section 339-i(1)(iv) of the Condominium Act, based on floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Residential Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Residential Unit. Based upon final specifications, construction conditions and/or "as-built" Plans for the Building reflecting relative measurements, areas and uses of portions of the Buildings, application of such method of allocation the Percentage of Common Interest may justify a minor increase or decrease in the aggregate Percentage of Common Interest appurtenant to Residential Units. In such event, the Percentage of Common Interest appurtenant to each individual Residential Unit would be adjusted pro rata. Sponsor expressly reserves the right, from time to time, prior to the first Closing, to effect such a change in the Percentage of Common Interests and to amend the Plan so as to reflect the same. In no event, however, will the Percentage of Common Interest of any Residential Unit be increased or decreased as a result of any of the foregoing a material amount. Purchasers should note that there is a rebuttable presumption that a five (5%) percent change in the square footage of a Unit does not constitute a material change.

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

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XI. INTERIM LEASES

The Sponsor will not enter into interim leases with Purchasers for Residential Units prior to consummation of the Offering Plan. In no event shall Purchaser take possession of the Residential Unit prior to the time of the delivery of the deed, nor shall Purchaser enter the Residential Unit or have the Residential Unit Owner's contractors or agents enter the Residential Unit to perform work prior to Closing without the written authorization of the Sponsor. Should the Purchaser violate this provision, Sponsor will have the right to remove Purchaser from the Residential Unit as a squatter and intruder by summary proceedings. Upon the Purchaser's unauthorized possession, the Purchaser shall be deemed in default of the Purchase Agreement and Sponsor may retain as liquidated damages the Deposit funds being held in escrow to a maximum of ten (10%) percent of the sales price plus the cost of Extras paid for by Purchaser which Extras have been installed by Sponsor, paid for but not installed by Sponsor or which have been ordered but not installed by Sponsor and for which Sponsor is obligated to pay for such Extras unless the Offering Plan has been abandoned. In the event the Offering Plan is abandoned the Purchaser shall be entitled to receive all funds paid to the Sponsor for such Extras.

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XII. PROCEDURE TO PURCHASE

The Sponsor is offering for sale the Residential Units in the Condominium for occupancy in accordance with applicable municipal zoning regulations. Occupancy of the Residential Units or portion of a Residential Unit by a lessee or lessees of the Residential Unit Owner for the purposes set forth in this paragraph conform with the zoning regulations permitting construction of this Condominium.

The sales prices at which the Residential Units are being offered for sale are shown in detail in Schedule A. The Sponsor reserves the right to lower the sales prices and to negotiate other terms on an individual basis. All changes in prices which are an across the board increase or decrease affecting one or more lines of Residential Units or models or are to be advertised or is a price increase for an individual Purchaser will be done by a duly filed amendment to the Offering Plan. See Section IX of the Offering Plan. Any such change will not affect the common interest of the Residential Unit; however, some Purchasers may pay less or more for the same model Residential Unit or receive different terms.

Any person may accept Sponsor's offer to sell a Residential Unit by entering into a Purchase Agreement with the Sponsor. The Agreement provides that the Purchaser will purchase from the Sponsor a designated Residential Unit in the Condominium as described in the Declaration creating such Condominium. A Purchaser will be afforded a minimum of three (3) business days to review the Offering Plan and all filed amendments prior to executing a Purchase Agreement. Any conflict between the Offering Plan and the Purchase Agreement shall be resolved in favor of the Offering Plan.

Purchaser and Sponsor shall execute four (4) originals of the Purchase Agreement. Upon signing the Purchase Agreement, the Purchaser shall make a Deposit of up to ten percent (10%) of the purchase price of a Residential Unit but not less than $1,000 plus the cost of any Extras. Upon full payment of the balance of the purchase price and the balance of any Extras payable at the Closing, in cash or by mortgage proceeds, Purchaser will receive a bargain and sale deed with covenant against grantor's acts and containing the provisions set forth in Section 13 Subdivision 5 of the Lien Law, which will convey good and marketable title to the ownership of fee ownership in the Residential Unit and such Percentage of Common Interest in the Common Elements as is set forth on Schedule A, free and clear of all liens and encumbrances other than those set forth in Section XV of the Offering Plan. The Purchase Agreement may be modified with the consent of Purchaser and Sponsor in a manner not inconsistent with law, subject to the terms of this Offering Plan. After Purchaser delivers a fully executed Purchase Agreement with the required Deposit Sponsor must either return a fully executed Purchase Agreement within thirty (30) days to the Purchaser or reject the Purchase Agreement and refund the Deposit monies. In the event the Sponsor does not act within said thirty (30) day period the Purchase Agreement will be deemed rejected by the Sponsor.

The Power of Attorney attached to the Purchase Agreement must be executed by Purchaser at the Closing of Title. Failure to execute the Power of Attorney will result in a default under the Purchase Agreement.

The Sponsor anticipates that the Closing of the first Residential Unit will occur by April 1, 2023. Purchasers will be offered a right of rescission if: (i) the actual date of Closing of Title to the first Residential Unit; or (ii) the projected date of Closing of Title to the first Residential Unit occurs later than March 31, 2024, twelve (12) months after the projected date of the first Closing. If the Plan is amended to provide for a later projected date of the first Closing, Purchasers who enter into a Purchase Agreement subsequent to the acceptance date of the Amendment will be entitled to an offer of rescission if the first Closing occurs more than twelve (12) months beyond that amended, later date. If the first Residential Unit Closing occurs before the above dates, the Sponsor may schedule the Closings of Title to other Residential Units significantly later than such date. Unless a Purchaser's Purchase Agreement contains an outside Closing Date, as provided below, the Sponsor is not obligated to schedule a Closing within any specified time frame or to ensure that Closing of Title to a Residential Unit will occur by any date certain. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER SUCH RISKS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A RESIDENTIAL UNIT.

In addition to the above paragraph, each Purchase Agreement provides that in the event Sponsor is unable to convey title to a Purchaser's Residential Unit twelve (12) months after the proposed date of delivery set forth in the Purchase Agreement a Purchaser shall have the option to cancel the Purchase Agreement and have the Deposit advanced by Purchaser returned to Purchaser. Purchaser shall be obligated to notify the Sponsor in writing of its intent to exercise said option no later than thirty (30) days after the twelve (12) month period of the proposed date of delivery set forth in the Purchase Agreement. Purchaser's failure to so notify Sponsor of Purchaser's intent to cancel Purchaser's Purchase Agreement due to Sponsor being unable to convey title to the Purchaser's Residential Unit within the twelve (12) month period shall be deemed a waiver of said provision, and Purchaser shall continue to be bound by the terms of the Purchase Agreement. In the event, Sponsor shall be unable to convey title to the Residential Unit within twenty-four (24) months of the proposed date of delivery through no fault of the Purchaser, the Purchase Agreement shall be deemed null and void and Sponsor shall return all monies being held in escrow within thirty (30) days thereafter. See Paragraph 5 of the Purchase Agreement in Part II of the Plan.

After the Offering Plan is declared effective, the Sponsor will give each Purchaser who enters into a Purchase Agreement not less than thirty (30) days' prior written notice of the date, time and place for the transfer of title to the Residential Unit unless a Purchaser waives such thirty (30) day notice. A form for such waiver is contained as Schedule D- 3 to the Offering Plan.

The Purchase Agreement may not be assigned by Purchaser without the written consent of Sponsor.

The risk of loss or damage to a Residential Unit by fire or any other cause until the delivery of the deed or Purchaser takes actual possession of the Residential Unit pursuant to written agreement is assumed by the Sponsor. In the event a Purchaser takes actual possession prior to Closing, said Purchaser will assume the risk of losses not covered by insurance upon production of the policy by the Sponsor to the Purchaser which provides that actions of interim lessees are not covered under the then existing policy. If Purchaser is or becomes the occupant or tenant of the Residential Unit prior to Closing, then, as of the date of Purchaser's occupancy, Purchaser shall be responsible for any and all damage caused by any acts or omissions of Purchaser, or Purchaser's agents, employees, invitees or family members.

A Purchaser will inspect Purchaser's Residential Unit, with a representative of the Sponsor during normal business hours prior to the Closing Date and will sign and deliver to Sponsor on or before the Closing Date a Pre-Title Inspection Statement supplied by Sponsor, acknowledging the condition in which Purchaser has received Purchaser's Residential Unit. Sponsor shall agree to complete any open items within six (6) months after Closing, weather and circumstances permitting.

The Purchase Agreement may not contain, or be modified to contain, a provision waiving purchaser's rights or abrogating Sponsor's obligations under the Offering Plan or under Article 23-A of the General Business Law. Any conflict between the Purchase Agreement and the Plan will be resolved in favor of the Plan. The Purchase Agreement and Plan comply with Section 71.a(3) of the New York Lien Law. Said statute provides that the initial advance of the Purchase Agreement be deposited in an escrow account in a bank, trust company, savings bank, state or federal savings and loan association, located in New York State. The escrow and trust fund provisions disclosed below comply with said statute.

The Purchase Agreement is not conditioned upon a Purchaser securing satisfactory mortgage financing. Obtaining a mortgage shall be the sole responsibility of each Purchaser. In no event will the Sponsor be obligated to return a Purchaser's Deposit in the event a Purchaser is unable to obtain a mortgage. In addition, the Purchase Agreement will remain in full force and effect and Purchaser will be obligated to pay the balance of the purchase price at Closing regardless of the availability of financing. In the event a Purchaser does not Close Title to the Residential Unit, as a result of their inability to obtain a mortgage, the Purchaser shall be deemed in default of the Purchase Agreement and Sponsor may retain as liquidated damages the Deposit funds being held in escrow to a maximum of ten (10%) percent of the sales price plus the cost of Extras paid for by Purchaser which Extras have been installed by Sponsor, paid for but not installed by Sponsor or which have been ordered but not installed by Sponsor and for which Sponsor is obligated to pay for such Extras unless the Offering Plan has been abandoned. In the event the Offering Plan is abandoned the Purchaser shall be entitled to receive all funds paid to the Sponsor for such Extras.

Neither the Purchase Agreement nor the Deposit or any payment given for Extras is a lien against the Property or the Residential Unit. Purchaser may not record the Purchase Agreement and will be in default if Purchaser records the Purchase Agreement.

Neither the Purchase Agreement nor any provisions thereof, can be orally changed, terminated or waived.

Pursuant to the terms of the Purchase Agreement, upon the occurrence of a Default to pay the balance of the Purchase Price or other obligations pursuant to the Purchase Agreement, Purchaser shall have thirty (30) days from the giving of written notice of such default to cure the specified default. Time is of the Essence for Purchaser to cure such default within such thirty (30) day period. As used herein, the phrase "time is of the essence" means that a Purchaser's failure to strictly comply with Purchaser's obligations within the applicable time period will constitute a material breach of the Purchase Agreement, entitling the Sponsor to declare the Purchaser in default of the Purchase Agreement, deem the Purchase Agreement terminated and of no further force or effect, and retain Purchaser's Deposit and other amounts paid in connection with the Purchase Agreement as liquidated damages. If the default is not cured within such thirty (30) days, the Sponsor, in its sole discretion may thereupon terminate the Purchase Agreement. If Sponsor so elects to terminate, the Purchase Agreement shall be deemed terminated, and Sponsor shall have the right to retain, as and for liquidated damages, the Deposit (and any interest earned on the Deposit, if any) plus the costs incurred by Sponsor for any Extras, if any, in the Residential Unit ordered by the Purchaser. Upon the termination of the Purchase Agreement, Purchaser and Sponsor will be released and discharged of all further liability and obligations under the Offering Plan and the Purchase Agreement, and the Residential Unit may be sold to another as though the Purchase Agreement had never been made, and without accounting to the Purchaser for any of the proceeds for such sale.

Pursuant to the terms of the Purchase Agreement, Purchaser shall use its best efforts to direct Purchaser's lender (i) to accept an assignment of the existing mortgage(s) encumbering the Property, as severed, to encumber only the Unit and its appurtenant percentage of Common Interest in the Common Elements, and (ii) to cooperate with Sponsor and Sponsor's existing lender as necessary to effectuate such assignment. At Closing, Purchaser shall execute the affidavits required pursuant to Section 255 of the Tax Law of the State of New York. Sponsor shall receive, as a credit from Purchaser at Closing, a sum equal to the full mortgage tax credit which Purchaser may be entitled under any applicable law by reason of mortgage taxes having been previously paid by Sponsor on the amount of Purchaser's mortgage. The foregoing credit shall be paid by Purchaser regardless of whether Purchaser's lender accepts the assignment of Sponsor's existing mortgage, as severed. The severance and assignment of a portion of the mortgage on the Property, as contemplated herein, would not result in any additional risk or cost to the Purchaser. Any severance or assignment transaction will be initiated only after financing has been procured by Purchaser. Should this transaction fail to take place and result in the loss of Purchaser's financing commitment, Purchaser will be entitled to an opportunity to obtain new financing, if Purchaser so elects.

A complete copy of the Purchase Agreement is contained in Part II of the Plan.

ESCROW AND TRUST FUND PROVISIONS

The Sponsor will comply with the escrow and trust fund requirements of General Business Law ("GBL") Sections 352-e(2-b) and 352-(h) and the Attorney General's regulations promulgated pursuant thereto as amended on November 14, 2012 as follows:

The Escrow Agent:

The law firm of Schmitt Law Group, P.C. with an address at 500 Old Country Road, Suite 110, Garden City, New York 11530 and telephone number of (516) 387-4786, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. The authorized signatories on the account authorized to withdraw funds are the members of the Firm. The members of this firm are admitted to practice law in the State of New York. Neither the Escrow Agent nor its authorized signatories on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

The Escrow Account:

The Escrow Agent has established the escrow account at Signature Bank, 900 Stewart Avenue, 3rd Floor, Garden City, New York 11530 ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled "Schmitt Law Group, P.C. - Hancock and Jefferson Condominium IOLA Escrow Account" ("Escrow Account"). The Escrow Account is federally insured by the FDIC at the maximum amount of $250,000 per deposit (the "Deposit"). The maximum Deposit insurance amount will be $250,000. Any Deposit in excess of $250,000 will not be insured. It is a Special Risk of this Offering Plan that if an individual makes a Deposit in excess of said amount for the purchase of a Residential Unit, the excess amount will not be federally insured. Purchasers should also note that if the Purchaser has any accounts in the Bank where the funds are being held, the funds in those accounts will count towards the $250,000 FDIC insurance limit.

Any Deposits made for Extras shall initially be deposited into the Escrow Account and released in accordance to the terms of a written agreement between Purchaser and Sponsor as provided for in Paragraph 13 of the Purchase Agreement.

All Deposits received from Purchaser shall be in the form of checks, money orders, wire transfers, or other instruments, and shall be made payable to or endorsed by the Purchaser to the order of Schmitt Law Group, P.C. as Escrow Agent.

The Escrow Account is an Interest-on-Lawyer Account ("IOLA") account consistent with Section 487 of the Judiciary Law of the State of New York. Pursuant to said law, all interest earned on the IOLA account will be paid to the State of New York.

The Purchase Agreement:

The Purchase Agreement is attached hereto as Schedule D in Part II of the Plan. The relevant escrow trust fund provisions are included in Paragraph 27 of the Purchase Agreement, which must be executed by the Escrow Agent.

Notification to Purchaser:

Within five (5) business days after the Purchase Agreement has been tendered to Escrow Agent along with the Deposit, the Escrow Agent shall sign the Purchase Agreement and place the Deposit into the Escrow Account. Purchaser shall be required to complete the Tender of Escrow Agreement contained as Schedule D-1 in Part II of the Offering Plan upon execution of the Purchase Agreement. Within ten (10) business days of the placing of the Deposit in the Escrow Account, the Escrow Agent shall provide written notice to Purchaser and Sponsor, confirming the Deposit. The notice shall provide the account number of the account. Any Deposits made for Extras shall be deposited initially into an Escrow Account and thereafter released in accordance to the terms of the Purchase Agreement.

The Escrow Agent is obligated to send notice to the Purchaser once the Deposit is placed in the Escrow Account. If the Purchaser does not receive notice of such Deposit within fifteen (15) business days after tender of the Deposit, Purchaser may cancel the Purchase Agreement within ninety (90) days after tender of the Purchase Agreement and Deposit to the 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, 21st Floor, New York, New York 10005. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning Deposits and requisite notice was timely mailed to the Purchaser.

Release of Funds:

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

Under no circumstances shall Sponsor seek or accept release of the Deposit of a defaulting Purchaser until consummation of the Plan as defined in Section 20.1 (c) (6) of the Department of Law regulations which defines consummation of the Plan, as the filing of the Declaration of Condominium and the first transfer of title to a Residential Unit to at least one Purchaser under the Offering Plan following a declaration of effectiveness by the Sponsor and acceptance of the amendment of the declaration of effectiveness by the Attorney General's Office. Consummation of the Plan does not relieve the Sponsor of its obligations pursuant to GBL §§ 352-e(2-b) and 352-h.

The Escrow Agent shall release the Deposit Funds in escrow if so directed:

(a) pursuant to terms and conditions set forth in the Purchase Agreement upon Closing of Title to the Residential Unit; or

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

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

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

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

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

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

Purchasers should note that it shall be an express condition of Closing of Title that the Purchaser sign the form contained in Part II as Schedule D-2 which will enable the Escrow Agent to release the escrow funds, if not previously released as provided above.

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

Waiver Void:

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

General:

Nothing contained herein shall diminish or impair the Sponsor's statutory obligation to each Purchaser pursuant to GBL § 352-h to hold in trust all Deposits, advances or payments made in connection with the offer until consummation of the transaction with such Purchaser, except Extras as provided above. Consummation of the plan does not relieve Sponsor of its obligations pursuant to GBL § 352-h. Funds from any Escrow Account remain the property of the Purchaser until employed in connection with the consummation of the transaction. Such funds shall not be a part of the estate of the Sponsor or the Escrow Agent upon any bankruptcy, incapacity or death.

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

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

Assignment of Purchase Agreement:

Neither the Purchase Agreement nor Purchaser's interest thereunder may be assigned by Purchaser without the prior written consent of Sponsor, which consent may be withheld in Sponsor's sole and absolute discretion. In addition, neither shall the Purchase Agreement nor any memorandum thereof be recorded in the Office of the Register of the City of New York, by Purchaser or on behalf of Purchaser. Should Purchaser violate the provisions of the foregoing sentence, the Purchase Agreement, at Sponsor's option, shall become null and void, whereupon all rights of Purchaser shall cease and terminate and Sponsor shall have the right to retain, as liquidated damages, the Deposit and all amounts paid by Purchaser for Extras which have been (i) installed by Sponsor, (ii) not installed, but paid for by Sponsor or (iii) not installed, but which have been ordered by Sponsor and for which Sponsor is obligated to pay, pursuant to the default provisions of Paragraph 20 of the Purchase Agreement. Sponsor shall have the right to assign the Purchase Agreement to a successor and/or designee of Sponsor.

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XIII. FINANCING FOR QUALIFIED PURCHASERS

THIS OFFERING PLAN DOES NOT CONTAIN ANY FINANCING ARRANGEMENTS FOR PURCHASERS. PROSPECTIVE PURCHASERS WHO ARE INTERESTED IN SUCH FINANCING SHOULD CONTACT LENDING INSTITUTIONS, SUCH AS MUTUAL SAVINGS BANKS AND COMMERCIAL BANKS, MANY OF WHICH HAVE ADVERTISED THAT THEY OFFER FINANCING TO PURCHASERS OF CONDOMINIUM RESIDENTIAL UNITS.

Any applications for such financing with lending institutions must be done on an individual basis by prospective Purchasers and will involve negotiations exclusively between the lending institution and the applicant. The Sponsor should not be construed hereunder as offering any such financing or representing the availability or terms of such financing.

The Purchase Agreement is not conditioned upon a Purchaser securing satisfactory mortgage financing. Obtaining a mortgage shall be the sole responsibility of each Purchaser. In no event will the Sponsor be obligated to return a Purchaser's Deposit in the event a Purchaser is unable to obtain a mortgage. In addition, the Purchase Agreement will remain in full force and effect and Purchaser will be obligated to pay the balance of the purchase price at Closing regardless of the availability of financing. In the event a Purchaser does not Close Title to the Residential Unit, as a result of their inability to obtain a mortgage, the Purchaser shall be deemed in default of the Purchase Agreement and Sponsor may retain as liquidated damages the Deposit funds being held in escrow to a maximum of ten (10%) percent of the sales price plus the cost of Extras paid for by the Purchaser which Extras have been installed by Sponsor, paid for but not installed by Sponsor or which have been ordered but not installed by Sponsor and for which Sponsor is obligated to pay for such Extras unless the Offering Plan has been abandoned. In the event the Offering Plan is abandoned the Purchaser shall be entitled to receive all funds paid to the Sponsor for such Extras.

NO REPRESENTATION IS MADE BY THE SPONSOR OR THE SELLING AGENT AS TO WHETHER ANY PURCHASER WILL QUALIFY FOR FINANCING OR AS TO THE TERMS, COST OR AVAILABILITY OF SUCH FINANCING. THE SPONSOR SHALL HAVE NO LIABILITY OR RESPONSIBILITY TO ANY APPLICANT IF THEIR APPLICATION FOR FINANCING IS NOT ACCEPTED.

The Closing of Title to a Residential Unit where the Purchaser has obtained financing will take place simultaneously with the Closing of the mortgage loan and the proceeds will be applied towards the then balance of the purchase price.

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XIV. EFFECTIVE DATE OF THE PLAN

Sponsor's offer to sell the Residential Units is contingent upon the Offering Plan being declared effective and no Closing to a Residential Unit will be held until the Offering Plan is declared effective. Pursuant to current regulation this Offering Plan cannot be declared effective until bona fide Purchasers, including investors, have executed Purchase Agreements which have been accepted by Sponsor for at least fifteen (15%) percent in number of the Residential Units offered for sale under the Offering Plan (15% x 18 = 3 Residential Units) must be under contract before the Offering Plan can be declared effective. The Sponsor will declare the Offering Plan effective by personal service of notice on every Purchaser or commencement of service by mail stating that the plan has been declared effective. Sponsor will submit for filing an amendment to the Offering Plan disclosing the Offering Plan's effectiveness and will file an affidavit of service of the notice on all Purchasers. Sponsor will not close title to the first Residential Unit until the amendment disclosing the effectiveness of the Condominium has been accepted for filing by the Attorney General. Notwithstanding the fact that not all Purchasers used for purposes of declaring the plan effective may actually close, Sponsor must re-declare the plan effective in order to consummate the Offering Plan in the event all Purchase Agreements are either rescinded or terminated prior to the date of the first Residential Unit Closing, regardless of whether the condominium declaration has been recorded. The Plan will not be declared effective based on Purchase Agreements:

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

(ii) based on Purchase Agreements where the Purchaser has not had at least three (3) business days to review the Offering Plan and all filed amendments; or

(iii) with any Purchaser who is the Sponsor, the Selling Agent, or the Managing Agent or is a Principal of the Sponsor, the Selling Agent or the Managing Agent or is related to the Sponsor, the Selling Agent or the Managing Agent or to any Principal of the Sponsor or the Selling Agent or the Managing Agent by blood, marriage or adoption or as a business associate, an employee, a shareholder or a limited partner; except that such 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 bona fide.

Further, prior to declaring the Plan effective, the Sponsor has the option not to close title to the Residential Units and to abandon the Plan at any time, if less than eighty (80%) percent in number of Residential Units offered hereby are sold and title to any Residential Unit has not been conveyed (80% x 18 Residential Units being offered for sale = 15 Residential Units). In the event Sponsor exercises such option, it shall forthwith return to the Purchaser all monies paid with interest, if any, within five (5) days of the

abandonment of the Plan. When Purchase Agreements for eighty (80%) percent of the Residential Units have been entered into the Sponsor must declare the Plan effective.

Once the Plan has been declared effective, it may not be abandoned except for very limited circumstances as follows: (i) a defect in title which cannot be cured for less than one-half percent (½%) of the total amount of the offering or (ii) substantial damage or destruction of the Building by fire or other casualty which cannot be cured for less than one-half percent (½%) of the total offering, or (iii) the taking of any material portion of the property by condemnation or eminent domain. Any stated dollar amount relied upon as basis for abandonment after effectiveness will exclude all attorneys' fees as well as any such title defects or determinations of any authority or regulatory association which exist on the date of presentation of the Plan and are either known to the Sponsor or are a matter of public record. In addition. said amount will exclude any judgments and liens against the property resulting from acts of the Sponsor or any of its Principals which are known to the Sponsor on the acceptance date of the Plan. In the event Sponsor abandons the Plan, it shall do so by means of a filed amendment to the Plan. As of the date of the acceptance for filing of the Offering Plan, ½ % of the total offering is equal to $62,280. All monies advanced by Purchasers will be returned to them within five (5) days of the abandonment of the Plan. If Sponsor decides to abandon the Plan before declaring the Plan effective, Sponsor will file an amendment disclosing such abandonment and file a RS-3 Form with the Department of Law. In such event, Sponsor shall return any Deposit paid by Purchaser within five (5) days of acceptance of the amendment abandoning the Offering Plan.

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XV. TERMS OF SALE

After the Plan has been declared effective the Sponsor will fix a date for the Closing of Title to all Residential Units for which Purchase Agreements have been executed by serving notice on each Purchaser stating the date of the first Closing and setting such Purchaser's Closing Date. Notice will be sent to all Purchasers who have executed and delivered Purchase Agreements to the Sponsor and whose Purchase Agreements are then in effect by (i) personal delivery; or (ii) mailing by regular mail or registered or certified mail with or without return receipt requested, addressed to the Purchasers at the last known residence of such Purchaser or, if the Purchaser has provided written information of an alternative address for notices, addressed to the Purchaser at the alternative address. If Sponsor has no information of the last known residence address but has written information of the place of business or employment of such Purchaser, the mailing shall be addressed to such last business or employment address. Said notice will also include notice of the obligation to pay the balance of the purchase price.

Such notice will be served no less than thirty (30) days before the date set for the Closing of the Residential Units for those Purchasers who entered into a Purchase Agreement before the Plan was declared effective. Sponsor may permit Purchasers to waive the thirty (30) day provision by a written waiver. Any Purchaser who enters into a Purchase Agreement after the Plan is declared effective will also receive not less than thirty (30) days written notice of the date, time and place for the Closing of Title to Purchaser's Residential Unit, unless Purchaser gives a written waiver of such thirty (30) day notice. A form for such waiver of the thirty (30) day notice is contained as Schedule D-3 to the Offering Plan.

On the Closing Date, fee title to the Residential Unit will be conveyed to the Purchaser together with the Residential Unit's undivided Percentage of Common Interest in the Common Elements. The Closing of Title to the first Residential Unit is expected to commence by approximately April 1, 2023. Such Closing, however, will only take place after or simultaneously with the happening of the following events:

1. The delivery to the Residential Unit Owner of a Bargain and Sale Deed with covenants against grantor's acts. A copy of the Deed is set forth as Schedule F in Part II of the Plan.

2. The Sponsor's repair of any damage from a casualty or other cause that occurs before the Closing of Purchaser's Residential Unit.

3. The issuance of a temporary or permanent Certificate of Occupancy to the Residential Unit or Building in which the Residential Unit is located and any other necessary permits.

4. Title to each Residential Unit and its appurtenant Percentage of Common Interest in the Common Elements will be conveyed at the Closing free and clear of all liens, encumbrances and title exceptions other than those

described in the Offering Plan and the proposed Residential Unit Deed. Purchasers have the right to retain title insurance from any title company of their choice that is authorized to do business in the State of New York.

5. If so requested by the Purchaser, **Advantage Title, as agent for a title company authorized to do business in the State of New York, with offices located at 201 Old Country Road, Suite 200, Melville, New York 11747, telephone (631) 424-6100, Attn: Jennifer D. Tomei**, shall agree to insure that such Purchaser has good and marketable fee title in the Residential Unit, free and clear of all liens, encumbrances and title exceptions, except those set forth below, the Deed, and subject to the provisions of the Declaration and By-Laws and any mortgage executed by the Purchaser and that the Condominium was validly formed pursuant to Article 9-B of the Real Property Law. Purchasers have the right to obtain title insurance from any title company of their choice authorized to do business in the State of New York, at no additional charge or penalties.

6. All personal property located within the Residential Unit on the date the Purchase Agreement is signed or located within the Common Elements on the date the Declaration is filed, that is owned by the Sponsor or the owner of the property, is included in the conveyance unless specifically accepted in the Offering Plan.

7. The Declaration, By-Laws, floor plans and engineers and tax authority certification required by Section 339-p of Article 9-B of the Real Property Law of the State of New York shall be recorded or filed as required by law in the Registers Office of the City of New York.

8. The Residential Unit and its undivided Percentage of Common Interest in the Common Elements shall not be subject to the lien of any mortgage at the time of Closing except any mortgage requested by the Purchaser at the time of Closing representing a purchase money mortgage or mortgages taken by the Purchaser.

9. The Sponsor will give each Purchaser who entered into a Purchase Agreement before the Offering Plan was declared effective not less than thirty (30) days' prior written notice of the date, time and place for the transfer of title to Purchaser's Residential Unit unless a Purchaser waives such thirty (30) days' notice. Any Purchaser who enters into a Purchase Agreement after the Offering Plan is declared effective will also receive not less than thirty (30) days' written notice of the date, time and place for the transfer of title to Purchaser's Residential Unit, unless Purchaser waives such thirty (30) day notice. A form for such waiver of the thirty (30) day notice is contained as Schedule D-3 to the Offering Plan.

10. The filing of an amendment to the Offering Plan disclosing that the Offering Plan has been declared effective and that the terms of this Section XIV will be met, that the Residential Units to be closed have been constructed in accordance with the plans and specifications filed with the Building Department of the City of New York and that the Sponsor has complied with the requirements of this Section.

11. Purchaser shall receive any manufacturers' warranty certificates with respect to equipment and appliances installed in the Residential Unit and Sponsor shall assign any warranties with respect to equipment and appliances installed in Common Elements to the Board of Managers.

12. The Purchaser shall execute an instrument in the form annexed to the Purchase Agreement designating the Board of Managers as Purchaser's attorneys-in-fact, coupled with an interest for the sole purpose of managing, selling, mortgaging, leasing, subleasing, voting or otherwise dealing with any Residential Units acquired by the Board of Managers in accordance with any of the provisions of the By-Laws and designating the Sponsor as their attorney-in-fact to file an amendment to the Declaration of Condominium permitting the certification by a registered architect or professional engineer, certifying that the floor plans filed as part of an amended Declaration are an accurate copy of portions of the plans of the building and fully and fairly depict the layout, location, designation and approximate, within reasonable tolerances, dimensions of the Residential Units as built or amending such Declaration to create any utility easements or to carry out any of the provisions of the Offering Plan of such Condominium. See Article X, Section 3 of the Declaration of Condominium.

13. Purchasers should note that the Financial Crimes Enforcement Network ("FinCEN"), of the U.S. Department of the Treasury issued a revised Geographic Targeting Order ("GTO") dated November 8, 2019, as renewed on May 10, 2020, requiring U.S. title insurance companies and any of its subsidiaries and agents, to report to FinCEN the personal identity of purchasers in residential transactions in which:

    (1) Residential real property is purchased by a legal entity as defined in the GTO as follows: a corporation, limited liability company, partnership or other similar business entity, whether formed under the laws of a state or of the Residential United States or a foreign jurisdiction, other than a business whose common stock or analogous equity interests are listed on a securities exchange regulated by the Securities Exchange Commission ("SEC") or a self-regulatory organization registered with the SEC, or an entity solely owned by such a business;

    (2) the Purchaser purchases residential real property located in the Boroughs of Brooklyn, Queens, Bronx, Staten Island or Manhattan in New York City;

(3) the total purchase price is in the amount of $300,000 or more;

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

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

The Order affects all residential real property closings occurring on or after November 12, 2019. All questions about the Order should be directed to the FinCEN Resource Center at FRC@FinCEN.gov

14. A Purchaser may not interfere with Sponsor's ability to construct the Residential Unit or other unit(s) or facilities, including, without limitation, interference with work performed on the Property by Sponsor's staff, contractors and/or sub-contractors in connection with the construction of the Residential Unit or any other Residential Unit(s), attempts to hire any of Sponsor's staff, contractors or subcontractors, and/or attempts to bring contractors, materialman, sub-contractors or workers onto the Property for work on the Residential Unit prior to Closing, unless otherwise agreed to by Sponsor in writing. Sponsor shall have the right to remove or replace (and discard) any unauthorized installations, constructions and/or other materials installed or situated in or on any Residential Unit or any portion of the Property by or at the direction of any Purchaser prior to Closing without Sponsor's prior written consent.

Title to the Residential Unit will be subject to the following:

1. State of facts of the property as shown on a survey to be made prior to the Closing of Title provided such facts would not render title unmarketable and any state of facts which an accurate survey of the Buildings would show provided such state of facts would not render title unmarketable.

2. Any sewer, water, electric, drainage, telephone, cable television or other utility easements granted or to be granted hereafter.

3. All of the terms, covenants and conditions of the Declaration, the By-Laws of the Condominium and the Building Plans, as they are subsequently filed or recorded, the Offering Plan and any amendment thereto.

4. All easements set forth in the By-Laws and Declaration of the Condominium as they are subsequently recorded in the Offering Plan and Purchase Agreement, including:

(a) Easements in favor of the Residential Unit Owners of other Residential Units to use the pipes, wires, conduits, cable television, and public utility lines located in the Common Elements or in the Residential Unit itself servicing such other Residential Units and/or the Common Elements.

(b) Easements in favor of the Board of Managers, its agents, contractors or employees to have a right of access to any Residential Unit and to the Common Elements to inspect, maintain or repair or to make repairs to any Residential Unit to prevent damage to the Common Elements or any other Residential Units, to make repairs to the Common Elements, to any wires, pipes, conduits or cable television system servicing any of the Residential Units or to make repairs to any other Residential Unit, regardless of the nature of the Common Element.

(c) Easements in favor of those Residential Units having restricted use to portions of the Common Elements.

(d) Easements for the continuance of encroachments on any Residential Unit and on the Common Elements by other Residential Units or portions of the Common Elements, now existing by reason of the construction of the Residential Units, or hereafter occurring by reason of the settling or shifting of the Residential Units, or by reason of the repair and/or restoration by the Board of Managers of the Residential Units or such other Residential Units or such Common Elements, after damage by fire or other casualty or after taking in condemnation or eminent domain proceedings, or by reason of an alteration to the Common Elements made by the Board of Managers, so that any such encroachments may remain as long as the Residential Units stand.

5. The following:

(a) Declaration of Easement recorded in CRFN 2021000344899.

(b) Reservation as contained in deed recorded in Rec. Liber 49 Page 394.

(c) Reservations and Easements as contained in deed recorded in Reel 1022 Page 1158 as re-recorded in Reel 1041 Page 581.

(d) Covenants, Conditions and Reservations as contained in deed recorded in Reel 1917 Page 1860.

(e) Covenants and Restrictions as contained in deed recorded in Liber 503 Page 457.

(f) Release of Preferential Acquisition Rights granted under Section 18 of the Transportation Law recorded in CRFN 2020000020192.

6. Any additional declarations, covenants, restrictions, reservations, exceptions, easements and agreements which have been recorded or appear in recorded documents, or are yet to be recorded, provided they do not prevent use of the Residential Unit as a one (1) family residence and the Common Elements for their intended use and purpose and do not constitute a lien against the Residential Unit or any of the Common Elements.

If any existing mortgages or construction loans will not be satisfied at or prior to the Closing of the first Residential Unit then at the time of conveyance of the first Residential Unit each mortgagee will either:

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

(ii) subordinate the lien of its mortgage to the Declaration of Condominium; or

(iii) release its lien on the Condominium Residential Unit being conveyed and its interest in the Common Elements.

The Sponsor has been advised by its counsel that in counsel's opinion, none of the exceptions to title herein above set forth are contrary to the terms of the Purchase Agreement nor will they interfere with the quiet use or enjoyment of the Purchaser's Residential Unit or the Common Elements of the Condominium.

The risk of loss or damage to the Residential Unit by fire or any other cause until delivery of the deed is assumed by the Sponsor. In the event a substantial portion of the Residential Unit or Condominium shall be destroyed or damaged prior to Closing, Sponsor shall be entitled to cancel the Purchase Agreement by written notice to the Purchaser, together with a check in the amount of the Deposit paid by Purchaser, with interest, if any, however Purchaser will not receive a refund of any funds paid for Extras which have been (i) installed by Sponsor, (ii) not installed, but paid for by Sponsor or (iii) not installed, but which have been ordered by Sponsor and for which Sponsor is obligated to pay unless the Offering Plan has been abandoned. If the Offering Plan is abandoned pursuant to the terms herein, the Purchaser shall be entitled to a return of all monies paid for Extras. The parties shall thereafter be released from any further liability. In the event a Purchaser takes actual possession prior to Closing, said Purchaser will assume the risk of losses not covered by insurance upon production of the policy by the Sponsor to the Purchaser which provides that actions of interim lessees are not covered under the then existing policy. If Purchaser is or becomes the occupant or tenant of the Residential Unit

prior to Closing, then, as of the date of Purchaser's occupancy, Purchaser shall be responsible for any and all damage caused by any acts or omissions of Purchaser, or Purchaser's agents, employees, invitees or family members. If any part of the Residential Unit is damaged or destroyed by any casualty prior to Closing, Sponsor will have the option to restore the Residential Unit to its previous condition as soon as reasonably possible. In the event Sponsor elects to restore the Residential Unit, then the Closing Date and any other applicable date or deadline will be extended in a reasonable manner by Sponsor. The additional time required to restore a damaged Residential Unit will not affect the outside date provided for in the Purchase Agreement unless agreed to by both the Purchaser and Sponsor. Sponsor agrees to notify Purchaser of Sponsor's decision within ten (10) business days of the date of such casualty. In the event Sponsor elects not to restore the Residential Unit then the Purchase Agreement will terminate, and the Purchaser will receive a full refund of all monies paid to Sponsor. The Purchaser and Sponsor shall thereafter be released from any further liability.

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XVI. CLOSING COSTS AND ADJUSTMENTS

At Closing, each Purchaser shall be required to pay certain costs and expenses. The following is a list of the types and amounts of costs and expenses Purchasers should expect to pay and are based on current rates and charges which are subject to change without prior notice.

1. If a Purchaser elects to obtain fee title insurance and for mortgage title insurance, the Purchaser will pay the premium therefor which will vary depending upon the purchase price and whether or not a mortgage title policy is obtained simultaneously with the fee title policy. Title insurance rates are set by the New York Board of Title Underwriters and filed with the New York State Insurance Department. The Purchaser is free to obtain title insurance from any company of their choice without incurring a penalty. Advantage Title, as agent for a title company authorized to do business in the State of New York, is available to provide title insurance for Purchasers. However, Purchasers are free to use the title company of their choice at no additional cost. Sponsor makes no representation or warranty as to cost, terms or availability of such other title insurance. Sponsor is required to convey marketable title and cure defects regardless of the title company utilized by Purchaser.

2. Purchasers should anticipate additional fees for Endorsements to the Owner and Mortgage Title Insurance, as applicable, and fees for municipal and other searches. These fees can be estimated at approximately $897 for a Residential Unit that has a purchase price of $1,250,000.

3. Fees for the recording of the mortgage, deed, power of attorney and any affidavit required in connection with the mortgage tax credit available under RPL §339-ee which total approximately $725 for a Residential Unit that has a purchase price of $1,250,000.

4. In the event the Purchaser shall obtain a purchase money first mortgage, Purchaser shall pay recording fees for the mortgage of approximately $100. For first mortgages in an amount less than $500,000, Purchaser shall be required to pay a mortgage tax of 2.05% of the amount of the mortgage less $25 and for first mortgages in an amount in excess of $500,000, Purchaser shall pay a mortgage tax of 2.175% of the amount of the mortgage less $25. In addition, the Purchaser will be required to pay the lending institution's attorney's fees, any mortgage origination fees, bank credit and appraisal fees and other expenses that the lending institution may charge incident to the making of the permanent loan. If applicable, a portion of the mortgage recording tax set forth above will be computed in accordance with Section 339-ee subsection 2, of the New York Condominium Act, and shall be paid to the Sponsor in reimbursement of mortgage recording taxes which the Sponsor may have previously paid in connection with existing mortgage on

the Condominium. If Purchaser obtains a mortgage loan, Purchaser shall pay all closing costs associated with such loan, which may include, but need not be limited to, the following:

(a) fee and service charge for recording the mortgage;

(b) a mortgage recording tax in the amount provided for by law;

(c) to Sponsor, a sum equal to the full amount (but not in excess thereof) of the partial mortgage recording tax credit provided by Section 339-ee(2) of the New York Condominium Act, to the extent same is or becomes available, as a reimbursement for the mortgage recording taxes previously paid, if applicable. To the extent that the Purchaser is entitled to any credit against the mortgage recording tax by contractual arrangement the Purchaser shall pay to Sponsor at the Closing for such Residential Unit the amount of any such credit, if applicable. If Purchaser's Lender, that is providing a mortgage, assumes or consents to the assignment of a mortgage lien encumbering only such Purchaser's Residential Unit and as a result is entitled to an exemption of all or a portion of the mortgage tax which would have been available to the Purchasers, the Purchaser shall pay to Sponsor the amount of such exemption (the "Assignment Exemption"). In the event the credit under Section 339-ee(2) is not available and the Assignment Exemption is provided, the Sponsor, at its own discretion, may utilize the exemption to provide a discounted closing cost to the Purchaser upon which the Purchaser would be responsible for the legal fees in connection with obtaining such exemption and at no time would such fees exceed the amount of tax payable by Purchaser to the taxing authority had such an exemption not been made available.

There will be no mortgage closing costs if a Purchaser does not obtain a mortgage.

5. As of July 1, 2019, the New York State Transfer Tax will be $2.00 per $500 of the purchase price where the purchase price is under $3,000,000 and $3.25 per $500 where the consideration is $3,000,000 or greater and New York City Real Property Transfer Taxes of one (1%) percent of the Purchase Price where the consideration is less than $500,000 and 1.4259% where the consideration is $500,000 or greater and a Supplemental Tax where the consideration for the conveyance is $2,000,000 or more. These taxes are normally an expense of the Sponsor; however, by contractual arrangement they will be paid by Purchaser. Pursuant to Section 14014(a) of the Tax Law of the State of New York, as amended on July 1, 2021, where New York State Real Estate Transfer Tax is paid by the Purchaser pursuant to contractual agreement, such tax will be excluded from the total calculation of consideration of the Purchase Price. However, the amount of the New York City Real Property Transfer Tax will be included in the consideration

of the Purchase Price in determining the amount of the New York City Transfer Tax. The New York City Transfer Tax is calculated as follows:

(a) Multiply the purchase price by the City Tax Rate to compute a tentative tax.

(b) Add the tentative New York City Transfer Tax to the purchase price.

(c) Multiply the total of "b" above by the City Rate.

EXAMPLE: Purchase Price = $1,250,000

(1) $1,250,000 x .014259 = $17,824

(2) $1,250,000 + $17,824 = $1,267,824

(3) $1,267,824 x .014259 = $18,078 = amount due for New York City Real Property Transfer Tax.

The following are the rates applicable to the Supplemental Tax.

Entire Conveyance Amount	Supplemental Tax Rate
At least $ 2 million but less than $ 3 million	One-quarter of one percent (.25%)
At least $ 3 million but less than $ 5 million	One-half of one percent (.5%)
At least $ 5 million but less than $10 million	One and one-quarter percent (1.25%)
At least $10 million but less than $15 million	Two and one-quarter percent (2.25%)
At least $15 million but less than $20 million	Two and one-half percent (2.5%)
At least $20 million but less than $25 million	Two and three-quarters percent (2.75%)
$25 million dollars or more	Two and nine-tenths percent (2.9%)

The Purchaser is required to pay the supplemental tax. If the Purchaser fails to pay the tax or is exempt, the Sponsor is required to pay the tax. When the Sponsor is required to pay the tax because the Purchaser has failed to pay, the Supplemental Tax becomes the joint and several liability of the Sponsor and the Purchaser. The additional transfer tax applies only to conveyances of residential real property when the consideration for the conveyance is $3 million dollars or more/ and conveyances of any other property when the consideration for the conveyance is $2 million dollars or more.

6. Any Residential Units where the total consideration is $1,000,000 or more are also subject to the provisions of Section 1402-a and 1402-b of the Tax Law of the State of New York (Mansion Tax) which requires a New York State Tax of the Purchase Price as follows based on the following total consideration:

Total Consideration	**Mansion Tax**
Less than $1,000,0000	Not subject to tax
$1,000,000 to $1,999,999.99	1%
$2,000,000 to $2,999,999.99	1.25%
$3,000,000 to $4,999,999.99	1.5%
$5,000,000 to $9,999,999.99	2.25%
$10,000,000 to $14,999,999.99	3.25%
$15,000,000 to $19,999,999.99	3.5%
$20,000,000 to $24,999,999.99	3.75%
$25,000,000 or more	3.9%

Pursuant to the provisions of the statute it is a Purchaser's obligation to pay the Mansion Tax.

7. Working Capital equal to two (2) months Common Charges to be paid to the Condominium. While Sponsor is in control of the Board of Managers, the Working Capital Fund may be used to reduce the Common Charges of the Condominium. The Condominium Board of Managers may authorize the use of the Working Capital Fund to reimburse Sponsor for prepaid expenses of the Condominium. The only budgetary item that might require a substantial credit to the Sponsor would be the insurance disclosed in Schedule B. At such time as the Sponsor relinquishes control of the Board of Managers, oversight and management of any remaining balance of the Working Capital Fund will be the obligations of the residential Members of the Board of Managers. The Offering Plan does not provide for any minimum Working Capital Fund to be turned over to the Board of Managers.

8. Each Purchaser shall pay $3,000 to Sponsor's counsel, representing a fee for services in connection with preparing the Residential Unit Deed, the Residential Unit Owner's Power of Attorney and for coordinating and attending the Closing. Such fee shall be payable at or prior to the Closing by Purchaser's unendorsed, personal check made payable directly to the order of Sponsor's attorney.

9. Any mortgage tax credit received pursuant to Section 339-ee of the Real Property Law will inure to the benefit of Sponsor.

Closing Cost Example

As an example, a Purchaser of a Residential Unit in which the purchase price of the most expensive Residential Unit is $1,250,000, who procures a first mortgage in the amount of $1,000,000 and who has a Percentage of Common Interest of 8.7576% will pay the following approximated Closing Costs:

Owners Policy and Rider:

Fee Title Insurance	$ 5,151
Market Value Rider	$ 515

Loan Policy and Endorsements:		
Mortgage Insurance		$ 1,073
Residential Mortgage		$ 50
TIRSA-8.1 Environmental Lien		$ 50
Waiver of Arbitration		$ 50
TIRSA-4 Condominium		$ 50
Miscellaneous Charges:		
Municipals		$ 395
Bankruptcy Search		$ 100
Patriot Search		$ 100
Escrow Service Fee		$ 50
Estimated Sales Tax		$ 52
State and Local Taxes:		
Mortgage Tax		$ 19,220
New York State Transfer Tax		$ 5,092
New York City Transfer Tax		$ 18,138
Mansion Tax		$ 12,728
Recording Fees:		
Mortgage Recording (up to 25 pgs + $5 per Additional page)	$ 250	
Deed Recording Fee (up to 3 pgs + $5 per Additional page)	$ 275	
Condominium POA		$ 100
Assignment		$ 100
Additional Expenses:		
Condominium Working Capital		$ 1,726
Sponsor Attorney Fees for Preparation of Deed, Power of Attorney and other Closing:		$ 3,000
Fee for completion of any Lender's Mortgage questionnaire		$ 150
Fee to Sponsor's Attorney for Preparation of ACRIS Documents		$ 250
TOTAL:		**$ 68,638**

Purchasers obtaining mortgage loans are also advised that they will be responsible for the payment of all closing costs and expenses in connection therewith in amounts determined by the lender. These costs customarily include origination fees (or "points"), commitment fees, fees for credit checks, mortgage title insurance, lender's attorneys' fees and appraisal fees. Also, a Purchaser obtaining a mortgage may be required by the lending institution to deposit monthly with the lending institution, commencing with the Closing Date, an escrow for the payment of annual real estate taxes and insurance premiums. The amount of such escrow Deposit to be made at Closing will depend on the

number of months remaining between the Closing of Title and the date these amounts are next due to be paid and the estimated amounts then payable, as well as the custom and practice of the particular lender involved.

To the extent that the Purchaser is entitled to any credit against the mortgage recording tax by reason of any prior mortgage against the Residential Unit or the Property, the Purchaser shall pay to Sponsor at the Closing for such Residential Unit the amount of any such credit, if applicable, which may be available pursuant to Section 339-ee(2) of the New York State Condominium Act. If a Purchaser's Lender assumes or consents to the assignment of a mortgage lien encumbering only such Purchaser's Residential Unit and as a result is entitled to an exemption of all or a portion of the mortgage tax which would have been available to the Purchasers and shall pay to Sponsor the amount of such exemption.

In addition, if a Closing takes place, at the request of Purchaser, at any location other than the office designated by Sponsor or Sponsor's attorney's office, Purchaser shall pay to Sponsor's attorney a travel fee in the sum of $500.

In addition, in the event the Sponsor's Attorney is required to prepare the New York City "ACRIS" transfer documents Purchaser shall be required to pay Sponsor's attorney an additional fee of $250. In the event the title company prepares the ACRIS, Purchaser shall pay the applicable fee of the title company.

In the event a Closing is adjourned with Sponsor's consent, at the request of Purchaser or Purchaser's attorney within forty-eight (48) hours of the scheduled time of Closing, Purchaser shall also pay Sponsor's attorney an adjournment fee in the sum of $500.

Purchaser shall also pay, or reimburse to Sponsor, if Sponsor has already made payment, the following charges: (a) inspections and (b) appraisals.

In the event the Residential Units have not been separately assessed for real estate tax purposes prior to the Closing of Title to the first Residential Unit, Sponsor may place in escrow, in the name of the Board of Managers, an amount equal to the unpaid real estate taxes which will be levied against the Residential Units in the Condominium for the six (6) month period following the first Closing. Thereafter, at each Closing during said period, each Purchaser will reimburse the Sponsor for the pro-rata amount paid on behalf of said Residential Unit. Alternatively, the Sponsor may place in escrow, in the name of Board of Managers, an amount equal to the real estate taxes attributable to the unsold Residential Units for such six (6) month period and may collect at each Closing the estimated amount of taxes attributable to such Residential Unit for the balance of the six (6) month period. The Board of Managers will pay the real estate taxes from the escrow account when taxes are due and payable. After the Residential Units are separately assessed, the funder of the escrow account and the Residential Unit Owner will be reimbursed for any overpayment of taxes or assessed for an underpayment.

If through no fault of Sponsor, Purchaser fails for any reason to Close Title after the date originally scheduled in Sponsor's Notice of Closing or such later date (if applicable) to which Sponsor in a subsequent Notice for Closing adjourned the Closing, all of the aforementioned apportionments shall be made as of midnight of the day preceding (i) the date originally scheduled for Closing or (ii) Sponsor's adjourned Closing Date (as the case may be). In addition, Purchaser shall pay to Sponsor at or prior to the actual Closing an amount equal to .0438% per day (which equals an annual rate of 16%) of the purchase price for the Residential Unit for each day beyond such originally scheduled or Sponsor adjourned Closing Date, to and including the date of actual Closing, for reimbursement and defrayal of Sponsor's carrying costs and other charges. In no event shall the rate exceed the maximum limit allowed pursuant to applicable law.

The fee title policy premiums and the recording charges set forth above are estimates based on the rates in effect as of the date of this Offering Plan. If said premiums, charges or rates are subsequently revised by the title company, the State, or Municipality, each Purchaser shall be required to pay the title policy premiums, recording charges and Closing Costs in effect as of the date of the Closing of Title to their Residential Unit.

The Sponsor anticipates, but does not guarantee, that the only items which will be apportioned at the Closing of Title to the Residential Units will be real estate taxes and sewer charges, if any, and Common Charges, if they have been declared by the Board of Managers. The adjustments will be made as of 11:59 P.M. on the day preceding the Closing Date. In the event there are any other items which are to be apportioned at Closing, said items will be adjusted at the Closing. The Sponsor will advise the Purchaser of the Closing Date by giving Purchaser written notice at least thirty (30) days prior to the Closing Date.

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XVII. RIGHTS AND OBLIGATIONS OF THE SPONSOR

No bond or other security has been furnished to secure performance of the following obligations. All obligations pertaining to the Common Elements shall be enforceable only by the Board of Managers on behalf of the Residential Unit Owners and not by the individual Residential Unit Owners. During the time the principals of the Sponsor control the Board of Managers, it is within their sole power to enforce the obligations of the Sponsor pertaining to the Common Elements. The following shall pertain to the Sponsor:

1. Sponsor will endeavor in good faith to market and sell the Residential Units in the Condominium. Notwithstanding, Sponsor retains the unconditional right to rent rather than sell the Residential Units after consummation of the Offering Plan. Because Sponsor is retaining the unconditional right to rent rather than sell Residential Units after consummation of the Offering Plan, this Offering Plan may result in the creation of a condominium in which a majority of the Residential Units are not owned by owner-occupants or investors unrelated to the Sponsor. Due to the fact Sponsor is not limiting the conditions under which it will rent rather than sell Residential Units, there is no commitment to sell more Residential Units than the required percent necessary to declare the plan effective. Purchasers for their own occupancy may never gain control of the Board of Managers under the terms of the Offering Plan. Sponsor shall not rent a Residential Unit in the Condominium prior to consummation of the Offering Plan.

2. The Sponsor has the obligation to defend any suits or proceedings arising out of Sponsor's acts or omissions under applicable law and regulations and the obligations in the Offering Plan, and to indemnify the Board of Managers and the Residential Unit Owners.

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

4. Until title to a Residential Unit is passed to a Purchaser, the Sponsor will pay such Common Charges, Special Assessments, and real estate taxes, as are assessed by the Board of Managers of the Condominium, and the City of New York on the Residential Units to which title has not passed. Once title is passed to a Purchaser the Purchaser shall be solely responsible for all Common Charges, Special Assessments, real estate taxes and all other costs applicable to the Residential Unit, as are assessed by the Board of Managers of the Condominium and the City of New York. No bond or other security has been posted to secure such obligations. Sponsor will fund its financial obligations to the Condominium from the income derived from the sale of the Residential Units and Sponsor's assets.

Sponsor currently has the resources necessary to meet its obligations under the Offering Plan.

5. In the event a Residential Unit is damaged by a casualty or other cause prior to the Closing of Title to a Residential Unit, the Sponsor will have the option to restore the Residential Unit to its previous condition as soon as reasonably possible. In the event Sponsor elects to restore the Residential Unit, then the Closing Date and any other applicable date or deadline will be extended in a reasonable manner by Sponsor. Sponsor agrees to notify Purchaser of Sponsor's decision within ten (10) business days of the date of such casualty. In the event Sponsor elects not to restore the Residential Unit, then the Purchase Agreement will terminate, and the Purchaser will receive a full refund of all monies paid to Sponsor, including Extras. The Purchaser and Sponsor shall thereafter be released from any further liability. The additional time required to restore a damaged Residential Unit will not affect the outside date provided for the Purchase Agreement unless agreed to by both the Purchaser and the Sponsor.

6. Sponsor will initially procure fire and casualty insurance for the Condominium on the terms set forth in the budget. In the event there are insufficient funds in the Condominium to pay for such insurance, Sponsor may lend the Condominium such funds and Sponsor will be repaid out of subsequent Common Charges collected. No Board or Residential Unit Owner approval is required to make such loan. The Condominium Board of Managers may authorize the use of funds from the Working Capital Account to reimburse the Sponsor.

7. In the event of the dissolution or liquidation of the Sponsor or the transfer of ten (10) or more Residential Units or twenty percent (20%) or more of the total number of Residential Units in the Condominium, whichever is less, the Principals of the Sponsor will provide financially responsible entities or individuals who will assume the status and all the obligations of the Sponsor for those Residential Units under the Offering Plan, applicable laws and regulations.

8. As of February 1, 2022, Sponsor has not obtained a construction loan. In the event Sponsor obtains a construction loan, the construction loan will remain as a lien on the Property up until the time of Closing at which time the Sponsor will be required to release each Residential Unit from the provisions of the loans. Sponsor will amend the Plan to disclose the salient terms of any such loan. After the recording of the Declaration and before the Closing of Title to the first Residential Unit the Lender of any mortgage that encumbers the property at the time of conveyance of the first Residential Unit will either: (i) consent to the formation of a condominium and acknowledge that its lien will be limited to unsold condominium Residential Units; (ii) subordinate the lien of its mortgage to the Declaration of Condominium; or (iii) release its lien on the condominium Residential Unit

being conveyed and its interest in the Common Elements. In addition, before the Closing of Title to the first Residential Unit all liens and mortgages affecting the Condominium shall be paid and satisfied on the Residential Unit being conveyed and its appurtenant interest in the Common Elements shall be released therefrom by partial release duly recorded.

9. The Sponsor will diligently and expeditiously complete construction of the Condominium in accordance with the plans and specifications described herein and will diligently perform all of its obligations set forth in this Offering Plan and will deliver to the Board of Managers a copy of the "as built" plans filed with the recording of the Declaration or any amendment thereto and in addition will provide the Board of Managers with a full set of building plans filed with the City of New York together with any "field changes" made during the course of construction. Although the Sponsor is obligated to build and complete the Condominium in accordance with the building plans and specifications identified in the Plan and intends to use the materials, fixtures, appliances, and equipment described herein and in the building plans, the Sponsor reserves the right to substitute equipment or materials and make modifications of layout or design, provided however, that Sponsor may not: (i) substitute equipment or materials of lesser quality or design; or (ii) change the size, location of Buildings or Residential Units other improvements or Common Elements if such changes affect the Percentage of Common Interests or adversely affect the value of any Residential Unit to which title has closed or for which a Purchase Agreement has been executed and is in effect unless all affected Residential Unit Owners and contract vendees consent in writing to such change. Sponsor further reserves the right to determine the ultimate type of Residential Units to be constructed in the Buildings; determine the location of electric and water meters, electric transformers, air conditioning compressors, other Building wide equipment, mailboxes; and make any other changes required by the City of New York.

10. The Sponsor will obtain a permanent or temporary Certificate of Occupancy and any other certificate or permit required by law for the Building or Residential Unit before the Closing of Title to a Residential Unit and will, at its own cost, perform any work and supply any materials necessary to obtain the Certificates or permits. In the event a permanent Certificate of Occupancy is not issued as of the Date of Closing of a Residential Unit, Sponsor anticipates obtaining the permanent Certificate of Occupancy within two (2) years of the Closing of the Residential Unit. However, Sponsor and its principals make no representation or guarantee that the New York City Department of Buildings will issue the permanent Certificate of Occupancy within such two (2) year period. The Sponsor will renew any temporary Certificate of Occupancy until a permanent Certificate of Occupancy is issued for the Buildings. Sponsor has the right to Close Title with a temporary Certificate of Occupancy.

In the event a permanent Certificate of Occupancy for the Building or Residential Unit has not been issued as of the Date of Closing for said Residential Unit, the Sponsor will continue to hold all Deposits and funds in the special escrow account required pursuant to Section 352-e (2-b) and 352-h as described in Section XII of the Offering Plan unless Sponsor's engineer or architect certifies that a lesser amount will be reasonably necessary to complete the work needed to obtain a permanent Certificate of Occupancy. Any sum of money exceeding the amount certified by the Sponsor's engineer or architect will be released to the Sponsor. Upon the issuance of the permanent Certificate of Occupancy, such escrow Deposit will be released to Sponsor without the consent of any other party. Alternatively, Sponsor may deposit with an escrow agent an unconditional, irrevocable letter of credit or post a surety bond in the amount certified by Sponsor's engineer or architect. In such event, it will disclose such fact by duly filed amendment to the Plan prior to releasing any of the funds from the escrow account.

Purchasers are advised that in New York, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a permanent Certificate of Occupancy ("PCO") covering the entire building but with only a temporary Certificate of Occupancy ("TCO"), and sometimes with several successive temporary Certificates of Occupancy. Certificates of Occupancy are generally governed by section 301 of the New York Multiple Dwelling Law and local building codes and rules. The TCOs and PCOs are issued by the New York City Department of Buildings ("DOB)". A TCO is intended to indicate that the property is safe for occupancy but means that not all of the construction work and/or inspections have been performed, or that not all of the required documents have been submitted to the Building Department. All TCOs have an expiration date. A TCO typically expires 90 days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance, or sell Residential Units. In New York City, it is common for sponsors to commence Residential Unit closings when some or all Residential Units are covered by a TCO rather than a PCO. Sponsor anticipates this scenario may occur. Sponsor and its principals will undertake the responsibility for extending each TCO received prior to expiration thereof and ultimately for obtaining a PCO covering the entire building within two years from the date of issuance of the first TCO. However, Sponsor and its principals make no representation or guarantee that the Building Department will issue the PCO within such two (2) year period. Notwithstanding the foregoing, Sponsor and its principals are obligated to procure the PCO for the entire building and shall exercise its best efforts to obtain the PCO within such two (2) year period while keeping the TCO current. Residential Unit Owners and the Board of Managers shall be obligated to cooperate with and refrain from obstructing Sponsor in these undertakings. Residential Unit Owners will not be permitted to make any

changes, additions or alterations to their Residential Unit requiring DOB approval prior to the issuance of a Permanent Certificate of Occupancy or renewal of a temporary Certificate of Occupancy.

Residential Unit Owners will not be permitted to make any changes, additions or alterations to their Residential Unit that will prevent the issuance of a permanent Certificate of Occupancy or extension or renewal of a temporary Certificate of Occupancy for the Residential Unit and/or Building. Residential Unit Owners will be permitted to make standard improvements to their Residential Units such as painting, installation of flooring, cabinetry, fixtures etc. as long as the improvements do not affect the ability of the Sponsor to obtain a permanent Certificate of Occupancy or extension or renewal of a temporary Certificate of Occupancy. Residential Unit Owners are responsible for obtaining all necessary permits from the City of New York and any other required municipal agencies for any changes the Residential Unit Owner makes to their Residential Unit subsequent to the Closing of Title with the Sponsor. Sponsor will not be liable for nor responsible to a Residential Unit Owner in the event an inspection by the Department of Buildings of the City of New York prevents the issuance of a renewal and/or extension of a temporary Certificate of Occupancy or permanent Certificate of Occupancy as a result of changes made to the Residential Unit by a Residential Unit Owner. In such an event, Sponsor shall provide documentation substantiating the assertion that the Residential Unit Owner's changes prevented the issuance of a PCO or renewal of a TCO for the Property. In the event a Residential Unit Owner makes any changes, additions or alterations to their Residential Unit prior to the issuance of a Permanent Certificate of Occupancy for the Residential Unit and/or Building, the Residential Unit Owner shall reimburse Sponsor within ten (10) days following Sponsor's demand therefore, for any and all costs incurred by Sponsor with respect to Residential Unit Owner's changes to the Residential Unit that prevent the extension or renewal of a Temporary Certificate of Occupancy or the issuance of a final Certificate of Occupancy by the Department of Buildings of the City of New York.

11. At the Closing of Title, the Sponsor will deliver the certificates and warranties delivered to it and transferable to Purchaser. Sponsor's liability pursuant to any manufacturers' warranties covering heating, appliances, electricity, plumbing and roofing are limited solely to the extent that such warranties are delivered to Sponsor, transferable to the Purchaser or to the Condominium Board of Managers and then only as against such manufacturer.

12. The Purchaser of a Residential Unit will inspect such Residential Unit prior to the Closing Date and will execute at such time an inspection statement acknowledging Purchaser's acceptance of the Residential Unit, in good condition and in accordance with the terms of the Plan, provided that if Purchaser finds that Sponsor's improvements have not been completed as

described in the Plan then Sponsor and the Purchaser in question will agree to include on the inspection statement a list of incomplete work of a material nature to be completed in the Residential Unit by Sponsor as provided in the Purchase Agreement. Sponsor will have no obligation to co3mplete any work which is not specifically designated by the Purchaser on the inspection statement. A Purchaser will receive prior notice that a Residential Unit is available for inspection pursuant to this Paragraph, as more particularly set forth in the Purchase Agreement in Part II of the Plan. A Purchaser who fails to inspect such Residential Unit will be deemed to have accepted the Residential Unit in good condition and in accordance with the terms of the Plan. After Closing of Title to each Residential Unit the Purchaser thereof must comply with the procedures established by the Managing Agent or the Board of Managers regarding such Purchaser's move in and out of the Residential Unit. This may include "move in" and/or "move out" fees which will be refunded to the Purchaser unless the Purchaser or the Purchaser's agents cause damage to the Buildings during the move in or move out of the Residential Unit. In such an event the move in or move out fees will be used to repair said damage. In the event the move in and move out fees paid are less than any damage caused, the Purchaser will be responsible for the additional amount of the damage. In the event the move in or move out fees paid are greater than the damage caused, the Purchaser will be refunded the excess amount. The provisions of this paragraph shall in no way act to abrogate Sponsor's obligation to build and complete the Condominium in accordance with the plans and specifications identified in this Offering Plan and Purchaser's rights and remedies stemming therefrom.

13. This Development is subject to the New York State Housing Merchant Implied Warranty Law, Article 36-B of the General Business Law, which pertains to warranties on the sale of certain new Residential Units. This law is applicable to all Residential Units offered for sale under this Plan. Pursuant to the terms of this law, the Sponsor is giving a Limited Warranty to Purchasers which provides for a Limited Warranty on certain items. The limitations contained in the Limited Warranty are noted as follows: the Limited Warranty provides coverage for the first Residential Unit Buyer only; Sponsor's liability is limited to fifty thousand ($50,000) dollars exclusive of options and less any insurance proceeds received by Purchaser; incidental, special, indirect consequential or other similar damages are excluded; and detailed procedures must be followed for giving notice of a warranty claim to Sponsor, and for commencing a lawsuit against Sponsor. The Limited Warranty provides the following coverages for the Residential Units:

<u>FIRST YEAR BASIC COVERAGE</u>: for one year from the Effective Date of the Warranty (as shown on page 1 thereon), the Residential Unit will be free from latent defects that constitute:

(a) defective workmanship by the Sponsor, or an agent, employee or subcontractor of the Sponsor;

(b) defective materials furnished by the Sponsor, or an agent, employee or subcontractor of the Sponsor;

(c) defective design, provided by an architect, engineer, surveyor, or other design professional retained exclusively by the Sponsor; or

(d) defective installation of appliances sold as part of the Residential Unit by the Sponsor or an agent, employee or subcontractor of the Sponsor.

TWO YEAR MAJOR SYSTEM COVERAGE: for two years from the Effective Date of the Warranty, the plumbing, electrical, heating, cooling and ventilation systems of the Residential Unit which have been installed by the Sponsor are warranted to be free from latent defects resulting from defective installation by the Sponsor.

SIX YEAR MAJOR STRUCTURAL DEFECT COVERAGE: for six (6) years from the Effective Date of the Warranty, the Residential Unit will be free from latent major structural Defects that result from:

(a) defective workmanship by the Sponsor, or an agent, employee or subcontractor of the Sponsor;

(b) defective materials furnished by the Sponsor, or an agent, employee or subcontractor of the Sponsor; or

(c) defective design, provided by an architect, engineer, surveyor, or other design professional retained exclusively by the Sponsor.

As permitted in Article 36-B of the General Business Law, the Sponsor excludes the specific warranties set forth in Article 36-B of the General Business Law, and all other warranties, express or implied, and instead is providing each Purchaser with the Limited Warranty. See the complete terms of the Limited Warranty contained in the Rider to the Purchase Contract set forth in Schedule D-7 and Article 36-B of the General Business Law set forth in Schedule M.

To the extent any coverage under this warranty applies to Common Elements of the Condominium, such coverage shall be deemed given to the Board of Managers of the Condominium.

Regarding the Common Elements of the Condominium not covered by any Limited Warranty, the Sponsor will correct any defects in the construction of the Common Elements, or in the installation or operation of any mechanical

equipment therein, due to improper workmanship or material substantially at variance with this Offering Plan as may be changed by Sponsor from time to time provided and on condition that Sponsor is notified of or becomes aware of such defect(s) within twelve (12) months of the issuance of a temporary or permanent Certificate of Occupancy, whichever is issued upon the Closing of Title to the first Residential Unit. In no event will Sponsor be liable for consequential damages (whether based on negligence, breach of contract, warranty, or otherwise), it being intended that Sponsor's sole obligations under the Plan will be to repair or, at Sponsor's option, replace (or cause to be repaired or replaced) any defective item of construction (whether arising as a result of defects in material or improper workmanship or material substantially at variance with the Plans and Specifications), subject to the terms and conditions (and within the time limits) set forth in this paragraph. The quality of construction shall be comparable to local standards customary in the particular trade and in accordance with the plans and specifications identified in this Offering Plan.

In no event will Sponsor be responsible for any condition in the Building resulting from (i) normal wear and tear or natural deterioration or from the normal movement, settlement and/or shrinkage of the Building and/or Building materials; (ii) defects of an immaterial nature, such as, without limitation, partial or total loss of any trees, shrubs, bushes or other landscape improvements that may abut the Building, nail pops, protruding dry wall fastenings, ridging on gypsum board, lumber shrinkage, door or window sticking, door warpage including, without limitation, warpage of the main entrance door within reasonable tolerances of doors of similar size and weight, scratches in plastic laminate, vitreous china, natural stone, wood, stainless steel or porcelain surfaces; bathroom finish grouting; adjustment of doors; walls not square; electrical plates not straight; discoloration or shrinkage; slight separation between base and floors; (iii) normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks in roof ballast, or concrete cracks which do not reduce the structural integrity of the Building; (iv) immaterial deviations in the level of ceilings, and imperfections in ceiling finishes; (v) imperfections in painting finishes; (vi) immaterial deviations in the level of a floor or failure of finished floors and walls to be straight or on plane or at less than 90º from each other; (vii) alignment of bathroom finishes and variation in grouting thickness; (viii) air infiltration and water infiltration from windows in accordance with customary practice and professional standards; (ix) noise from normal plumbing and the HVAC system; (x) normal floor noises and creaking; (xi) carpet or floor discoloring or stretching; (xii) scratches and imperfections or variations in width, length, thickness, finish or color range of wood floor strips or other flooring or floor finishes, also, normal shrinkage or expansion of wood flooring due to changes in moisture content of wood; (xiii) repair of chips, scratches, mars, breaks, dents, cracks or other defects in: exterior stone; windows, window glass, frames and hardware; insulation

attached to the curtain wall; sliding glass doors, frames, door glass and hardware; louvers; shower doors; lighting fixtures, lenses, baffles and globes; all painted surfaces; all sinks, tubs, basins, water closets; kitchen cabinets, back splashes and countertops; vanity tops and cabinets; all tile or natural stone floors and walls; saddles; all appliances; woodwork, millwork and doors; mirrors and after the Residential Unit Closing, paint touch-ups, repair of dented appliances, or replacement of light bulbs; (xiv) cracks or variations in tone or color of natural stone or variations in tone or color of vanity tops or variations in veining of any natural stone surfaces; (xv) leaching or color variation in color mortar and colored brick, and dimensional variations in brick joints, and mortar droppings on bricks; (xvi) ponding and/or controlled drainage on the roof surface; (xvii) cracks in pressure-treated lumber used or intended for use outside the Building; (xviii) cracks or discoloration in concrete and/or paving; (xix) discoloration to hardware and plumbing finishes; (xx) stains, runs, lumps, shags or imperfections in weave in fabric panels; (xxi) scratched, dirty or cracked lenses in light fixtures; or (xxii) terrace or balcony tiles not laid flat, or color variation in tiles or mortar, or stained tiles; (xxiii) subsequent to the Residential Unit Closing, paint touch-ups, repairs of dented appliances or replacement of fluorescent light ballasts, or (xxiv) salting or color variation in exterior colored mortar and deep colored brick; (xxv) remove mold from the Building or any Residential Unit therein, or (xxvi) or normal water penetration in frameless shower doors. Sponsor will be obligated to repair only abnormally chipped stone, Formica and porcelain surfaces, which repair will be made by filling the stone or Formica or refinishing the porcelain, but Sponsor will not be obligated to replace such stone, Formica or porcelain surfaces. THE ITEMS AND CONDITIONS DESCRIBED IN THIS PARAGRAPH ARE NOT DEFECTS AND MAY BE FOUND IN ANY NEWLY CONSTRUCTED CONDOMINIUM OR RESIDENTIAL UNIT. PURCHASERS WHO PURCHASE A RESIDENTIAL UNIT IN THE CONDOMINIUM OR IN ANY OTHER NEWLY CONSTRUCTED CONDOMINIUM MAY EXPERIENCE SOME OR ALL OF THESE ITEMS AND CONDITIONS IN THEIR RESIDENTIAL UNIT, THE COMMON ELEMENTS OR ELSEWHERE IN THE BUILDING OR RESIDENTIAL UNIT. SPONSOR HAS NO OBLIGATION TO CORRECT OR REPAIR ANY OF THESE ITEMS AND CONDITIONS AND WILL NOT BE LIABLE TO ANY PURCHASER OR THE BOARD OF MANAGERS THEREOF. IF PURCHASERS OR ANY BOARD OF MANAGERS DESIRES TO CORRECT OR REPAIR ANY OF THESE ITEMS OR CONDITIONS, TO THE EXTENT THEY CAN BE CORRECTED OR REPAIRED, THEY WILL HAVE TO PROCEED AT THEIR SOLE COST AND EXPENSE BY THEMSELVES AND/OR UNDER ANY WARRANTIES OR UNDERTAKINGS ASSIGNED TO THEM BY SPONSOR.

The Sponsor has no obligation to make any repair to the Common Elements except as expressly set forth in the Offering Plan.

Sponsor will not be obligated to correct and will not be liable to any Purchaser as a result of (i) any immaterial variations from the plans and specifications or the description of any portion of the Building or a Residential Unit set forth in the Plan or (ii) immaterial variations from the Plans and Specifications or the description of any portion of the Building or a Residential Unit set forth in the Plan which are neither in violation of applicable building codes, nor require the approval of any governmental authority having jurisdiction, provided such variations are of substantially Equal or Better Quality than as set forth in the Plans and Specifications or description in this Plan as solely determined by Sponsor's architect. Any such variation affecting the Building or a Residential Unit which is material will be disclosed in a duly filed amendment to the Plan. Notwithstanding the above, the Sponsor is obligated to construct the Buildings in accordance with all applicable codes and filed plans and specifications identified in this Offering Plan. Any conflict between the Offering Plan and the Sponsor's obligation to construct the Buildings in accordance with all applicable codes and filed plans and specifications identified in this Offering Plan shall be resolved in favor of the latter.

All personal property located within the Residential Unit on the date the Purchase Agreement is executed or that is located within a Limited Common Element for the exclusive use of the Residential Unit on the date the Declaration is filed, that is owned by the Sponsor or anyone else, will be included in the conveyance to Purchaser of their Residential Unit unless specifically accepted in the Plan or Purchase Agreement.

14. The Sponsor will deliver to the Purchaser and/or the Board of Managers upon the recording of the Declaration all manufacturers', and sub-contractors' heating, electrical, plumbing, roofing and appliance warranties and bonds relating to the Purchaser's Residential Unit or the Common Elements respectively, if any, to the extent made by such manufacturers and subcontractors and to the extent such warranties and bonds are assignable.

15. The Sponsor will pay all contractors, subcontractors and material men and all others involved in the construction of the Condominium for work performed and fixtures, material and equipment supplied or installed in the construction of the Condominium and will cause all mechanics' liens arising out of the construction of the Condominium or the furnishing or installation of fixtures or equipment, to be discharged or bonded promptly after the liens are filed.

The Sponsor will pay all expenses incurred prior to the establishment of the Condominium and will bear and pay all costs and expenses incurred in connection with the creation of the Condominium whenever such costs or expenses are incurred or in connection with the sale of all of the Residential Units held or owned by the Sponsor and will pay all selling expenses

including, but not limited to, advertising and printing costs, architectural and engineering fees, and costs of filing this Offering Plan and amendments thereto.

16. No bond or other security has been posted to secure Sponsor's obligations.

17. The Sponsor reserves the easements, licenses, rights and privileges of a right-of-way in, through, over, under and across the Common Elements of the Condominium for the purpose of completing its construction and sale or rental of Residential Units and facilities in the Condominium and, towards this end, reserves the right to grant and reserve easements and rights-of-way in, through, under, over and across the Common Elements for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, cable television, and other utilities and for any other materials or services necessary for the completion of the work. Sponsor also reserves the right to connect with and make use of the utility lines, wires, pipes, conduits, cable television, sewers and drainage lines which may from time to time be in or along the Common Elements. Sponsor will be obligated to pay for the cost of any utilities it uses as a result of its use of the easements, licenses, rights and privileges of a right-of-way. The Sponsor reserves the right to continue to use the Common Elements and any facilities, sales offices, model or unsold Residential Units and signs located on the Common Elements, in its efforts to market or lease the Residential Units in the Condominium. Sponsor will be obligated to repair any damage to the Common Elements and Residential Units caused as a result of its use of the easements, licenses, rights and privileges of a right-of-way to complete the construction of the Condominium. Upon reasonable notice to a Residential Unit Owner, Sponsor shall have a right of access to any Residential Unit for the purpose of carrying out any of the above easements, licenses, rights, and privileges. During the construction period some obstructions, detours, storage of materials and equipment will likely be necessary. Sponsor shall not unreasonably interfere with the use of an Owner's Residential Unit during the construction period.

18. Pursuant to Section 352-e (9) of the General Business Law, copies of all documents mentioned in this Offering Plan, including without limitation the following, are and will be kept on file at the office of Sponsor set forth on the cover page of this Offering Plan for six (6) years from the date the Declaration is recorded for examination by any person who has purchased a condominium interest offered by this Plan or otherwise has participated in this offering: This Offering Plan; the proposed Declaration and By-Laws of the Condominium; public liability, fire and casualty policy, and Schedules submitted to the Department of Law in conjunction with this Plan. A copy of the form of Residential Unit Purchase Agreement is submitted with this Offering Plan as Schedule D in Part II of the Offering Plan.

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

20. The Condominium By-Laws provide that the Board of Managers has the right to act as an agent for one (1) or more Residential Unit Owners to file a single complaint and bring a special proceeding on behalf of Residential Unit Owners who wish to contest the real estate tax assessments of their Residential Unit pursuant to Section 339-y(4) of the New York Property Law. In such event, the Board of Managers on behalf of the Condominium could retain counsel on behalf of such Residential Unit Owners and charge each Residential Unit Owner for whom it is acting a pro rata share of expenses, disbursements and legal fees, the payment for which would be secured by a lien on each Residential Unit. The Board of Managers on behalf of the Condominium is not obligated to perform such services and it is necessary to obtain the written authorization of the Residential Unit Owners.

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XVIII. CONTROL BY THE SPONSOR

The First Annual Meeting of the Residential Unit Owners will be held within two (2) years of the Closing of Title to the first Residential Unit in the Condominium or within thirty (30) days after the Closing of Title of the last Residential Unit in the Condominium, whichever occurs first. The Sponsor will have voting control and may designate all the Members of the Board of Managers of the Condominium until all of the Residential Units in the Condominium have been sold or transferred to Residential Unit Owners other than the Sponsor, its principals, successors, assignees and/or designees ("Sponsor Control Period"). In the event the Sponsor Control Period has not lapsed, the Sponsor shall designate the three (3) Members of the Board of Managers at said First Annual Meeting. In the event the Sponsor Control Period has lapsed, the three (3) Members of the Board of Managers shall be elected by the Residential Unit Owners at the First Annual Meeting. In the event the Sponsor Control Period lapses subsequent to the First Annual Meeting, the then Board of Managers will call for a Special Meeting to be held within thirty (30) days thereafter to elect Residential Unit Owner representatives to the Board of Managers. After the First Annual Meeting or the Special Meeting to elect the Residential Unit Owners after the Sponsor Control Period, Annual Meetings shall be held on or about the anniversary of the respective meeting date each succeeding year or such other convenient date as the Board of Managers may so designate (the "Annual Meeting"). At such Annual Meetings, in the event the Sponsor Control Period has not lapsed, the Sponsor shall designate the three (3) Members of the Board of Managers until the Sponsor Control Period has lapsed. In the event the Sponsor Control Period has lapsed, the three (3) Members of the Board of Managers will be elected by the Residential Unit Owners in accordance with the requirements of Article III of the By-Laws. **There is no limit on the period of time it may take Sponsor to convey all the Residential Units in the Condominium and as a result the Sponsor may control the Board of Managers indefinitely.**

Notwithstanding, the Sponsor shall have the right but not the obligation to voluntarily relinquish control of the Board of Managers prior to the expiration of the Sponsor Control Period. In the event the Sponsor voluntarily resigns a position or positions on the Board of Managers prior to the expiration of the Sponsor Control Period, the Sponsor will be entitled to designate the remaining Members of the Board of Managers until the expiration of the Sponsor Control Period. In addition, as per Article III, Section I of the By-Laws, in the event the Sponsor voluntarily relinquishes a Board Member's position on the Board of Managers prior to the expiration of the Sponsor Control Period, upon notice from the Sponsor to the Board of Managers that the Sponsor desires to reclaim said Residential Unit Member's position, the Board Member appointed or elected to said position shall be obligated to resign and the Sponsor shall reappoint a Board Member to the Board of Managers. When the Sponsor no longer owns a Residential Unit in the Condominium, Sponsor may not be entitled to designate any Member to the Board of Managers.

The Sponsor will have voting control of the Board of Managers during the Sponsor Control Period. As a result, Purchasers for their own occupancy may never gain control

of the Board of Managers under the terms of this Offering Plan. Purchasers individually, or as a group, may take legal or administrative action to enforce the Sponsor's obligations to the Condominium. However, they will be unable to do so in the name of the Condominium. In addition, the funds utilized for such actions will either need to be obtained by a Special Assessment of all Residential Unit Owners excluding the Sponsor or obtained through independent funds of the Residential Unit Owners. The Sponsor will also, during this indeterminate period, have control of maintenance, facilities and services to be provided to the Condominium and will determine the Common Expenses to be paid by all Residential Unit Owners, including the Sponsor and will also be responsible for the enforcement of the Sponsor's obligations through the Board of Managers. Control of maintenance, facilities and services is subject to the provisions in Schedule B and the footnotes thereto.

The initial Board Members of the Condominium will consist of David Marom who is a principal of the Sponsor and Michael Wittow and Jillian Forman who are affiliated with the Sponsor. The Sponsor shall retain the right to substitute any Sponsor designated Member of the Board of Managers at any time without notice to the Board of Managers as Sponsor so determines. The Sponsor shall retain the right to substitute other persons in the place of the above-named individuals until the resignation of the First Board Member as set forth below. Thereafter the Sponsor shall have the right to substitute Board Members it has appointed as Sponsor so determines. The First Annual Meeting of the Residential Unit Owners will be held within two (2) years of the closing of title to the first Residential Unit in the Condominium or thirty (30) days after the Closing of Title of the last Residential Unit in the Condominium, whichever occurs first. In the event the Sponsor Control Period lapses subsequent to the First Annual Meeting, the then Board of Managers will call for a Special Meeting within thirty (30) days thereafter to elect three (3) Residential Unit Owner representatives to the Board of Managers. In the event the Sponsor Control Period has not lapsed, the Sponsor shall designate three (3) Members of the Board of Managers at the First Annual Meeting or any Annual Meeting. In the event the Sponsor Control Period has lapsed, the three (3) Members of the Board of Managers shall be elected by the Residential Unit Owners. All Board Members elected by the Residential Unit Owners shall be Residential Unit Owners. Sponsor designees do not need to be Residential Unit Owners. After the First Annual Meeting or Special Meeting as required above, Annual Meetings shall be held on or about the anniversary of the First Annual Meeting or Special Meeting each succeeding year or such other convenient date as the Board of Managers may so designate (the "Annual Meeting"). In the event the Sponsor Control Period has not lapsed, the Sponsor shall designate the three (3) Members of the Board of Managers at such meeting. In the event the Sponsor Control Period has lapsed, the three (3) Members of the Board of Managers will be elected by the Residential Unit Owners in accordance with the requirements set forth in Article III of the Condominium By-Laws.

Purchasers should further note that the By-Laws do not contain any provision that provides that after the Sponsor relinquishes control of the Board of Managers a majority of the Members of the Board of Managers must be owner occupants who are unrelated to the Sponsor or its principals. Owner-occupants and non-resident owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed as a

result of their different reasons for purchasing, i.e., purchasing as a Residential Unit to live in as opposed to purchasing as an investment.

At any meeting of Residential Unit Owners to elect a Board of Managers subsequent to the Sponsor Control Period, the Board Members of the First Board of Managers will be obligated to resign and three (3) Members of the Board of Managers shall be elected by the Residential Unit Owners. Board Members shall not be compensated for their services. Board Members, other than Sponsor designees, may be removed for cause by an affirmative vote of 66⅔rds of the Residential Unit Owners. Sponsor designees can only be removed by the Sponsor. Officers of the Condominium may be removed with or without cause, at any time, by the affirmative vote of a majority of the whole Board of Managers.

Until the Closing of Title to the last Residential Unit, the Board of Managers may not, without the Sponsor's prior written consent (i) make any additions, alterations or improvements to the Common Elements or to any Residential Unit costing cumulatively more than $25,000, the foregoing not to include necessary repairs and maintenance work; or (ii) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund in excess of the reserve for contingencies provided in Schedule B; or (iii) hire any employee in addition to the employees referred to in the Plan; or (iv) enter into any contracts not in existence on the date of the first Closing of Title to a Residential Unit; or (v) borrow money on behalf of the Condominium; or (vi) reduce the services or maintenance set forth in Schedule B; (vii) charge any Special Assessment for a non-budgeted item unless required by law, municipal agency, emergency or for the health and safety of the condominium; or (viii) increase the Common Charges of the Condominium more than ten (10%) from the prior year's budget, unless documentation is provided to the Sponsor in the nature of a financial statement, bids from contractors or verified increases in utility rates evidencing the need for an increase greater than ten (10%) percent, or (ix) utilize Condominium funds or assess the Sponsor for the purpose of commencing a lawsuit against the Sponsor or any of its principals.

As noted above, the Sponsor has the right to retain control over certain expenditures and fiscal actions of the Board of Managers. Notwithstanding said fact, Sponsor may not exercise veto power over expenses described in Schedule B (the proposed first year budget), or over expenses required:

(i) to comply with applicable laws or regulations; or

(ii) to remedy any notice of violation; or

(iii) to remedy any work order by an insurer; or

(iv) necessary for the preservation or safety of the Condominium or for the safety of occupants of the Condominium or required to avoid the suspension of any necessary service to the Condominium.

Sponsor may exercise veto power over expenses described herein, other than

those described in the preceding paragraph, for a period ending not more than five (5) years after the Closing of the first Residential Unit or whenever the unsold Residential Units constitute less than twenty-five (25%) percent of the common interest, whichever is sooner.

The above provisions provide that during said period, significant financial decisions of the Board of Managers will be decided by the Sponsor. Examples of such decisions are, in part, the ability to borrow money, as provided in The Condominium Act (Article 9-B of the Real Property Law, §339-jj), for capital improvements.

The detailed provisions for the management of the Condominium are set forth in the By-Laws set forth in Part II of the Offering Plan. The By-Laws contain provisions, among others, dealing with the election of the Board of Managers, and Condominium officers, powers of the Board of Managers, voting rights of Residential Unit Owners, assessment of Common Charges, foreclosure of liens for non-payment of Common Charges, management of the Condominium and the use of the Residential Units. The By-Laws provide that the Condominium shall be governed by the Board of Managers, but that the Board of Managers shall have the right to designate Committees or a Managing Agent to carry out such function.

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XIX. BOARD OF MANAGERS

The form of the By-Laws and the Declaration of Condominium referred to in the Plan appear in Part II as Schedules I and J.

The following is a summary of certain provisions of the By-Laws and Declaration.

Board of Managers

The affairs of the Condominium shall be governed by a Board of Managers consisting of three (3) Board Members (hereinafter "Board Members"). The First Board of Managers shall consist of three (3) Board Members designated by the Sponsor who shall hold office and exercise all powers of the Board of Managers until the First Annual Meeting of the Residential Unit Owners. The First Annual Meeting of the Residential Unit Owners will be held within two (2) years of the closing of title to the first Residential Unit in the Condominium or thirty (30) days after the Closing of Title of the last Residential Unit in the Condominium, whichever occurs first. The initial Board Members of the Condominium will consist of David Marom who is a principal of the Sponsor and Michael Wittow and Jillian Forman who are affiliated with the Sponsor. The Sponsor shall retain the right to substitute any Sponsor designated Member of the Board of Managers at any time without notice to the Board of Managers as Sponsor so determines. Until succeeded by the Board Members elected at the First Annual Meeting or any Annual or Special Meeting of Residential Unit Owners, Board Members need not be Residential Unit Owners; thereafter, all Board Members shall be Residential Unit Owners, other than designees or nominees of the Sponsor, and shall be nominated and elected by the Residential Unit Owners at the respective Special or Annual Meeting.

In the event the Sponsor Control Period lapses subsequent to the First Annual Meeting, the then Board of Managers will call for a Special Meeting within thirty (30) days thereafter to elect three (3) Residential Unit Owner representatives to the Board of Managers. In the event the Sponsor Control Period has not lapsed, the Sponsor shall designate the three (3) Members of the Board of Managers at the First Annual Meeting or any Annual Meeting until the Sponsor Control Period has lapsed. In the event the Sponsor Control Period has lapsed, the three (3) Members of the Board of Managers shall be elected by the Residential Unit Owners. All Board Members elected by the Residential Unit Owners shall be Residential Unit Owners. Sponsor designees do not need to be Residential Unit Owners. After the First Annual Meeting or Special Meeting as required above, Annual Meetings shall be held on or about the anniversary of the First Annual Meeting or Special Meeting each succeeding year or such other convenient date as the Board of Managers may so designate (the "Annual Meeting").

At the First Annual Meeting or any Annual or Special Meeting, subsequent to the Sponsor Control Period, the term of office of one (1) of the Members of the Board of Managers shall be fixed for three (3) years, the term of office of one (1) of the Members of the Board of Managers shall be fixed for two (2) years, and the term of office of one (1) of the Members of the Board of Managers shall be fixed at one (1) year. The one (1)

Residential Unit Owner receiving the highest number of votes shall be elected to the three (3) year term, the one (1) Residential Unit Owner receiving the next highest number of votes shall be elected to the two (2) year term, and the one (1) Residential Unit Owner receiving the next highest number of votes shall be elected to a one (1) year term. Each Residential Unit Owner shall be entitled to cast one vote for each Member of the Board of Managers to be elected to the Board of Managers. At the expiration of the initial term of office of each respective Member of the Board of Managers, their successor shall be elected to serve a term of three (3) years. The Board Members shall hold office until their successors have been elected and hold their first meeting.

Sponsor Members of the Board of Managers shall be appointed for a one (1) year term. At the expiration of the Sponsor Member terms, if Sponsor is still entitled to designate Members to the Board of Managers, the Sponsor Members of the Board of Managers shall thereafter continue to be designated as Members of the Board of Managers for one (1) year terms until the Sponsor is required to relinquish the position or Sponsor voluntarily resigns the position.

Any Residential Unit Owner in default of the payment of Common Charges, Special Assessments, late fees, interest and/or penalties shall be ineligible to be elected to the Board of Managers and/or vote at any general, Annual or Special Meeting.

In addition to the Members of the Board of Managers designated by the Sponsor, as long as Sponsor retains an unsold Residential Unit in the Condominium, Sponsor may vote as Sponsor so determines for any other Members of the Board of Managers, so long as the Members of the Board of Managers are not on Sponsor's slate of Members for the Board of Managers, Sponsor's payroll or as long as they did not receive other financial backing from the Sponsor other than a mortgage held by the Sponsor or affiliated entity of the Sponsor, if applicable.

Sponsor is entitled to designate the three (3) Board Members to the Board of Managers until all of the Residential Units in the Condominium have been sold and transferred to bona fide Purchasers (the "Sponsor Control Period").

The Sponsor shall have the right to voluntarily resign a position on the Board of Managers prior to the expiration of the Sponsor Control Period. In such an event the Board of Managers will either (a) call for a Special Meeting of the Residential Unit Owners pursuant to the provisions of Article II, Section 10 of the By-Laws to elect a Residential Unit Owner for the balance of the Sponsor Member's term or (b) the remaining Members of the Board of Managers will appoint a Residential Unit Owner to the Board of Managers for the balance of the Sponsor Member's term. At the expiration of the term of the appointed or elected Residential Unit Owner replacing the Sponsor designee as provided in this paragraph, the Board of Managers will either (a) call for a Special Meeting of the Residential Unit Owners pursuant to the provisions of Article II, Section 10 of the By-Laws to elect a Residential Unit Owner for a one (1) year term or (b) the remaining Members of the Board of Managers will appoint a Residential Unit Owner to the Board of Managers for a one (1) year term. This procedure shall continue until the First Annual Meeting or

Annual Meeting after the expiration of the Sponsor Control Period, at which time the applicable Member's term will automatically expire. Notwithstanding the aforementioned, in the event the Sponsor voluntarily relinquishes a position on the Board of Managers before the Sponsor is obligated to do so, upon notice from the Sponsor to the Board of Managers that the Sponsor desires to reclaim said position the Member of the Board of Managers appointed or elected to said position shall resign and the Sponsor shall reappoint a Sponsor Member to the Board of Managers.

At such time as the Sponsor no longer owns any Residential Unit in the Condominium the Sponsor Members of the Board of Managers shall resign and the Sponsor will not be entitled to designate any Members to the Board of Managers.

It shall be the duty of the president to call a Special Meeting of the Condominium, if so directed by the Board of Managers, or upon the presentation to the Secretary of a petition signed by a majority of the Residential Unit Owners. The secretary shall cause a notice of such Special Meeting stating the time, place and object thereof and the officer or other person or persons by whom the meeting is called, to be delivered personally or mailed to each Residential Unit Owner of the Condominium entitled to vote at such meeting not less than ten (10) nor more than thirty (30) days before such meeting. The date of the Special Meeting shall be determined by the Board of Managers and shall be held no later than sixty (60) days from receipt of any written request unless a later date is agreed to in writing by the Residential Unit Owners of the Condominium or the Board of Managers, requesting such meeting. No business other than that stated in such notice shall be transacted at such Special Meeting unless all Owners of the Condominium are present in person or by proxy. See Article II, Section 10 of the By-Laws of the Condominium.

Voting in the Condominium is based on one (1) vote per Residential Unit, regardless of the number of people residing in the Residential Unit or on the deed to the Residential Unit.

Special Meeting

It shall be the duty of the President to call a Special Meeting of the Condominium, if so directed by the Board of Managers, or upon the presentation to the Secretary of a petition signed by a majority of the Residential Unit Owners. The secretary shall cause a notice of such Special Meeting stating the time, place and object thereof and the officer or other person or persons by whom the meeting is called, to be delivered personally or mailed to each Residential Unit Owner of the Condominium entitled to vote at such meeting not less than ten (10) nor more than thirty (30) days before such meeting. The date of the Special Meeting shall be determined by the Board of Managers and shall be held no later than sixty (60) days from receipt of any written request unless a later date is agreed to in writing by the Residential Unit Owners of the Condominium or the Board of Managers, requesting such meeting. No business other than that stated in such notice shall be transacted at such Special Meeting unless all Owners of the Condominium are

present in person or by proxy. See Article II, Section 10 of the By-Laws of the Condominium.

Compensation

Members of the Board of Managers and Officers of the Condominium serve without compensation.

Removal/Suspension of Members of the Board of Managers

Members, other than Sponsor Residential designees, may be removed with or without cause by an affirmative vote of sixty-six and two-thirds (66 2/3rds) in number of the Residential Unit Owners entitled to vote at a Special Meeting called pursuant to Article II, Section 10 of the By-Laws. Members designated by the Sponsor may only be removed by the Sponsor. No Member other than a Member designated by the Sponsor shall continue to serve on the Board of Managers if, during their term of office, they shall cease to be a Residential Unit Owner. In the event a Sponsor designee Member is removed, the Sponsor shall have the sole right to designate the Sponsor Member replacement.

Any Member of the Board of Managers in default of the payment of Common Charges, Special Assessments, late fees, penalties and/or interest shall be suspended from the Board of Managers until such time as all Common Charges, Special Assessments, late fees, penalties and/or interest are paid in full to the Condominium.

Powers and Duties of Board of Managers

(a) The property and business of the Condominium shall be managed by its Board of Managers, which may exercise all such powers of the Condominium and do all such lawful acts and things as are not by Statute or by the Declaration or by the By-Laws, directed or required to be exercised or done by the Residential Unit Owners personally. These powers shall specifically include, but not be limited to, the following items:

1. To determine and levy monthly assessments ("Common Charges") to cover the cost of Common Expenses. The Common Charges are payable in advance as determined by the Board of Managers. The Board of Managers may increase the monthly Common Charges or vote a Special Assessment in excess of the Common Charges, if required, to meet any additional necessary Common Expenses, but said increases can only be assessed among the Residential Unit Owners pro-rata according to their respective Percentage of Common Interest as reflected in Schedule B of the Declaration of Condominium or in such other manner as provided in Article VI, Section 9 of the By-Laws.

2. To determine and impose penalties, late fees and interest against Residential Unit Owners delinquent in the payment of their Residential Common Charges and/or Special Assessments and in violation of the Rules and Regulations applicable to the Residential Unit Owners. The Members of the Board of Managers shall have the right to revise the amount of such fees as the Members of the Board of Managers so determine.

3. To determine and impose move in and move out fees and to revise said fees in its good faith discretion.

4. To collect, use, and expend the Common Charges collected to maintain, care for and preserve the General Common Elements, and a Residential Unit's Limited Common Elements for which the Condominium is responsible to repair, replace and maintain and any other Common Expenses of the Condominium.

5. To make repairs, restore or alter any Residential Unit or the Common Elements after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings.

6. To enter into and upon the Residential Units when necessary and at as little inconvenience to the Residential Unit Owners as possible in connection with the maintenance, care, and preservation of the property, including any inspection or repairs necessitated by mold. 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 Condominium or its property, or the Residential Units, or for the safety of Condominium residents or other persons or required to avoid the suspension of any necessary service to the Condominium. Any repairs required as the result of negligence of a Unit Owner will be at the expense of the Residential Unit Owner.

7. To open bank accounts on behalf of the Condominium and to designate the signatories to such bank accounts.

8. To insure and keep insured the Common Elements and Residential Units in accordance with Article VII of the By-Laws.

9. To collect delinquent Common Charges, Special Assessments, late fees, penalties and/or interest by suit or otherwise, to abate nuisances and to enjoin or seek damages from the Residential Unit Owners of the Condominium for violations of the Declaration, By-Laws or the Rules and Regulations of the Condominium.

10. To make reasonable Rules and Regulations applicable to the Residential Units and the Residential Unit Owners and to amend the same from time to time, and such Rules and Regulations and amendments shall be binding upon the Residential Unit Owners when the Members of the Board of Managers have approved them in writing. A copy of such Rules and Regulations and all amendments thereto shall be delivered to each Residential Unit.

11. To make reasonable Rules and Regulations applicable to the General Common Elements (including, but not limited to rules and regulations for use of the Roof Terraces and to amend the same from time to time and such Rules and Regulations and amendments shall be binding upon all the Residential Unit Owners when the Board of Managers has approved them in writing. A copy of such Rules and Regulations and all amendments shall be delivered to each Residential Unit Owner.

12. To employ and terminate the employment of employees and independent contractors and to purchase supplies and equipment, to enter into contracts, and generally to have the powers of a manager in connection with the matters herein above set forth.

13. To bring and defend actions by or against one (1) or more Residential Unit Owners that are pertinent to the operation of the Condominium and to levy Special Assessments to pay for the cost of such litigation, subject to the provisions regarding the Sponsor as contained in Article III, section 7 (c) of the By-Laws.

14. To acquire a Residential Unit in foreclosure or as a result of abandonment and to take any or all steps necessary to repair or renovate any Residential Unit so acquired and to vote as a Residential Unit Owner subject to any restrictions contained in the By-Laws, offer such Residential Unit for sale or lease or take any other steps regarding such Residential Unit as shall be deemed proper by the Board of Managers.

15. To make additions, alterations, or improvements to the General Common Elements and a Residential Unit's Limited Common Element that are the obligation of the Condominium to maintain, repair and/or replace as provided in the Declaration and/or the By-Laws.

16. To borrow money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the Common Elements, or for capital expenditures such as repair or replacement of Building components or systems or to remedy a

major Building defect, provided, however, that no lien to secure repayment of any sum borrowed may be created on any Residential Unit or its appurtenant interest in the Common Elements without the written consent of the Owners of said Residential Unit.

17. To determine and impose penalties, late fees and interest against Residential Unit Owners delinquent in the payment of their Common Charges and/or Special Assessments and in violation of the Rules and Regulations. The Board of Managers shall have the right to revise the amount of such fees as the Board of Managers so determines.

18. To act as an agent for one (1) or more Residential Unit Owners to file a single complaint and bring a special proceeding on behalf of Residential Unit Owners who wish to contest the real estate tax assessments of their Residential Unit pursuant to Section 339-y(4) of the New York Real Property Law. In such an event, the Board of Managers could retain counsel on behalf of such Residential Unit Owners and charge each Residential Unit Owner for whom it is acting a pro-rata share of expenses, disbursements and legal fees, based upon the Residential Unit's Percentage of Common Interest as reflected in Schedule B of the Declaration of Condominium, the payment for which would be secured by a lien on each Residential Unit. The Board of Managers is not obligated to perform such services and it is necessary to obtain the written authorization of the Residential Unit Owners it will perform such service for.

19. To enter into contracts, settlement agreements and/or other matters on behalf of the Condominium.

20. To enter into revocable license agreements for the use of space within the General Common Elements as long as the license agreement does not hinder or encroach upon the rights of Residential Unit Owners to use the General Common Elements, and/or Individual Residential Unit's Limited Common Elements.

21. To grant utility or other easements over or to the Common Elements as may, at any time, be required for the benefit of the Condominium and the Residential Unit Owners without the necessity of the consent thereto, or joinder therein, by the Residential Unit Owners or any mortgagee (except that if the granting of such easement impairs the ability of one or more Residential Unit Owners who have the right to use such Common Elements to the exclusion of any other Residential Unit Owners, the consent of all such affected Residential Unit Owners shall be required in writing before such easement shall be granted);

(b) The Board of Managers may, by resolution or resolutions passed by a majority of the whole Board of Managers, designate one or more committees, each of such committees to consist of at least one (1) Member of the Board of Managers, which, to the extent provided in said resolution or resolutions, shall have and may exercise the powers of the Board of Managers in the management of the business affairs of the Condominium and may have power to sign all papers which may be required, provided said resolutions shall specifically so provide. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Managers. Committees established by resolution of the Board of Managers shall keep regular minutes of their proceedings and shall report the same to the Board of Managers as required.

(c) As long as the Sponsor retains at least one (1) Unsold Residential Unit in the Condominium, the Board of Managers may not, without the Sponsor's prior written consent: (i) make an addition, alteration or improvement to the General Common Elements, Limited Common Elements of the Condominium that is not a Residential Unit Owner's obligation and/or to any Residential Unit, costing cumulatively more than $50,000, the foregoing not to include necessary repairs and maintenance work, (ii) assess any Common Charges for the creation of, addition to, or replacement of all or part of a reserve, contingency or surplus fund, (iii) hire any employee in addition to the employees referred to in the Budget for the first year of operation of the Condominium, (iv) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the first Closing, (v) borrow money on behalf of the Condominium, (vi) reduce the services or maintenance set forth in the Condominium budget for the first year of operation, (vii) charge any Special Assessment for a non-budgeted item unless required by law, municipal agency, emergency or for the health and safety of the Condominium, (viii) increase the Common Charges of the Condominium more than ten (10%) percent from the prior year's budget, unless documentation is provided to the Sponsor in the nature of a financial statement, bids from contractors or verified increases in utility rates, evidencing the need for an increase greater than ten (10%) percent, or (ix) utilize Condominium funds or assess the Sponsor in order to commence a lawsuit against the Sponsor or any of its principals. The provisions of this paragraph may not be amended without the written consent of the Sponsor.

(d) Notwithstanding Article III, Section 7(c) of the By-Laws Sponsor may not exercise veto power over expenses described in the proposed Schedule B budget, as described in the Offering Plan, or over expenses required:

1. to comply with applicable laws or regulations; or

2. to remedy any notice of violation; or

3. to remedy any work order by an insurer, or

4. necessary for the preservation or safety of the Buildings or for the safety of occupants of the Building or required to avoid the suspension of any necessary service to the Building.

(e) Sponsor may exercise veto power over expenses described herein, other than those described in item (d) above or in Article III, Section 7(d) of the By-Laws, for a period ending not more than five (5) years after the Closing of the first Residential Unit or whenever the unsold Residential Units constitute less than twenty-five (25%) percent of the common interest, whichever is sooner.

The provisions of this section may not be amended without the written consent of Sponsor.

Liability and Indemnification of Board of Managers, Officers and Residential Unit Owners

No Member of the Board of Managers or Officer of the Condominium shall have any personal liability to the Condominium or to any Residential Unit Owner for damages for any breach of duty in the Member's capacity as a Member of the Board of Managers or Officer of the Condominium, provided that this provision does not eliminate or limit the liability of a Member of the Board of Managers or Officer of the Condominium if a judgment or other final adjudication adverse to the Member establishes (a) that the Member's or Officer's acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law, or (b) that the Member or Officer personally gained in fact a financial profit or other advantage to which the Member was not legally entitled.

The Condominium, through the Residential Unit Owners, shall indemnify to the fullest extent permitted by law any person made, or threatened to be made, a party to an action or proceeding, whether civil or criminal, including an action by or in the right of the Condominium to procure a judgment in its favor or an action other than one by or in the right of the Condominium and including an action by or in the right of any corporation of any type or kind, domestic or foreign, or any limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise, which any Member of the Board of Managers or Officer of the Condominium served in any capacity at the request of the Condominium, by reason of the fact that the Member, the Officer, the Member's or Officer's testator, was a Member of the Board of Managers, Officer of the Condominium or officer of the joint venture, trust, employee benefit plan or other enterprise in any capacity; provided that no indemnification may be made to or on behalf of any Member of the Board of Managers or Officer of the Condominium if a judgment establishes that the Member's or Officer's acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated, or that

the Member or Officer personally gained in fact a financial profit or the advantage to which the Member or Officer was not legally entitled.

The Residential Unit Owners shall indemnify and hold harmless each of the Members of the Board of Managers and Officers of the Condominium against all contractual liability to others arising out of contracts made by the Board of Managers or Officers of the Condominium on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of the By-Laws. It is intended that the Members of the Board of Managers and Officers of the Condominium shall have no personal liability with respect to any contract made by them on behalf of the Condominium (except as Residential Unit Owners). It is understood and permissible for the Board of Managers or Officer of the Condominium, who may be members of or be employed by the Sponsor, to contract with the Sponsor and affiliated corporations and entities without incurring any liability for self-dealing. It is also intended that the liability of any Residential Unit Owner arising out of any contract made by the Board of Managers, or Officer of the Condominium or out of the aforesaid indemnity in favor of the Member of the Board of Managers or Officer of the Condominium shall be limited to such proportion of the total liability thereunder as the Residential Unit Owner's Percentage of Common Interest in the Common Elements bears to the Percentage of Common Interest of all the Residential Unit Owners in the Common Elements. Every agreement made by the Board of Managers, a managing agent, by a Member of the Board of Managers or Officer of the Condominium on behalf of the Condominium shall provide that the Members of the Board of Managers, or the managing agent, or the Member, or Officer of the Condominium as the case may be, are acting only as agent for the Residential Unit Owners and shall have no personal liability thereunder (except as Residential Unit Owners).

Each Residential Unit Owner's liability pursuant to this Section shall be limited to such proportion of the total liability there under as the Residential Unit Owner's Percentage of Common Interest in the Common Elements bears to the Percentage of Common Interest of all Residential Unit Owners in the Common Elements.

Officers

The Officers of the Condominium shall be chosen by the Board of Managers and shall be a President, a Vice President, a Secretary, and a Treasurer. The Board of Managers may also choose one or more Assistant Secretaries and Assistant Treasurers and such other Officers as in their judgment may be necessary. All Officers must be Residential Unit Owners or Members of the Board of Managers except any Assistant Secretaries or Assistant Treasurers. In addition, the President must be both a Residential Unit Owner and a Member of the Board of Managers. Two (2) or more offices may be held by the same person, except the President, who can only hold the office of President.

The President shall be the Chief Executive Officer of the Condominium, shall preside at all meetings, shall have general and active management of the business of the Condominium and shall see that all orders and resolutions of the Board are carried into effect.

The Vice President shall take the place of the President and perform the duties of the President whenever the President is unable to do so.

The Secretary shall record all votes and the minutes of all proceedings in a book.

The Treasurer shall have the custody of the Condominium funds and securities and shall keep full and accurate chronological accounts of receipts and disbursements in books belonging to the Condominium including the vouchers for such disbursements and shall deposit all monies and other valuable effects in the name and to the credit of the Condominium in such depositories as may be designated by the Board of Managers.

The Treasurer shall disburse the funds of the Condominium.

The Treasurer shall keep detailed financial records and books of account of the Condominium, including a separate account for each Residential Unit which, among other things, shall contain the amount of each assessment of Common Charges against such Residential Unit, the date when due, the amounts paid thereon and the balance remaining unpaid.

Repairs, Alterations and Improvements to Common Elements

All maintenance, painting, repairs and replacement of the General Common Elements shall be the obligation and responsibility of the Board of Managers on behalf of the Condominium and Residential Unit Owners including but not limited to exterior walls, roof and roof membranes, roof housing of a Building, as well as painting, repair and/or maintenance of the exterior surfaces, roof, windows and doors which open from a Building, as well as all maintenance, repairs and replacements of foyers and stairways of a Building, and of any pipes, wires, conduits and utility lines, or any portion of which is located in one Residential Unit and services another Residential Unit or more than one Residential Unit or so much of any pipes, wires, conduits and utility lines as are located in the General Common Elements. The cost thereof shall be a Common Expense except if such maintenance, painting, repair or replacement is necessitated because of the negligence, misuse or neglect of a Residential Unit Owner or the prior alteration of the Residential Unit by a Residential Unit Owner, in which event the cost thereof shall be assessed individually and paid by the applicable Residential Unit Owner.

All maintenance, repair and replacement to any pipes, sewers and/or drainage lines and wires, conduits and public utility lines located within each Residential Unit or a Limited common Element for the exclusive use of a Residential Unit Owner shall be the sole obligation of such Residential Unit Owner at the Residential Unit Owner's sole cost and expense.

All maintenance, repair and replacement to any portion of any pipes, sewers and/or drainage lines and wires, conduits and public utility lines located in the General Common Elements shall be the responsibility of the Condominium. The cost thereof shall be a

Common Expense except if such maintenance, repair or replacement is necessitated due to the negligence, misuse or neglect of a Residential Unit Owner or the prior alteration of a Residential Unit by a Residential Unit Owner, in which event the cost thereof shall be assessed individually and paid for by the applicable Residential Unit Owner.

All maintenance, repair and replacement to pipes, sewers and/or drainage lines and wires, conduits and public utility lines located in a Limited Common Element servicing two (2) or more Residential Units, shall be the responsibility of the Condominium and a Common Expense of the Condominium. The cost thereof shall be a Common Expense except if such maintenance, repair or replacement is necessitated due to the negligence, misuse or neglect of a Residential Unit Owner or the prior alteration of a Residential Unit by a Residential Unit Owner, in which event the cost thereof shall be assessed individually and paid for by the applicable Residential Unit Owner.

All maintenance and repairs to the interior portion of Residential Units, other than to any General Common Elements contained therein, are the responsibility of the respective Residential Unit Owners at their sole expense. All structural changes to a Residential Unit shall comply with the provisions of Article VIII, Section 1(f) of the By-Laws.

All maintenance and repair to the interior portion of the window area and doors which open from a Residential Unit are the responsibility of the Residential Unit Owner of the Residential Unit. All maintenance, repair, and any replacement to the external portion of the window area, the actual window and external portion of the doors (including painting if necessary) which open from a Residential Unit will be the responsibility of the Condominium and the cost thereof shall be a Common Expense of the Condominium and paid for by all Residential Unit Owners as provided in Article VI of the By-Laws. Notwithstanding the above, should the maintenance, repair or replacement of the external portion of the window, the actual window and external portion of the doors which open from a Residential Unit be caused as a direct result of the negligence or act of a Residential Unit Owner, resident, occupant, tenant, guest or any other person residing, visiting or doing work in the Residential Unit, the Condominium will repair or replace the external portion of the window, the window or the external portion of the doors which open from a Residential Unit and the cost of such repair or replacement shall be charged to the Residential Unit Owner as an additional Common Charge or Special Assessment.

The interior glass surfaces of all windows located in the Residential Units are to be cleaned at the Residential Unit Owner's sole cost and expense. The exterior surfaces of all Residential Unit windows shall be cleaned by the Board of Managers and the cost shall be a Common Expense. Broken window glass in a Residential Unit shall be replaced by the Residential Unit Owner at the Residential Unit Owner's sole cost and expense, unless such breakage was caused by the Board of Managers or its agents, in which case replacement shall be made by the Board of Managers as a Common Expense.

Entrance doors to Residential Units and the roof of a Building shall be maintained and repaired by the Board of Managers unless the damage thereto was caused by a

Residential Unit Owner in which case the Board of Managers shall make the repair and charge the Residential Unit Owner accordingly.

All structural repairs and replacements to any private terrace, private garden and/or Juliet balcony and any pavers located thereon, and any fence and/or railing located thereon that is a Limited Common Element of the Residential Unit will be the obligation of the Condominium to repair and replace. Notwithstanding, all costs and expenses for the structural repair and replacement of the aforesaid Limited Common Elements of a Residential Unit shall be paid for by the respective Residential Unit Owner. Failure to pay the expenses to the Condominium shall be considered a default of the obligations of the Residential Unit Owner and the Board of Managers shall have all of the rights afforded the Board as detailed in Article IX of the By-Laws. All general maintenance and repairs of a private terrace, private garden and/or Juliet balcony and any pavers and any fence and/or railing located thereon appurtenant to a Residential Unit that is a Limited Common Element of the Residential Unit, including cleaning, snow removal and all repairs not structural in nature, (including the repair of leaks, the replacement of the aforesaid Limited Common Elements) shall be at the sole cost and expense and the sole responsibility of the applicable Residential Unit Owner. The Residential Unit Owner shall be required to notify the Board of Managers no later than ten (10) days prior to the commencement of any of the repairs, maintenance and/or replacement of the aforesaid Limited Common Elements unless the noted repair and/or maintenance is an emergency, in which case no prior notice shall be required. The Board of Managers shall have the right to designate or approve a contractor or contractors to do the necessary work to the aforesaid Limited Common Elements that are the Residential Unit Owner's responsibility at the Residential Unit Owner's sole cost.

All structural repairs and replacements to any private roof terrace, any fence and/or railing located thereon that is a Limited Common Element of a Residential Unit will be the obligation of the Condominium to repair and replace. Notwithstanding, all costs and expenses for the structural repair and replacement of the private terrace and any fence and/or railing located thereon that is a Limited Common Element of a Residential Unit shall be paid for by the respective Residential Unit Owner. Failure to pay the cost and expenses to the Condominium shall be considered a default of the obligations of the Residential Unit Owner and the Board of Managers shall have all of the rights afforded the Board as detailed in Article IX of the By-Laws. All general maintenance and repairs of a private roof top area and any fence and/or railing located thereon appurtenant to a Residential Unit and is a Limited Common Element of the Residential Unit, and cost and expenses thereto, including cleaning, snow removal and all repairs not structural in nature, (including the repair of leaks, the replacement of pavers and the repair or replacement of the surface of the private roof terrace, membrane below the surface of the private roof terrace and any fence and/or railing located thereon, the maintenance and repair of any furniture, appliances, landscaping, utilities and other private roof top facilities exclusively servicing the private roof terrace) shall be at the sole cost, expense and shall be the sole responsibility of the applicable Residential Unit Owner. The Residential Unit Owner shall be required to notify the Board of Managers no later than ten (10) days prior to the commencement of any of the repairs, maintenance and/or replacement of the aforesaid Limited Common Elements unless the noted repair, maintenance and/or

replacement is an emergency, in which case no prior notice shall be required. The Board of Managers shall have the right to designate or approve a contractor or contractors to do the necessary work to the aforesaid Limited Common Elements of this paragraph thereon that are the Residential Unit Owner's responsibility at the Residential Unit Owner's sole cost.

The private roof terraces, private terraces, private gardens, and/or Juliet balconies and any pavers located thereon, that are a Limited Common Element of a Residential Unit are not permitted to be used for storage, are not permitted to be enclosed and are not permitted to be used for bedrooms or living rooms, or similar use. All drains located on the aforesaid Limited Common Elements are required to be kept free of debris and open. Residential Unit Owners will not be permitted to store any combustible material, items with noxious fumes, items considered to be a nuisance or other items on the aforesaid Limited Common Elements that may be illegal or cause the Condominium insurance to be increased or is not in compliance with a Building code of the City of New York. All provisions for safety on the aforesaid Limited Common Elements shall be the sole responsibility of the Residential Unit Owner for the aforesaid Limited Common Elements. A Residential Unit Owner shall be required to have their own insurance covering the aforesaid Limited Common Elements.

All maintenance and repair of any privacy garden and any pavers located thereon that is a Limited Common Element of a Residential Unit, (including cleaning, snow removal, repair and replacement of pavers and any landscaping therein) shall be the responsibility of the Residential Unit Owner for the aforesaid Limited Common Elements of their Residential Unit. The Board of Managers shall have the right to designate or approve a contractor or contractors to do the necessary work to the aforesaid Limited Common Elements that is the Residential Unit Owner's responsibility at the Residential Unit Owner's sole cost.

All maintenance and repair of any lightwell area and storage space that is a Limited Common Element of a Residential Unit shall be the responsibility of the Residential Unit Owner for the aforesaid Limited Common Elements of their Residential Unit.

All maintenance, repair and replacement to any Condominium fence surrounding the rear gardens from neighboring properties shall be the responsibility of the Condominium and a Common Expense of the Condominium. The cost thereof shall be a Common Expense except if such maintenance, repair, or replacement is necessitated due to the negligence, misuse or neglect of a Residential Unit Owner or the prior alteration of a Residential Unit by a Residential Unit Owner, in which event the cost thereof shall be assessed individually and paid for by the applicable Residential Unit Owner.

All repairs, maintenance and any replacement and all costs associated therewith to any hot water tank, gas boiler, air conditioning compressor and/or condenser, generators, air handler or any other heating, cooling or other mechanical system servicing an individual Residential Unit that is located in the Residential Unit or is a Limited Common Element located in or on the Common Elements and/or all apparatus, installations, systems equipment and facilities in the Common Elements (including pipes,

wire, ducts, vents, cables, conduits and lines) which serve or benefit a Residential Unit exclusively (whether or not located within the four walls of such Residential Unit) shall be the responsibility of the Residential Unit Owner for such equipment, services, etc. The Board of Managers shall have the right to designate or approve a contractor or contractors to do the necessary work to said equipment that is a Residential Unit Owner's responsibility at the Residential Unit Owner's sole cost and expense.

All maintenance, repair and replacement of windows from the General Common Elements and Limited Common Elements shall be contracted for by the Board of Managers and the cost thereof shall be a Common Expense of the Condominium payable by all Residential Unit Owners except that the cost of any maintenance or repairs necessitated because of the negligence, misuse or neglect of a Residential Unit Owner occupant, tenant, guest or any other person residing in, visiting or doing work in the Residential Unit, or caused by any prior alteration of a Residential Unit, shall be assessed to and paid by the applicable Residential Unit Owner.

The Board of Managers shall repair all plumbing stoppages and electrical repairs occurring in the General Common Elements and the cost thereof shall be a Common Expense payable by all the Residential Unit Owners as provided in Article VI of the By-Laws. Notwithstanding the cost of any maintenance or repairs necessitated because of the negligence, misuse or neglect of a Residential Unit Owner, occupant, tenant, guest or any other person residing in, visiting or doing work in the Residential Unit, or caused by any prior alteration of a Residential Unit, shall be assessed to and paid by the applicable Residential Unit Owner.

All snow removal and cleaning of any sidewalks and entranceways that abut the Condominium that is not the responsibility of the City of New York and all snow removal to the General Common Elements shall be the responsibility of the Condominium and a Common Expense of all the Residential Units in the Condominium.

All repairs and maintenance to all the Storage Spaces and the Storage Space Area shall be the responsibility of the Condominium. Each Residential Unit Owner who has entered into a License Agreement for a Storage Space will be required to pay a monthly License Fee to the Condominium to cover the costs associated with the Storage Spaces and Storage Space Area as determined by the Board of Managers. The Board of Managers shall have the right to increase or decrease the License Fees as required by the costs of said services. Said License Fees associated with the Storage Spaces and Storage Space Area shall be in addition to the Common Charges and any Special Assessments charged to any Residential Unit Owner. Any dispute regarding the allocation or amount of the License Fees shall be decided by Arbitration pursuant to the terms of Article XIII of the By-Laws of the Condominium. The Board of Managers shall have the same rights of collection and enforcement of the License Fees as they have for Common Charges and Special Assessments as provided for in Article XIX of the Declaration and Article XII of the By-Laws or elsewhere in the Declaration or By-Laws.

The Board of Managers and their agents, employees and contractors shall have the right of access to any Residential Unit for the purpose of making any repairs or replacements to any Common Elements, no matter how classified, contained therein or elsewhere in the Condominium or to remedy any condition which would result in damage to any other Residential Unit or any other Common Element, no matter how classified, or which would violate the provisions of any mortgage covering another Residential Unit or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof or for the purpose of carrying out any of its obligations under the By-Laws or the Declaration of the Condominium. Such right of access shall be exercised in such a manner as will not unreasonably interfere with the use of the Residential 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 Condominium or its property, or the Residential Units, or for the safety of Condominium residents or other persons, or required to avoid the suspension of any necessary service to the Condominium.

All repairs, painting or maintenance, whether made by the Residential Unit Owner or the Board of Managers, to the doors, windows, or the exterior surface of a Building or to any generally visible portion of the General Common Elements or Residential Unit's Limited Common Element shall be carried out in such a manner so as to conform to the materials, style and color initially provided by the Sponsor, unless changed by the Board of Managers.

In the event that a Residential Unit Owner fails to maintain, repair or replace its Residential Unit or any Residential Unit's Limited Common Element for the Residential Unit Owner's exclusive use, which maintenance, repair or replacement is necessary to protect any of the General Common Elements, or any other portions of a Building or any other Residential Unit or other Residential Unit's Limited Common Element, the Board of Managers shall have the right to make the necessary maintenance, repair or replacement (after the failure of said Residential Unit Owner to do so after ten (10) days written notice, or written or oral notice of a shorter duration in the event of an emergency situation) of the Residential Unit or Limited Common Elements for a Residential Unit's exclusive use and to charge said Residential Unit Owner for the cost of all such repairs and/or maintenance and/or replacement. In the event that the Board of Managers charges a Residential Unit Owner for repairs, maintenance and/or replacement to their Residential Unit or for repairs to any Common Elements restricted in use to such Residential Unit Owner, and the Residential Unit Owner fails to make prompt payment, the Board of Managers shall be entitled to bring suit thereon and, in such event, the Residential Unit Owner shall be liable for the reasonable attorneys' fees and cost of such suit or proceeding together with interest on all sums due.

The Board of Managers shall have the right to designate or approve a contractor to do any such work required by a Residential Unit Owner at the Residential Unit Owner's sole expense.

Restoration or Reconstruction After Fire or Other Casualty

In the event of damage to or destruction of a Building as a result of fire or other casualty (unless seventy-five [75%] percent or more of the Residential Units are destroyed or substantially damaged and seventy-five [75%] percent or more of the Residential Unit Owners do not duly and promptly resolve to proceed with repair or restoration), the Board of Managers shall arrange for the prompt repair and restoration of a Building (including any damaged Residential Unit, and any kitchen or bathroom fixtures initially installed therein by the Sponsor, any heating, air conditioning or other service machinery which is covered by insurance but not including any wall, ceiling or door decorations or coverings or other furniture, furnishings, fixtures or equipment installed or changed by Residential Unit Owners in the Residential Units), and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a Common Expense and the Board of Managers may assess all the Residential Unit Owners for such deficit as part of the Common Charges.

If seventy-five (75%) percent or more of the Residential Units are destroyed or substantially damaged and seventy-five (75%) percent or more of the Residential Unit Owners do not duly and promptly resolve to proceed with repair or restoration, the Property shall be subject to an action for partition at the suit of any Residential Unit Owner or lienor, as if owned in common in which event the net proceeds of sale, together with the net proceeds of insurance policies (or if there shall have been a repair or restoration pursuant to the first paragraph of this Section 3, and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration then the excess of such insurance proceeds) shall be divided by the Board of Managers or the Insurance Trustee, as the case may be, among all the Residential Unit Owners in proportion to the respective Percentage of Common Interest, after first paying out of the share of each Residential Unit Owner the amount of any unpaid liens on his or her Residential Unit, in the order of the priority of such liens.

Insurance

The Board of Managers shall be required to obtain and maintain, to the extent obtainable from generally acceptable insurance carriers, the following insurance: blanket property insurance, liability insurance as provided below, flood insurance (if applicable), fidelity bond coverage and worker's compensation, insuring all of the Common Elements, no matter how classified and the Residential Units in a Building of the Condominium (except land, foundations, excavation and other items normally excluded from coverage) including fixtures, to the extent they are part of the Common Elements of the Condominium, building service equipment and supplies and other common personal property belonging to the Condominium. In addition, any fixtures, equipment or other property within the Residential Units which are to be financed by a mortgage (regardless of whether or not such property is part of the Common Elements, but not including wall, ceiling or floor decoration, furniture, furnishings or other personal property supplied or installed by the Residential Unit Owners, contained therein, covering the interest of the

Condominium, the Board of Managers and all Residential Unit Owners and their mortgagees, as their interest may appear, in an amount equal to the full replacement value of a Buildings, exclusive of land, foundation, excavation and other items normally excluded from coverage. Each of such policies shall be in favor of the Condominium, and shall contain a New York standard mortgagee clause in favor of each mortgagee of a Residential Unit which shall provide that the loss, if any, there under shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee as defined below, hereinafter set forth; and such other insurance as the Board of Managers may determine. All such policies shall provide that adjustment of loss shall be made by the Board of Managers with the approval of the Insurance Trustee, and that the net proceeds thereof, if $100,000 or less, shall be payable to the Board of Managers, and if more than $100,000 shall be payable to the Insurance Trustee. Each Unit Owner and each Unit Owner's mortgagee, if any, shall be beneficiaries of the policy in the Percentage of Common Interest applicable to said Residential Unit.

The blanket property insurance as provided above will commence with the Closing of Title to the first Residential Unit.

All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro rata liability of the insurer as a result of any insurance carried by Residential Unit Owners or of the invalidity arising from any acts of the insured or any Residential Unit Owners, and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days prior written notice to all of the insured, including all mortgagees of a Residential Unit. Duplicate originals of all policies of physical damage insurance and of all renewals thereof together with proof of payment of premiums, shall be delivered to all mortgagees of a Residential Unit at least ten (10) days prior to expiration of the current policies. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Managers shall obtain an appraisal from a fire insurance company or otherwise of the full replacement value of a Buildings, including all of the Common Elements appurtenant thereto for the purpose of determining the amount of fire insurance to be affected pursuant to this Section.

All policies must also provide for the following: recognition of any, Insurance Trust Agreement; a waiver of the right of subrogation against Residential Unit Owners individually; that the insurance is not prejudiced by any act or neglect of individual Residential Unit Owners which is not in the control of such Residential Unit Owners collectively; and that the policy is primary in the event the Residential Unit Owner has other insurance covering the same loss. All policies shall include the standard form of a "Special Condominium Endorsement" or its equivalent. All policies shall include an "Agreed Amount Endorsement" and, if available, an "Inflation Guard Endorsement".

The Board of Managers shall also be required to obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Board of Managers may from time to time determine, covering the Common Elements, each Member and Officer of the Board of Managers, the managing agent and each Residential Unit Owner. Such public

liability coverage shall also cover cross liability claims of one insured against another. Until the first meeting of the Board of Managers following the first annual Residential Unit Owners meeting, such public liability insurance shall be a minimum of $1,000,000 covering all claims for bodily injury, deaths and property damage arising out of one occurrence in connection with the operation, maintenance or use of the Common Elements, and legal liability arising out of lawsuits related to employment contracts of the Condominium. Such policies must provide that they may not be cancelled or substantially modified, by any party, without at least ten (10) days' prior written notice to the Condominium and to each holder of a first mortgage on any Residential Unit in the Condominium which in listed as a scheduled holder of a first mortgage in the insurance policy. Such coverage may also include protection against such other risks as are customarily covered with respect to condominiums similar in construction, location and use, including, but not limited to, host liquor liability, employer's liability insurance, contractual and all-written contract insurance, and comprehensive automobile liability insurance. Such public liability insurance shall commence on the closing of title to the first Residential Unit.

In addition to the above, blanket fidelity bonds shall be required to be maintained by the Condominium for all officers, directors and employees of the Condominium and all other persons handling or responsible for, funds of or administered by the Condominium. In the event a management agent has the responsibility for handling or administering funds of the Condominium, the management agent shall be required to maintain fidelity bond coverage for its officers, employees and agents handling or responsible for funds of, or administered on behalf of the Condominium. Such fidelity bonds shall name the Condominium as an obligee and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Condominium or the management agent, as the case may be, at any given time during the term of each bond. The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms or expressions. The premiums on all bonds required herein, except those maintained by the management agent, shall be paid by the Condominium as a Common Expense. The bonds shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least 10 days' prior written notice to the Condominium or Insurance Trustee. Such bonds shall also provide that, if applicable, the Federal National Mortgage Association, ("Fannie Mae") Servicers on behalf of Fannie Mae also receive such notice of cancellation or modification.

Residential Unit Owners shall be required to carry individual insurance on their Residential Units as provided in Section 4 below.

Residential Unit Owner's Insurance

Each Residential Unit Owner is required to carry insurance covering their contents, fixtures, personal property and improvements and betterments (collectively "Contents") and liability insurance covering their Residential Unit and extended to include the Board of Managers, the Condominium, any Managing Agent and other Residential Unit Owners as additional insured's. Such insurance is subject to the approval of the Board of

Managers in advance of the purchase of a Residential Unit, in the Board of Manager's sole discretion. The policy shall be extended to include any additional insured including but not limited to the Sponsor, other Residential Unit Owners and any Mortgagees. All such insurance must be provided by a carrier that is recognized as a licensed admitted carrier in the State of New York with a rating equal to a Best Rating Guide of AV or better. The Board of Managers reserves the right to alter or increase the coverage required hereunder at any time and from time to time. In addition to the foregoing, Residential Unit Owners are instructed to carry coverage for loss of rents, water damage, sewer and drain back up and such other coverage for their contents as they may determine to be in their best interests. The Board of Managers shall have the right to require that a Residential Unit Owner provide evidence to the Board of Managers of the insurance required herein as requested by the Board of Managers.

Reports to Residential Unit Owners

All Residential Unit Owners will receive within four (4) months of the end of each fiscal year, copies of an annual report of the Condominium including a balance sheet and profit and loss statement prepared by an independent public accountant, a statement regarding any taxable income attributable to the Residential Unit Owners, and a notice of the holding of the annual Residential Unit Owners meeting. During such time as the Sponsor retains a majority of the Board of Managers, the Board of Managers shall provide a certified annual statement at the cost of the Condominium.

Amendments to Declaration of Condominium

The provisions of the Declaration may be modified or amended by an instrument executed by the Board of Managers upon a vote of sixty-six and two-thirds (66⅔%) percent of the Residential Unit Owners in number held at a duly called meeting of the Residential Unit Owners, provided however, that:

a. No amendment altering a Residential Unit Owner's Percentage of Common Interest shall be made without the consent of all Residential Unit Owners affected.

b. No amendment shall be passed which shall affect, impair or prejudice the validity, interest, rights and priorities of mortgagees.

c. No amendment, modification, addition or deletion of, to or from the Declaration, the By-Laws or any Rules and Regulations shall be effective in any way against Sponsor or its successors, assigns or designees or against any Unsold Residential Unit, as long as the Sponsor, its successors, assigns, or designees owns an Unsold Residential Unit in the Condominium unless the Sponsor, its successors, assigns or designees has given its prior written consent thereto. This provision is not subject to amendment.

d. The Declaration may not be altered, amended or repealed in such a manner as would adversely affect the Sponsor, its successors, assigns or designees without the written consent of the Sponsor, its successors, assigns or designees.

e. The Board of Managers and the Sponsor, as long as the Sponsor owns an Unsold Residential Unit in the Condominium, shall have the right to amend the Declaration without the vote or consent of the Board of Managers, as it applies to Sponsor, the Residential Unit Owners or the holders of any Residential Unit mortgages and to execute and record in the New York City Registrar's Office, such amendment as may be required to reflect (i) changes in the Declaration (including Schedule B), As-Built Floor Plans and Condominium or Unit Designation Map that are corrective in nature or (ii) to resolve or clarify any inconsistency or which is patently a mistake or a scrivener's error, or (iii) technical corrections; or (iv) to comply with any federal, state or city law or regulation that may affect the Condominium. In connection therewith, each Residential Unit Owner upon becoming a Residential Unit Owner shall be deemed to grant an irrevocable power of attorney, coupled with an interest to the Board of Managers of the Condominium and to the Sponsor to amend the Declaration of Condominium for said purposes.

f. A Purchaser or Residential Unit Owner who purchases or owns two (2) adjoining Residential Units and is desirous of consolidating the two (2) Residential Units into one (1) Residential Unit may do so subject to obtaining all approvals required by the New York City Department of Buildings, New York City Department of Finance and any other required municipal approvals and obtaining whatever insurance and/or surety is required by the Board of Managers to do whatever work is necessary to consolidate the two (2) Residential Units. The Board of Managers shall be required to cooperate with the Purchaser in amending Schedule B to the Declaration to reflect the consolidation and to change the appurtenant Percentage of Common Interest so long as the new Percentage of Common Interest equals the Percentage of Common Interest of the Residential Units that were consolidated, and the Board of Managers shall have the right to amend said Schedule B without the vote or approval of the Residential Unit Owners. All approvals, revisions, amendments to Schedule B of the Declaration and any other requirements including any legal, engineering, architectural or otherwise necessary to consolidate the Residential Units shall be at the Purchaser's or Residential Unit Owner's sole cost and expense. In such an event, the total number of Residential Units in the Condominium shall be revised accordingly and each Residential Unit Owner of a Residential Unit that has been consolidated shall have

the same rights and obligations of all other Residential Unit Owners as provided in the Declaration of Condominium and By-Laws.

g. In addition, in the case of material changes, approval must be obtained from first mortgage holders representing at least fifty-one (51%) percent of the votes of Residential Units that are subject to first mortgages. A change to any of the following would be considered as material: voting rights; assessments, assessment liens, or subordination of assessment liens; reserves for maintenance, repair and replacement of Common Elements; responsibility for maintenance and repairs; reallocation of interests in the General Common Elements or Limited Common Elements, or rights to their use; boundaries of any Residential Unit; convertibility of Residential Units into Common Elements or vice versa; expansion or contraction of the project, or the addition, annexation or withdrawal of property to or from the project; insurance or fidelity bonds; revisions to the leasing provisions of Residential Units contained in Article XI of the By-Laws ; imposition of any restrictions on a Residential Unit Owner's right to sell or transfer the Residential Unit Owner's Unit; a decision by the Condominium to establish self-management when professional management had been required previously by an eligible mortgage holder; restoration or repair of the project (after a hazard damage or partial condemnation) in a manner other than that specified in the documents; any action to terminate the legal status of the project after substantial destruction or condemnation occurs; or any provisions that expressly benefit mortgage holders, insurers or guarantors. An addition or amendment to the Declaration shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only. Any eligible mortgage holder who received a written request by certified or registered mail, return receipt requested, to approve amendments who does not deliver to the Condominium a negative written response within sixty (60) days of the receipt of the request shall be deemed to have approved such amendment. In order to comply with this provision of the Declaration all Residential Unit Owners are required to provide the Board of Managers with their current mortgage holder when requested by the Board of Managers and whenever a Residential Unit Owner obtains a new mortgage.

There shall be a presumption for a period of sixty (60) days subsequent to the recording of the amendment that the vote of the Residential Unit Owners was made at a duly called meeting and that the requisite voting percentage was obtained. After the sixty (60) day period such presumption will be deemed conclusive.

Amendments to By-Laws

The By-Laws may be altered, amended or added to at any duly called Residential Unit Owners meeting; provided: (a) that the notice of the meeting shall contain a full statement of the proposed amendment; (b) that the amendment shall be approved by not less than sixty-six and two-thirds (66⅔%) percent of the Residential Unit Owners in number and Percentage of Common Interest and (c) said amendment shall be set forth in a duly recorded amendment to the Declaration. In addition, the following shall apply to amendments to the By-Laws:

(a) No amendment shall be passed which will affect or impair the validity of the Residential Unit Owners' interest in a Residential Unit.

(b) No amendment, modification, addition or deletion of, to or from the By-Laws or any Rules and Regulations shall be effective in any way against Sponsor or its designee, assignee or successor or any Unsold Residential Unit, as long as the Sponsor, its designee, assignee or successor owns an Unsold Residential Unit in the Condominium unless Sponsor, its designee, assignee or successor has given its prior written consent thereto. This provision is not subject to amendment.

(b) The Board of Managers shall have the right to amend the By-Laws without the consent of the Residential Unit Owners to make corrections to the By-Laws that are patent errors, inconsistencies, scrivener's errors and technical errors. In connection therewith, each Residential Unit Owner upon becoming a Residential Unit Owner shall be deemed to grant an irrevocable power of attorney, coupled with an interest, to the Board of Managers to amend the By-Laws for said purposes.

(c) No amendment to the By-Laws shall be passed which shall impair or prejudice the validity, interest, rights and priorities of a mortgagee.

(d) The Sponsor shall have the right to amend the By-Laws without the consent of the Residential Unit Owners or the Board of Managers to (i) make corrections that are patent errors, inconsistencies, scrivener's errors or technical errors, to conform to other documents, or (ii) to make changes or revisions to comply with the requests, guidelines and/or requirements of any major participant in the secondary market for mortgages, including but not limited to the Federal National Mortgage Association ("Fannie Mae"), the Federal Home Loan Mortgage Corporation ("Freddie Mac"), the Federal Housing Association ("FHA") of the Housing and Urban Development ("HUD"), the Veterans Administration ("VA") and/or any State or Local Funding Agencies, or (iii) to reduce the Sponsor Control Period of the Board of Managers, or (iv) to comply with any federal, state or local law or regulation that may affect the Condominium, or (v) to comply with any amendments permitted pursuant to Article X, Section 2e. and Section 3 of the Declaration of Condominium. In connection therewith, each Residential

Unit Owner upon becoming a Residential Unit Owner shall be deemed to grant an irrevocable power of attorney, coupled with an interest, to the Declarant, its successors, assigns and purchasers of undeveloped or unsold Residential Units to amend the By-Laws for said purposes.

(e) In addition, in the case of material changes, approval must be obtained from first mortgage holders representing at least fifty-one (51%) percent of the votes of Residential Units that are subject to first mortgages. A change to any of the following would be considered as material: voting rights; assessments, assessment liens, or subordination of assessment liens; reserves for maintenance, repair and replacement of Common Elements; responsibility for maintenance and repairs; reallocation of interests in the General or Individual Residential Unit's Limited Common Elements, or rights to their use; boundaries of any Residential Unit; convertibility of Residential Units into Common Elements or vice versa; expansion or contraction of the project, or the addition, annexation or withdrawal of property to or from the project; insurance or fidelity bonds; revisions to the leasing provisions of Residential Units contained in Article XI of the By-Laws; imposition of any restrictions on a Residential Unit Owner's right to sell or transfer the Residential Unit Owner's Residential Unit; a decision by the Condominium to establish self-management when professional management had been required previously by an eligible mortgage holder; restoration or repair of the project (after a hazard damage or partial condemnation) in a manner other than that specified in the documents; any action to terminate the legal status of the project after substantial destruction or in the event condemnation occurs; or any provisions that expressly benefit mortgage holders, insurers or guarantors. An addition or amendment to the By-Laws shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only. Any eligible mortgage holder who received a written request by certified or registered mail, return receipt requested, to approve amendments who does not deliver to the Condominium a negative written response within sixty (60) days of the receipt of the request shall be deemed to have approved such amendment.

Residential Units Acquired by the Board of Managers

All Residential Units which are acquired by the Board of Managers, or its designee as a result of foreclosure of a lien for non-payment of Common Charges or a Right of First Refusal, shall be held by the Board of Managers on behalf of all Residential Unit Owners. The Percentage of Common Interest acquired by the Board of Managers shall remain as designated in Schedule B of the Declaration of Condominium and the Board of Managers shall be responsible for paying all Common Charges appurtenant to said Residential Unit. The Board of Managers shall be entitled to cast all votes that are appurtenant to the Residential Units at any Residential Unit Owners meeting for all purposes except for the election of Members to the Board of Managers.

Termination of Condominium

The Property shall not be withdrawn from the provisions of Article 9-B of the Real Property Law unless at least eighty percent (80%) of the Residential Unit Owners entitled to vote in number and Percentage of Common Interest and the first mortgagees, if any, of these same Residential Units agree to the withdrawal of this Property from the provisions of such Article. The Sponsor or its nominee will not cast any of its votes for withdrawal unless eighty percent (80%) of Residential Unit Owners other than Sponsor so vote.

Covenant Against Partition of Common Elements

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

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XX. RIGHTS AND OBLIGATIONS OF RESIDENTIAL UNIT OWNERS AND BOARD OF MANAGERS

Sale or Lease of Residential Units

Any Residential Unit may be conveyed subject to local zoning ordinances, by its Residential Unit Owner free of any restrictions except that no Residential Unit Owner shall convey, mortgage, pledge, hypothecate or sell their Residential Unit unless and until all unpaid Common Charges, Special Assessments and any other fees or charges owed the Condominium that have been assessed against the Residential Unit Owner's Residential Unit Space owned shall have been paid to the Board of Managers of the Condominium. However, such unpaid Common Charges can be paid out of the proceeds of the sale of a Residential Unit. In addition, all sales are subject to the Right of First Refusal of the Board of Managers as provided for in Article XI, Section 2 of the By-Laws.

Right of First Refusal

Any Residential Unit Owner who receives a bona fide offer to purchase the Residential Unit Owner's Residential Unit and intends to accept such offer, must give notice by certified or registered mail to the Board of Managers of the receipt of such bona fide offer within ten (10) days of such offer. The giving of such notice shall constitute an offer by such Residential Unit Owner to sell the Residential Unit Owner's Residential Unit to the Board of Managers or its designee, corporate or otherwise, on behalf of all other Residential Unit Owners, upon the same terms and conditions as contained in such bona fide offer. No later than ten (10) days after the receipt of such notice, the Board of Managers may elect, by sending written notice to such Residential Unit Owner before expiration of said ten (10) day period, by certified or registered mail, return receipt requested, to purchase such Residential Unit as the case may be. In such event, title shall close at the office of the attorneys for the Condominium, in accordance with the terms of the bona fide offer, within forty-five (45) days after the giving of notice by the Board of Managers of its election to accept such offer. See Article XI, Sections 2 through 6 of the By-Laws.

The purchase of a Residential Unit by the Board of Managers or its designee, on behalf of all Residential Unit Owners, may be made from funds deposited in the capital and or expense account of the Condominium. If the funds in such accounts are insufficient to effectuate any such purchase, the Board of Managers may levy an assessment against each Residential Unit Owner, in proportion to each Residential Unit's Percentage of Common Interest as a Special Assessment, and/or the Board of Managers may in its discretion finance the acquisition of the Residential Unit; provided, however, that no such financing may be secured by an encumbrance, or an hypothecation of any portion of the Property other than the Residential Unit to be purchased. If financed. all costs of the financing and any debt service on the financing shall be paid solely by the Residential Unit Owners in proportion to each Residential Unit's Percentage of Common Interest as a Special Assessment of just the Residential Units.

Permissible Use

During the period a Residential Unit is owned by the Condominium it may be rented or used for any other permissible use under the applicable zoning laws. Any Residential Unit owned by the Condominium may be sold or leased. All proceeds of any sale or lease will become income to the Condominium to be used towards Common Expenses or other Condominium purposes.

No Discrimination

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 grounds prohibited by law if it rents or sells a Residential Unit acquired through its Right of First Refusal. See the By-Laws in Part II of the Plan.

Conveyance to the Board of Managers

Any Residential Unit Owner may convey the Residential Unit Owner's Residential Unit and Percentage of Common Interest appurtenant thereto, to the Board of Managers on behalf of all Residential Unit Owners free of any cost to the Board of Managers or the Residential Unit Owners and upon such conveyance such Residential Unit Owner shall not be liable for any Common Charges thereafter accruing against such Residential Unit.

Right to Lease

Any Residential Unit may be leased subject to the Board of Managers' Right of First Refusal and to the leasing requirements contained in Section 7 of Article XI of the By-Laws. In addition, any Residential Unit Owner who wishes to enter into a lease for the Residential Unit Owner's Residential Unit shall be required to provide the Board of Managers of the Condominium with a copy of the lease at least thirty (30) days prior to its execution. All Residential Unit Owners who wish to enter into a new lease for the Residential Unit Owner's Residential Unit shall be required to submit all documentation required by the Board of Managers as set forth in Section 7 of Article **XI** of the By-Laws to the Managing Agent or the Board of Managers in the absence of a Managing Agent. All leases must comply with all the requirements contained in said Section 7. Failure to comply will be deemed an automatic violation of the By-Laws of the Condominium.

The Board of Managers reserves the right to deny a prospective tenant of a Residential Unit's application if the Board of Managers determines that the prospective tenant may constitute a threat to the health, safety and/or protection of the Residential Unit Owners or may result in substantial physical damage to the Common Elements of the Condominium without having to exercise the Board of Managers' Right of First Refusal. In the event the Board of Managers of the Condominium, in its sole discretion, determines that the prospective tenant of the Residential Unit does not meet its criteria for tenancy of a Residential Unit as provided herein and in Sections 1 and 7 of Article XI of the By-Laws, the Board of Managers shall issue a denial to the Residential Unit Owner

within ten (10) days of such determination. The Residential Unit Owner shall thereafter have the right to procure a second prospective tenant for the Board of Managers' Right of First Refusal, review, and approval pursuant to all of the terms of Article XI of the By-Laws.

The provisions contained herein shall not apply to the acquisition or sale of a Residential Unit by a mortgagee who shall acquire title to such Residential Unit by foreclosure or by deed in lieu of foreclosure. Such provisions shall, however, apply to any purchaser from such mortgagees.

Whenever the term "Residential Unit" is referred to in this section, it shall include the Residential Unit, the Residential Unit Owners' undivided Percentage of Common Interest in the Common Elements and the Residential Unit Owners' interest in any Residential Units acquired by the Board of Managers.

Any sale or lease of any Residential Unit in violation of this section shall be voidable at the election of the Board of Managers.

Except as noted below, every lease on every Residential Unit in the Condominium is subject to the following rules and regulations, regardless of whether stated in the lease:

(a) The Right of First Refusal as provided in Article XI, Section 2 of the By-Laws;

(b) No later than thirty (30) days prior to execution of a lease or a renewal lease, the Residential Unit Owner must provide the Board of Managers of the Condominium with a copy of the lease, name of the proposed tenant and terms of the lease, credit and background check (including criminal background), a minimum of two (2) referrals and any other information that may be requested by the Board of Managers;

(c) the lease must be in writing;

(d) the lease must be for the entire Residential Unit;

(e) the lease must have a minimum term of twelve (12) months. Renewal terms shall also have a minimum term of twelve (12) months.

(f) the form of the lease and any renewal lease must contain a provision that the tenant has thoroughly read and agrees to be subject to the Declaration, the By-Laws and Rules and Regulations of the Condominium and agrees to accept the power of attorney of the Condominium to evict the tenant for any violation by the tenant of the Declaration, the By-Laws and the Rules and Regulations of the Condominium and agrees to be jointly and severally liable with the Residential Unit Owner for any and all fines and costs levied against the tenant for any violation of the provisions of the Rules and Regulations, By-Laws and/or Declaration of Condominium;

(g) the use of the premises is subject to the Declaration, the By-Laws and the Rules and Regulations of the entire Condominium;

(h) within thirty (30) days of occupancy by the tenant or renewal of any lease, the name and telephone number of the tenant, together with a clear and complete copy of the executed lease, must be furnished to the Managing Agent or if no Managing Agent to the Board of Managers of the Condominium;

(i) the Residential Unit cannot be used as a youth hostel, Airbnb, bed and breakfast, motel, hotel and/or for any other transient type of use;

(j) no Residential Unit Owner, Resident or tenant shall be permitted to place any signs for rent in or on the Residential Unit or the Common Elements of the Condominium;

(k) all leases and tenants are subject to all municipal requirements applicable to rentals, if any;

(l) all leases of a Residential Unit shall contain the following language: "This agreement and the rights and obligations of the parties hereunder are hereby made expressly subject to the right if any, of the Board of Managers of the Condominium with respect to the transaction embodied herein pursuant to the terms of the By-Laws of the Condominium, as the same may have been amended;

(m) the lease must contain the Smoking Policy provisions contained in Article VIII of the By-Laws; and

(n) if any Residential Unit Owner (landlord) or tenant is in violation of any of the provisions of the Declaration or By-Laws, or both, including any Rules and Regulations, the Board of Managers of the Condominium may bring an action in its own name or in the name of the Residential Unit Owner, or both, to have the tenant evicted or to recover damages, or both.

The Board of Managers, in its sole discretion, may add or change any of the criteria above with respect to the requirements of leasing Residential Units.

The Board of Managers reserves the right to deny a prospective tenant of a Residential Unit's application if the Board of Managers determines that the prospective tenant may constitute a threat to the health, safety and/or protection of the Residential Unit Owners or may result in substantial physical damage to the Common Elements of the Condominium without having to exercise the Board of Managers' Right of First Refusal. In the event the Board of Managers of the Condominium, in its sole discretion, determines that the prospective tenant of the Residential Unit does not meet its criteria for tenancy of a Residential Unit as provided herein and in Article XI of the By-Laws, the Board of Managers shall issue a denial to the Residential Unit Owner within ten (10) days

of such determination. The Residential Unit Owner shall thereafter have the right to procure a second prospective tenant for the Board of Managers' Right of First Refusal, review and approval pursuant to all of the terms of Article XI of the By-Laws.

In order to carry out the provisions of Article XI of the By-Laws and pursuant to the provisions of Article XIV of the Declaration of Condominium each Residential Unit Owner shall upon becoming a Residential Unit Owner grant an irrevocable power of attorney, to nominate, designate, constitute and appoint the Members of the Board of Managers of the Condominium and their successors, jointly, their true and lawful attorneys-in-fact, coupled with an interest, with power of substitution, in their name and on their behalf, the right to act in their behalf to take any and all action necessary against any tenant(s) that may be residing in a Residential Unit Owner's Condominium Residential Unit including but not limited to, the right to seek an eviction in a court of law for failure to adhere to any of the provisions of the Declaration of Condominium, By-Laws and/or Rules and Regulations of the Condominium. The remedy provided herein is not exclusive and is in addition to any other remedy or remedies available to the Board of Managers of the Condominium. If permitted by present or future law, the Condominium may recover all of its costs, including court costs and reasonable attorney's fees, and these costs shall be a continuing lien on the Residential Unit that shall bind the Residential Unit in the hands of the then Residential Unit Owner and the Residential Unit Owner's successors and assigns. The Board of Managers of the Condominium shall give the tenant and the Residential Unit Owner written notice of the nature of the violation of the Rule and Regulation, and thirty (30) days from the mailing of the notice in which to cure the violation before the Board of Managers of the Condominium may file for eviction.

By becoming a tenant, each tenant will be bound by the Declaration, the By-Laws and the other Rules and Regulations of the Condominium and recognizes and accepts the right and the power of the Condominium to evict the tenant for any violation by the tenant of the Declaration, the By-Laws and the other Rules and Regulations of the Condominium.

The restrictions of Sections 1, 2 and 7 of Article XI of the By-Laws shall not apply to any mortgagee of an Institutional Mortgage acquiring title to a Residential Unit, in a foreclosure or otherwise. Any mortgagee of an Institutional Mortgage acquiring title to a Residential Unit in a foreclosure or otherwise shall have the right to freely sell their Residential Unit or to freely lease all or any part thereof as long as the lease and use by a tenant is in compliance with the permitted use of the Residential Unit under applicable zoning and occupancy requirements.

Any subsequent purchaser from the Institutional Mortgagee is subject to all the terms of Article XI of the By-Laws. In addition, the provisions of Article XII of the Declaration of Condominium regarding an Institutional Mortgage shall be applicable regarding unpaid Common Charges accrued before acquisition of title of a Residential Unit by the mortgagee.

Sponsor Rights

The foregoing restrictions regarding the Right of First Refusal and the sale or lease of a Residential Unit shall not apply to Sponsor-owned Residential Units. The Sponsor, its successors, assignees or designees shall have the right to freely sell an Residential Unsold Residential Unit or to freely lease all or any part thereof without any interference or any restrictions by the Board of Managers as long as the lease and use by a tenant is in compliance with the permitted use of the Residential Unit under applicable zoning and occupancy requirements.

Real Property Law Section 339-kk

Pursuant to the provisions of Section 339-kk of the Real Property Law of the State of New York, any non-occupying Residential Unit Owner who rents any Residential Unit in the Condominium to a rental tenant and then fails to make payments due for Common Charges, assessments or late fees for such Residential Unit within sixty (60) days of the expiration of any grace period after they are due is subject to the following: Upon notice in accordance with the statute, all rental payments from the tenants shall thereafter be directly payable to the condominium association. The provisions of Section 339-kk of the Real Property Law shall control any dispute pursuant to the applicable provision of the By-Laws. A complete copy of Section 339-kk of the Real Property Law is contained in Part II of the Plan as Schedule L.

Restrictions on Occupancy and Use

There is no restriction upon ownership of a Residential Unit. Occupancy of a Residential Unit Owner, however, may only be for residential purposes in accordance with the applicable zoning regulations of the municipality having jurisdiction over the Condominium.

Maintenance

Each Residential Unit Owner shall maintain and keep their Residential Unit and its appurtenant Residential Unit’s Limited Common Element in a good state of preservation, condition, repair and cleanliness in accordance with the terms of the By-Laws.

Every Residential Unit Owner must perform promptly all maintenance and repair work to their own Residential Unit and any Residential Unit’s Limited Common Element for the Residential Unit Owner’s exclusive use which is their sole responsibility and, which if not done would affect the Condominium in its entirety or in a part belonging to other Residential Unit Owners, or a Building of which the Residential Unit forms a part, the Residential Unit Owner being expressly responsible for the damages and liabilities that the failure to do so may engender.

All the repairs to internal installations of the Residential Unit located in and servicing only that Residential Unit, such as telephones and sanitary installations shall be at the Residential Unit Owner's sole expense.

Structural Changes

No Residential Unit Owner shall make any structural addition, alteration or improvement (of either a temporary or permanent nature) in or to their Residential Unit or any Residential Unit's Limited Common Element for its exclusive use, without the prior written approval of the Board of Managers. In addition, no structural addition, alteration or improvement to private roof terrace, private terrace, private garden, and/or Juliette balcony, any pavers, fence and/or railing located thereon, which are a Residential Unit's Limited Common Element shall be permitted unless required as part of the general maintenance, repair or replacement of the aforesaid Limited Common Elements. The Board of Managers shall have the obligation to answer any written request by a Residential Unit Owner for approval of a proposed structural addition, alteration or improvement in such Residential Unit Owner's Residential Unit within forty-five (45) days after such request is received, and failure to do so within the stipulated time shall constitute a denial by the Board of Managers of the proposed structural addition, alteration or improvement. No Residential Unit Owner shall make any structural addition, alteration or improvement in or to any Residential Unit or any Residential Unit's Limited Common Element without first (1) obtaining and maintaining during the course of such work such insurance as the Board of Managers may reasonably prescribe and providing the Board of Managers with a certificate of insurance prior to the commencement of the work, (2) executing and delivering to the Board of Managers an agreement, in form and substance reasonably satisfactory to the Board of Managers , setting forth the reasonable terms and conditions under which such alteration, addition or improvement may be made, including, without limitation, the days and hours during which any such work may be done, (3) executing and delivering to the Board of Managers an agreement indemnifying and holding harmless the Board of Managers , its Members and Officers, and all Residential Unit Owners of the Condominium from and against any liability, cost or expense arising out of or connected to such work and (4) obtaining all approvals, as necessary, from a Building Department or any other agency of the City of New York or any other governmental or administrative agency. In the event the Board of Managers chooses to have the proposed structural addition, alteration or improvement reviewed by an independent architect, engineer or other professional, the Residential Unit Owner shall pay the charges of such architect, engineer or other professional. The Residential Unit Owner shall also bear the cost of any increased taxes or insurance premiums resulting from the structural alterations, additions or improvements.

Any application to a Building Department or any other agency of the City of New York or any other governmental or administrative authority for a permit to make a structural addition, alteration or improvement in or to any Residential Unit or Residential Unit's Limited Common Element for its exclusive use shall be completed by the Residential Unit Owner and executed by the Board of Managers only, without however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor or material men on account of such structural addition, alteration or improvement or to any person having any claim for injury to person or damage to property arising thereof.

The Board of Managers shall have the right to designate or approve a contractor

to do any such work at the Residential Unit Owners' sole expense.

The Board of Managers of the Condominium shall not use the above provisions in any way that would violate any rights a Residential Unit Owner may have pursuant to the Federal Fair Housing Act or New York State Human Rights Law.

Rules and Regulations

The By-Laws of the Condominium include, but are not limited, to the following use restrictions regarding the Residential Units: No immoral, improper, offensive or unlawful use shall be made of the Condominium nor any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Residential Unit Owners, their families, employees, guests and any permitted pets shall not use or permit the use of the Residential Units and Common Elements in any manner that would be illegal, disturbing or a nuisance to other Residential Unit Owners. No resident shall put any advertisement, poster, or signs, including for-sale signs of any kind in or on a Residential Unit or the Common Elements without the consent of the Board of Managers. It is prohibited to use any of the Common Elements for storage except as may be provided in the Condominium. No Residential Unit Owner shall paint the exterior surfaces of the windows, walls or doors opening out of their Residential Unit. All Residential Unit Owners must maintain their thermostat at a minimum of 60 degrees Fahrenheit to avoid pipes from freezing. Any Residential Unit Owner failing to adhere to this provision shall be responsible for any and all damage to the Condominium or any other Residential Unit as a result thereof. Any improvements beyond the interior walls of a Residential Unit will require the approval of the Board of Managers.

No Residential Unit Owner shall make any addition, alteration or improvement (of either a temporary or permanent nature) of a structural nature in or to the Residential Unit Owner's Residential Unit, or any Limited Common Element, without the prior written approval of the Board of Managers. Purchasers should refer to Article VIII of the By-Laws.

Restrictions on Pets

Residential Unit Owners will be permitted to keep dogs, cats or other common household pets in their Residential Unit subject to the provisions of this regulation and subject to the rights of a Residential Unit Owner pursuant to any federal, state or city law or regulation. The foregoing notwithstanding, no more than two (2) dogs per Residential Unit will be permitted. No exceptions will be permitted unless the same in each instance be expressly permitted in writing by the Board of Managers of the Condominium or subject to the rights of a Residential Unit Owner pursuant to any federal, state or city law or regulation. No animals may be kept or maintained in a Residential Unit for any commercial purposes. No exotic animals such as snakes or undomesticated wild animals are permitted in a Residential Unit. Any pet causing or creating a nuisance or unreasonable disturbance, or noise shall be permanently removed from the Property upon fifteen (15) days written notice from the Board of Managers. All Residential Unit Owners shall advise the Board of Managers of any household pet intended to be kept in their Residential Unit

prior to the household pet residing therein. In addition to the above restrictions, the Board of Managers shall have the right to further adopt additional rules and regulations regarding pets including, but not limited to limiting the number, size and type of pet including but not limited to the type of breed of such pet permitted to be kept in a Residential Unit. In no event shall any animal be permitted in any of the public corridors or lobbies of the Condominium unless carried or on leash and in compliance with the local and municipal rules and regulations regarding pets. All Residential Unit Owners shall be responsible for picking up and disposing of their pet's waste and for any damage caused by their pets to any Common Elements of the Condominium.

Smoking Policy

The Smoke-Free Air Act New York City law prohibits smoking and using e-cigarettes of any kind in indoor common areas, including but not limited to, any applicable lobbies, hallways, stairwells, mailrooms, fitness areas, storage areas, garages and laundry rooms in any building with three or more residential units. NYC Admin. Code, § 17-505. Effective as of August 28, 2018, Local Law 147 of the City of New York became effective. Local Law 147 amends the Administrative Code of the City of New York ("NYC Administrative Code") to require that all class A multiple dwellings (i.e., buildings with 3 or more residential dwelling units) adopt a written smoking policy (the "Smoking Policy"). Pursuant to the requirements of Local Law 147 of the City of New York the following constitutes the Smoking Policy applicable to the Condominium and to all Residential Unit Owners, residents, tenants, guests, licensees, employees and all persons that may be in or on any portion of the Property and any Building located thereon constituting the Condominium:

(a) Definitions:

(i) Smoking: Inhaling, exhaling, burning or carrying any lighted or heated cigar, cigarette, little cigar, pipe, water pipe or hookah, herbal cigarette, non-tobacco smoking product (e.g., marijuana or non-tobacco shisha), or any similar form of lighted object or device designated for people to use to inhale smoke.

(ii) Electronic Cigarette (E-Cigarette): A battery-operated device that heats a liquid, gel, herb or other substance and produces a vapor for people to inhale.

(b) Policy:

(i) All types of Smoking and use of Electronic Cigarettes as defined above are prohibited from all general common areas of the Condominium, including but not limited to any applicable lobby, hallway, stairwell, mailroom, fitness room or other recreational facility, meeting room, laundry room, storage area, mechanical room, equipment room, cellar, basement, elevator, garage, rooftop, play areas, parking areas, shared balconies, shared courtyards, shared patios, shared porches, shared yards and/or any outdoor common

area within 15 feet of entrances, exits, windows, and air intake Residential Units on property grounds.

(ii) All types of Smoking and use of Electronic Cigarettes are prohibited from the roof deck, rear yard or any space designated as an Individual Residential Unit's Limited Common Element appurtenant to the Residential Unit.

(iii) All legal Smoking and use of Electronic Cigarettes is permitted within the interior area of a Residential Unit.

(iv) The Smoking Policy shall be applicable to all Residential Unit Owners, residents, tenants, guests, licensees, employees, and all persons that may be in or on any portion of the Condominium.

(v) Any Residential Unit Owner who leases their Residential Unit shall incorporate the provisions of the Smoking Policy into the lease with the Residential Unit Owner's tenant.

(c) Complaints:

Complaints about smoke drifting into a Residential Unit or common area should be made promptly to the Managing Agent. Complaints should be made in writing and should be as specific as possible, including the date, approximate time, location where smoke was observed, building address, description of incident and apparent source of smoke.

The provisions of Local Law 147 of the City of New York shall take precedent in the event of any conflict with the Smoking Policy contained herein.

The Smoking Policy shall be applicable to all Residential Unit Owners, residents, tenants, guests, licensees, employees, and all persons that may be in or on any portion of the Property and any Building located thereon constituting the Condominium. The Smoking Policy is contained in Article VIII (the "Rules and Regulations"), Section 1 (aaa) of the By-Laws.

Mortgage of Residential Units by Residential Unit Owners

A Residential Unit Owner may mortgage the Residential Unit Owner's Residential Unit at any time after the Residential Unit Owner acquires title to the Residential Unit in whatever amount and under whatever terms the Residential Unit Owner can obtain provided the Residential Unit Owner first notifies the Board of Managers. Any Residential Unit Owner may, upon the resale of their Residential Unit, grant a purchase money mortgage to a purchaser of their Residential Unit. A Residential Unit Owner may mortgage their Residential Unit only if all arrears for Common Charges, if any, are provided for at the closing of the mortgage.

Common Charges Assessment and Collection

The Board of Managers shall, from time to time, but at least annually, fix and determine the budget representing the sum or sums necessary and adequate for the continued operation of the Condominium and shall send a copy of the budget and supplement to the budget to every Residential Unit Owner. The Board of Managers shall determine the total amount required, including the operational items such as insurance, repairs, reserves, betterments, maintenance of the General Common Elements and Limited Common Elements that are the obligation of the Condominium and other Common Expenses including but not limited to the Common Expenses provided in Article VI, Section 3 of the By-Laws, as well as charges to cover any deficits from prior years.

The total annual requirements shall be assessed as a single sum against all Residential Units and prorated against each of said Residential Units according to the provisions of Section 9 of Article VI of the By-Laws.

Said assessments shall be payable monthly or in such other manner as determined by the Board of Managers and shall be referred to as Common Charges.

The Board of Managers may also charge additional assessments in excess of the Common Charges for expenses not contemplated, foreseen or which exceed the amount budgeted. Said assessments shall be known as Special Assessments. The Board of Managers shall be entitled to charge a Special Assessment as a single sum or over a period of time as it may determine. Residential Unit Owners shall pay their portion of any Special Assessments in accordance with Section 9 of Article VI of the By-Laws.

The Residential Unit Owner agrees to pay promptly when due the monthly Common Charges and all Special Assessments assessed against the Residential Unit. In the event any Residential Unit Owner fails to make payment of the Residential Unit Owner's Common Charge payment, the Residential Unit Owner who owns such Residential Unit shall be obligated to pay (a) a "late fee" of $.25 for each $1.00 of such amounts which remain unpaid for more than ten (10) days from their due date (although nothing herein shall be deemed to extend the period within which such amounts are to be paid) and (b) all expenses, including, without limitation, attorneys' fees paid or incurred by the Board of Managers or by any Managing Agent in any proceeding brought to collect such unpaid Common Charges and/or Special Assessments or in an action to foreclose the lien on such Residential Unit Owner's Residential Unit arising from said unpaid Common Charges and/or Special Assessments in the manner permitted by applicable law. All such "late fees," interest and expenses shall be cumulative and shall be added to and shall constitute Common Charges payable by such Residential Unit Owner.

In addition, in the event of a default in payment of Common Charges by any Residential Unit Owner, the Board of Managers, at its sole option, may declare the Common Charge assessment on said Residential Unit Owner's Residential Unit for the balance of the fiscal year immediately due and payable. Prior to making any such declaration following a default, the Board of Managers shall send notice to the delinquent Residential Unit Owner and the mortgagee, if any, of such Residential Unit giving the Residential Unit Owner a five (5) day grace period in which to make the late payment.

The Board of Managers may place a lien and take action to collect any past due Common Charges from any Residential Unit Owner which remains unpaid as provided in Article IX of the By-Laws from its due date by way of foreclosure of the lien on such Residential Unit in accordance with Section 339-aa of the Real Property Law or otherwise.

No Residential Unit Owner shall be liable for any Common Charges which accrue against the Residential Unit Owner's Residential Unit subsequent to a sale, transfer or other conveyance of the Residential Unit Owner in accordance with the By-Laws and the Declaration. A purchaser of a Residential Unit shall be liable for the payment of all future Common Charges assessed against the Residential Unit, as well as unpaid Common Charges assessed against the Residential Unit by deed or other legal means of the purchase.

In addition to the above, each Residential Unit Owner who has entered into a License Agreement for a Storage Space will be required to pay a monthly License Fee to the Condominium to cover the costs associated with the Storage Spaces and Storage Space Area as determined by the Board of Managers and who shall have the right to increase or decrease said amount as required by the costs of said services. Said License Fees associated with the Storage Spaces and Storage Space Area shall be in addition to the Common Charges and any Special Assessments charged to any Residential Unit Owner. Any dispute regarding the allocation or amount of the License Fees shall be decided by Arbitration pursuant to the terms of Article XIII of the By-Laws of the Condominium. The Board of Managers shall have the same rights of collection and enforcement of the License Fees as they have for Common Charges and Special Assessments as provided for in Article XIX of the Declaration and Article XII of the By-Laws or elsewhere in the Declaration or By-Laws.

Notwithstanding any other provision in the Declaration or the By-Laws any mortgagee of an Institutional Mortgage as defined in the Declaration of Condominium who obtains title to a Residential Unit pursuant to the remedies in the mortgage or through foreclosure will not be liable for more than six (6) months of the Residential Unit's unpaid Common Charges accrued before acquisition of the title to the Residential Unit by the mortgagee unless otherwise required by law. If the Condominium's lien priority includes costs of collecting unpaid Common Charges and/or Special Assessments, the mortgagee of the Institutional Mortgage will be liable for any fees or costs related to the collection of unpaid Common Charges and/or Special Assessments. The unpaid balance of such Common Charges and/or Special Assessments that may be waived will be charged to all other Residential Unit Owners as a Common Expense. Upon acquisition of title the Institutional Mortgagee shall be responsible for all Common Charges, Special Assessments and/or any other costs and expenses of the Condominium thereafter due and payable.

The estimate of Condominium expenditures in Schedules A and B were made by the Sponsor and passed upon by Monarch Realty Group Holdings, LLC located at 19 West 34th Street, Suite 806, New York, New York 10001. Although the Sponsor is of the

opinion that such estimates are accurate and reasonable, they are not intended and cannot be construed as an assurance of the actual expenses and are merely based upon information available at this time. Actual costs may be lesser or greater than as set forth herein.

It is presently anticipated that the Common Charges are to be used primarily to pay for the expenses detailed in Schedule B of the Offering Plan. The Common Charges and Common Expenses do not include maintenance, repairs or decoration of interior of the Residential Units or portions thereof, payments required pursuant to the terms of Residential Unit Owners' mortgages or real estate taxes covering the individual Residential Units.

The Common Charges which may be collected monthly by the Board of Managers and other costs of maintenance of the Residential Units are set forth on Schedule A. However, additional services which the Residential Unit Owners may desire, or other factors can increase these charges. See Schedule B-1 for estimated utility costs applicable to an individual Residential Unit.

As long as the Sponsor retains control of the Board of Managers, the Board of Managers retains the right to delay the commencement of the collection of Common Charges. During any such delay period, the Sponsor will timely pay all expenses of the Condominium, including but not limited to insurance premiums and any reserve fund payments required by lenders. Upon the commencement of the collection of Common Charges, there will be no assessment of Residential Unit Owners for prior expenses of the budget during the period Sponsor was paying the Common Expenses of the Condominium. Sponsor shall remain obligated to update the budget for the Condominium as provided for in the governing regulations. In the event Sponsor elects to delay collection of Condominium Common Charges, it will disclose such fact in the closing notice to Purchasers and will further disclose such fact in the Post-Closing Amendment to the Offering Plan. Such Amendment will also disclose the anticipated period of delay. Sponsor will notify all Residential Unit Owners in writing of the expiration of the delay period at least 30 days prior to commencing collection of Common Charges and will disclose such fact in the following Amendment to the Offering Plan.

Where a Residential Unit is damaged by casualty and the proceeds of insurance are not sufficient to cover the repair of the damage, the amount necessary to restore the Residential Unit over and above the proceeds from any fire insurance on the Residential Units will be a Common Charge to all Residential Unit Owners. In order to protect the Residential Unit Owner against the possibility of such Common Charges, the Board of Managers determines the amount of blanket casualty insurance covering all Residential Units (the cost of such insurance is part of the Common Charges) and reviews the amount of such coverage annually.

Once title has passed to a Purchaser, the Purchaser will be responsible for all costs, including all Common Charges, in the event the collection of Common Charges has commenced, and all individual expenses associated with the Residential Unit, as well

as any costs associated with the Limited Common Elements that are the Residential Unit Owner's responsibility and pertain to the Purchaser's Residential Unit.

Liens for the Non-Payment of Common Charges

Under Section 339-z of the Real Property Law of the State of New York, the Board of Managers shall have a lien against each Residential Unit for its unpaid Common Charges and legal interest thereon prior to all other liens except liens for the payment of taxes and all sums unpaid on a first mortgage of record. The lien shall continue in force even after resale of a Residential Unit except that the Board of Managers shall, in accordance with the Declaration, release the lien and right to collect unpaid Common Charges against any Purchaser of a Residential Unit where such purchase arises out of a foreclosure of a first institutional mortgage when the Board of Managers has been made a party to the foreclosure action.

The Board of Managers may foreclose the lien in the same manner as a mortgage on real property or bring a separate action to collect the unpaid Common Charges and Special Assessments and in doing so shall be entitled to recover all costs incurred including reasonable attorney's fees. The liability of each Residential Unit Owner for the payment of Common Charges and Special Assessments thereafter assessed against the Residential Unit Owner's Residential Unit shall terminate upon a sale, transfer or conveyance of such Residential Unit in accordance with the provisions of the Condominium Declaration and By-Laws. Further, any Residential Unit Owner may convey their Residential Unit to the Board of Managers or its nominee, on behalf of all other Residential Unit Owners, without any compensation and in accordance with the Declaration and By-Laws, and in such event the Residential Unit Owner shall be exempt from any Common Charges and Special Assessments thereafter assessed, but not relieved of their obligation to pay the Residential Unit Owner's mortgage. However, a Residential Unit Owner may not be exempt from liability for the Residential Unit Owner's Common Charges and Special Assessments by waiver of the use or enjoyment of any of the Common Elements or by abandonment of the Residential Unit Owner's Residential Unit.

Upon a resale, the Purchaser of a Residential Unit shall be liable for the payment of unpaid Common Charges and Special Assessments assessed against such Residential Unit prior to the acquisition of such Residential Unit by the Purchaser. Notwithstanding any other provision in the Declaration or the By-Laws any mortgagee of an Institutional Mortgage who obtains title to a Residential Unit pursuant to the remedies in the mortgage or through foreclosure will not be liable for more than six (6) months of the Residential Unit's unpaid Common Charges accrued before acquisition of the title to the Residential Unit by the mortgagee unless otherwise required by law. If the Condominium's lien priority includes costs of collecting unpaid Common Charges the mortgagee of the Institutional Mortgage will be liable for any fees or costs related to the collection of unpaid Common Charges. The unpaid balance of such Common Charges and/or Special Assessments that may be waived will be charged to all other Residential Unit Owners as a Common Expense. Upon acquisition of title the Institutional Mortgagee shall be responsible for all Common Charges, Special Assessments and/or any other

costs and expenses of the Condominium thereafter due and payable.

During the period of time the Sponsor retains a majority of the seats of the Board of Managers, the Sponsor will cause the Board of Managers to file a lien as provided for in Section 339-aa of the Real Property Law on Residential Units in which Sponsor is more than thirty (30) days in arrears of Common Charges and Special Assessments.

Repairs, Alterations and Improvements to the Residential Units

All maintenance, painting, repairs and replacement of the General Common Elements shall be the obligation and responsibility of the Board of Managers on behalf of the Condominium and Residential Unit Owners including but not limited to exterior walls, roof and roof membranes, roof housing of a Building, as well as painting, repair and/or maintenance of the exterior surfaces, roof, windows and doors which open from a Building, as well as all maintenance, repairs and replacements of foyers and stairways of a Building, and of any pipes, wires, conduits and utility lines, or any portion of which is located in one Residential Unit and services another Residential Unit or more than one Residential Unit or so much of any pipes, wires, conduits and utility lines as are located in the General Common Elements. The cost thereof shall be a Common Expense except if such maintenance, painting, repair or replacement is necessitated because of the negligence, misuse or neglect of a Residential Unit Owner or the prior alteration of the Residential Unit by a Residential Unit Owner, in which event the cost thereof shall be assessed individually and paid by the applicable Residential Unit Owner.

All maintenance, repair and replacement to any pipes, sewers and/or drainage lines and wires, conduits and public utility lines located within each Residential Unit or a Limited common Element for the exclusive use of a Residential Unit Owner shall be the sole obligation of such Residential Unit Owner at the Residential Unit Owner's sole cost and expense.

All maintenance, repair and replacement to any portion of any pipes, sewers and/or drainage lines and wires, conduits and public utility lines located in the General Common Elements shall be the responsibility of the Condominium. The cost thereof shall be a Common Expense except if such maintenance, repair or replacement is necessitated due to the negligence, misuse or neglect of a Residential Unit Owner or the prior alteration of a Residential Unit by a Residential Unit Owner, in which event the cost thereof shall be assessed individually and paid for by the applicable Residential Unit Owner.

All maintenance, repair and replacement to pipes, sewers and/or drainage lines and wires, conduits and public utility lines located in a Limited Common Element servicing two (2) or more Residential Units, shall be the responsibility of the Condominium and a Common Expense of the Condominium. The cost thereof shall be a Common Expense except if such maintenance, repair or replacement is necessitated due to the negligence, misuse or neglect of a Residential Unit Owner or the prior alteration of a Residential Unit by a Residential Unit Owner, in which event the cost thereof shall be assessed individually and paid for by the applicable Residential Unit Owner.

All maintenance and repairs to the interior portion of Residential Units, other than to any General Common Elements contained therein, are the responsibility of the respective Residential Unit Owners at their sole expense. All structural changes to a Residential Unit shall comply with the provisions of Article VIII, Section 1(f) of the By-Laws.

All maintenance and repair to the interior portion of the window area and doors which open from a Residential Unit are the responsibility of the Residential Unit Owner of the Residential Unit. All maintenance, repair and any replacement to the external portion of the window area, the actual window and external portion of the doors (including painting if necessary) which open from a Residential Unit will be the responsibility of the Condominium and the cost thereof shall be a Common Expense of the Condominium and paid for by all Residential Unit Owners as provided in Article VI of the By-Laws. Notwithstanding the above, should the maintenance, repair or replacement of the external portion of the window, the actual window and external portion of the doors which open from a Residential Unit be caused as a direct result of the negligence or act of a Residential Unit Owner, resident, occupant, tenant, guest or any other person residing, visiting or doing work in the Residential Unit, the Condominium will repair or replace the external portion of the window, the window or the external portion of the doors which open from a Residential Unit and the cost of such repair or replacement shall be charged to the Residential Unit Owner as an additional Common Charge or Special Assessment.

The interior glass surfaces of all windows located in the Residential Units are to be cleaned at the Residential Unit Owner's sole cost and expense. The exterior surfaces of all Residential Unit windows shall be cleaned by the Board of Managers and the cost shall be a Common Expense. Broken window glass in a Residential Unit shall be replaced by the Residential Unit Owner at the Residential Unit Owner's sole cost and expense, unless such breakage was caused by the Board of Managers or its agents, in which case replacement shall be made by the Board of Managers as a Common Expense.

Entrance doors to Residential Units and the roof of a Building shall be maintained and repaired by the Board of Managers unless the damage thereto was caused by a Residential Unit Owner in which case the Board of Managers shall make the repair and charge the Residential Unit Owner accordingly.

All structural repairs and replacements to any private terrace, private garden and/or Juliet balcony and any pavers located thereon, and any fence and/or railing located thereon that is a Limited Common Element of the Residential Unit will be the obligation of the Condominium to repair and replace. Notwithstanding, all costs and expenses for the structural repair and replacement of the aforesaid Limited Common Elements of a Residential Unit shall be paid for by the respective Residential Unit Owner. Failure to pay the expenses to the Condominium shall be considered a default of the obligations of the Residential Unit Owner and the Board of Managers shall have all of the rights afforded the Board as detailed in Article IX of the By-Laws. All general maintenance and repairs of a private terrace, private garden and/or Juliet balcony and any pavers and any fence

and/or railing located thereon appurtenant to a Residential Unit that is a Limited Common Element of the Residential Unit, including cleaning, snow removal and all repairs not structural in nature, (including the repair of leaks, the replacement of the aforesaid Limited Common Elements) shall be at the sole cost and expense and the sole responsibility of the applicable Residential Unit Owner. The Residential Unit Owner shall be required to notify the Board of Managers no later than ten (10) days prior to the commencement of any of the repairs, maintenance and/or replacement of the aforesaid Limited Common Elements unless the noted repair and/or maintenance is an emergency, in which case no prior notice shall be required. The Board of Managers shall have the right to designate or approve a contractor or contractors to do the necessary work to the aforesaid Limited Common Elements that are the Residential Unit Owner's responsibility at the Residential Unit Owner's sole cost.

All structural repairs and replacements to any private roof terrace, any fence and/or railing located thereon that is a Limited Common Element of a Residential Unit will be the obligation of the Condominium to repair and replace. Notwithstanding, all costs and expenses for the structural repair and replacement of the private terrace and any fence and/or railing located thereon that is a Limited Common Element of a Residential Unit shall be paid for by the respective Residential Unit Owner. Failure to pay the cost and expenses to the Condominium shall be considered a default of the obligations of the Residential Unit Owner and the Board of Managers shall have all of the rights afforded the Board as detailed in Article IX of the By-Laws. All general maintenance and repairs of a private roof top area and any fence and/or railing located thereon appurtenant to a Residential Unit and is a Limited Common Element of the Residential Unit, and cost and expenses thereto, including cleaning, snow removal and all repairs not structural in nature, (including the repair of leaks, the replacement of pavers and the repair or replacement of the surface of the private roof terrace, membrane below the surface of the private roof terrace and any fence and/or railing located thereon, the maintenance and repair of any furniture, appliances, landscaping, utilities and other private roof top facilities exclusively servicing the private roof terrace) shall be at the sole cost, expense and shall be the sole responsibility of the applicable Residential Unit Owner. The Residential Unit Owner shall be required to notify the Board of Managers no later than ten (10) days prior to the commencement of any of the repairs, maintenance and/or replacement of the aforesaid Limited Common Elements unless the noted repair, maintenance and/or replacement is an emergency, in which case no prior notice shall be required. The Board of Managers shall have the right to designate or approve a contractor or contractors to do the necessary work to the aforesaid Limited Common Elements of this paragraph thereon that are the Residential Unit Owner's responsibility at the Residential Unit Owner's sole cost.

The private roof terraces, private terraces, private gardens, and/or Juliet balconies and any pavers located thereon, that are a Limited Common Element of a Residential Unit are not permitted to be used for storage, are not permitted to be enclosed and are not permitted to be used for bedrooms or living rooms, or similar use. All drains located on the aforesaid Limited Common Elements are required to be kept free of debris and open. Residential Unit Owners will not be permitted to store any combustible material,

items with noxious fumes, items considered to be a nuisance or other items on the aforesaid Limited Common Elements that may be illegal or cause the Condominium insurance to be increased or is not in compliance with a Building code of the City of New York. All provisions for safety on the aforesaid Limited Common Elements shall be the sole responsibility of the Residential Unit Owner for the aforesaid Limited Common Elements. A Residential Unit Owner shall be required to have their own insurance covering the aforesaid Limited Common Elements.

All maintenance and repair of any privacy garden and any pavers located thereon that is a Limited Common Element of a Residential Unit, (including cleaning, snow removal, repair and replacement of pavers and any landscaping therein) shall be the responsibility of the Residential Unit Owner for the aforesaid Limited Common Elements of their Residential Unit. The Board of Managers shall have the right to designate or approve a contractor or contractors to do the necessary work to the aforesaid Limited Common Elements that is the Residential Unit Owner's responsibility at the Residential Unit Owner's sole cost.

All maintenance and repair of any lightwell area and storage space that is a Limited Common Element of a Residential Unit shall be the responsibility of the Residential Unit Owner for the aforesaid Limited Common Elements of their Residential Unit.

All maintenance, repair and replacement to any Condominium fence surrounding the rear gardens from neighboring properties shall be the responsibility of the Condominium and a Common Expense of the Condominium. The cost thereof shall be a Common Expense except if such maintenance, repair, or replacement is necessitated due to the negligence, misuse or neglect of a Residential Unit Owner or the prior alteration of a Residential Unit by a Residential Unit Owner, in which event the cost thereof shall be assessed individually and paid for by the applicable Residential Unit Owner.

All repairs, maintenance and any replacement and all costs associated therewith to any hot water tank, air conditioning compressor and/or condenser, generators, air handler or any other heating, cooling or other mechanical system servicing an individual Residential Unit that is located in the Residential Unit or is a Limited Common Element located in or on the Common Elements and/or all apparatus, installations, systems equipment and facilities in the Common Elements (including pipes, wire, ducts, vents, cables, conduits and lines) which serve or benefit a Residential Unit exclusively (whether or not located within the four walls of such Residential Unit) shall be the responsibility of the Residential Unit Owner for such equipment, services, etc. The Board of Managers shall have the right to designate or approve a contractor or contractors to do the necessary work to said equipment that is a Residential Unit Owner's responsibility at the Residential Unit Owner's sole cost and expense.

All maintenance, repair and replacement of windows from the General Common Elements and Limited Common Elements shall be contracted for by the Board of Managers and the cost thereof shall be a Common Expense of the Condominium payable by all Residential Unit Owners except that the cost of any maintenance or repairs necessitated because of the negligence, misuse or neglect of a Residential Unit Owner

occupant, tenant, guest or any other person residing in, visiting or doing work in the Residential Unit, or caused by any prior alteration of a Residential Unit, shall be assessed to and paid by the applicable Residential Unit Owner.

The Board of Managers shall repair all plumbing stoppages and electrical repairs occurring in the General Common Elements and the cost thereof shall be a Common Expense payable by all the Residential Unit Owners as provided in Article VI of the By-Laws. Notwithstanding the cost of any maintenance or repairs necessitated because of the negligence, misuse or neglect of a Residential Unit Owner, occupant, tenant, guest or any other person residing in, visiting or doing work in the Residential Unit, or caused by any prior alteration of a Residential Unit, shall be assessed to and paid by the applicable Residential Unit Owner.

All snow removal and cleaning of any sidewalks and entranceways that abut the Condominium that is not the responsibility of the City of New York and all snow removal to the General Common Elements shall be the responsibility of the Condominium and a Common Expense of all the Residential Units in the Condominium.

All repairs and maintenance to all the Storage Spaces and the Storage Space Area shall be the responsibility of the Condominium. Each Residential Unit Owner who has entered into a License Agreement for a Storage Space will be required to pay a monthly License Fee to the Condominium to cover the costs associated with the Storage Spaces and Storage Space Area as determined by the Board of Managers. The Board of Managers shall have the right to increase or decrease the License Fees as required by the costs of said services. Said License Fees associated with the Storage Spaces and Storage Space Area shall be in addition to the Common Charges and any Special Assessments charged to any Residential Unit Owner. Any dispute regarding the allocation or amount of the License Fees shall be decided by Arbitration pursuant to the terms of Article XIII of the By-Laws of the Condominium. The Board of Managers shall have the same rights of collection and enforcement of the License Fees as they have for Common Charges and Special Assessments as provided for in Article XIX of the Declaration and Article XII of the By-Laws or elsewhere in the Declaration or By-Laws.

The Board of Managers and their agents, employees and contractors shall have the right of access to any Residential Unit for the purpose of making any repairs or replacements to any Common Elements, no matter how classified, contained therein or elsewhere in the Condominium or to remedy any condition which would result in damage to any other Residential Unit or any other Common Element, no matter how classified, or which would violate the provisions of any mortgage covering another Residential Unit or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof or for the purpose of carrying out any of its obligations under the By-Laws or the Declaration of the Condominium. Such right of access shall be exercised in such a manner as will not unreasonably interfere with the use of the Residential 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 Condominium or its property, or the Residential Units, or for the safety of

Condominium residents or other persons, or required to avoid the suspension of any necessary service to the Condominium.

All repairs, painting or maintenance, whether made by the Residential Unit Owner or the Board of Managers, to the doors, windows, or the exterior surface of a Building or to any generally visible portion of the General Common Elements or Residential Unit's Limited Common Element shall be carried out in such a manner so as to conform to the materials, style and color initially provided by the Sponsor, unless changed by the Board of Managers.

In the event that a Residential Unit Owner fails to maintain, repair or replace its Residential Unit or any Residential Unit's Limited Common Element for the Residential Unit Owner's exclusive use, which maintenance, repair or replacement is necessary to protect any of the General Common Elements, or any other portions of a Building or any other Residential Unit or other Residential Unit's Limited Common Element, the Board of Managers shall have the right to make the necessary maintenance, repair or replacement (after the failure of said Residential Unit Owner to do so after ten (10) days written notice, or written or oral notice of a shorter duration in the event of an emergency situation) of the Residential Unit or Limited Common Elements for a Residential Unit's exclusive use and to charge said Residential Unit Owner for the cost of all such repairs and/or maintenance and/or replacement. In the event that the Board of Managers charges a Residential Unit Owner for repairs, maintenance and/or replacement to their Residential Unit or for repairs to any Common Elements restricted in use to such Residential Unit Owner, and the Residential Unit Owner fails to make prompt payment, the Board of Managers shall be entitled to bring suit thereon and, in such event, the Residential Unit Owner shall be liable for the reasonable attorneys' fees and cost of such suit or proceeding together with interest on all sums due.

The Board of Managers shall have the right to designate or approve a contractor to do any such work required by a Residential Unit Owner at the Residential Unit Owner's sole expense.

Insurance

Purchasers should refer to Section XIX of the Offering Plan and the footnotes to the budget for a complete description of the insurance applicable to the Condominium.

THE CONDOMINIUM INSURANCE COVERAGE DOES NOT COVER FIRE AND LIABILITY INSURANCE FOR THE PURCHASER'S PERSONAL EFFECTS AND INTERIOR OF THE RESIDENTIAL UNIT. PURCHASERS ARE ADVISED TO SECURE SUCH COVERAGE.

Access by Board of Managers

The Board of Managers and its agents, employees and contractors shall have a right of access to any Residential Unit and to all portions of the Common Elements for the purpose of carrying out any of its obligations under the Declaration and By-Laws.

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

Ownership of a Residential Unit in the Condominium subjects the Residential Unit Owner to compliance with the provisions of the Declaration and By-Laws as well as the Rules and Regulations contained in the Declaration or By-Laws or established by the Condominium in accordance therewith. The Rules and Regulations of the Condominium are set forth in Article VIII of the By-Laws found in Part II of the Offering Plan. The Board of Managers can institute legal actions to enforce compliance with the provisions of the Declaration and By-Laws as well as the Rules and Regulations established therewith.

The provisions of the By-Laws which requires Members of the Residential Unit Owners' representatives to the Board of Managers to be Residential Unit Owners will not apply to the first Board of Managers or any Sponsor designees to the Board of Managers.

Easements

Every Residential Unit Owner shall have an easement in common with the owners of other Residential Units to maintain and use all pipes, sewers and/or drainage lines, wires, conduits and public utility lines located in other Residential Units and servicing such Residential Unit Owner's Residential Unit. Each Residential Unit shall be subject to an easement in favor of the Residential Unit Owners of other Residential Units to maintain and use the pipes, sewers and/or drainage lines, wires, conduits and public utility lines servicing such other Residential Units located in such Residential Unit.

The Board of Managers shall have a right of access to each Residential Unit for maintenance, repair or improvements to any pipes, sewers and/or drainage lines, wires, conduits and public utility lines located in any Residential Unit and servicing any other Residential Unit or causing damage or in imminent danger of causing damage to any other Residential Unit or any Common Element, no matter how classified. The cost of such repairs shall be a Common Expense unless the damage is the result of the negligence of a Residential Unit Owner or tenant, occupant, employee or other person a Residential Unit Owner may be responsible for, in which case the cost of such repairs shall be the responsibility of the Residential Unit Owner who is responsible or whose tenant, occupant, employee or other person the Residential Unit Owner is responsible for causing such damage.

The Board of Managers shall have an easement for access to all Common Elements for maintenance, repair or improvement whether such Common Elements are restricted or not.

The Board of Managers and their agents, employees and contractors shall have an easement for access through all the Common Elements, no matter how classified, and the Residential Units to install, utilize, operate, maintain, repair, alter, rebuild, restore and replace any Common Elements, no matter how classified, contained therein or elsewhere in the Condominium or to remedy any condition which would result in damage to any Residential Unit or any other Common Element no matter how classified, or for the purpose of complying with any laws, orders, rules or regulations of any governmental

body having jurisdiction thereof or for the purpose of carrying out any of its obligations under the By-Laws or the Declaration of Condominium or for the health and safety of the Condominium and its residents. Such right of access to a Residential Unit shall be exercised in such a manner as is required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Condominium or its Property, or the Residential Units, or for the safety of Condominium residents or other persons or required to avoid the suspension of any necessary service to the Condominium.

Each respective utility and cable company shall have a right of access to the Common Elements and each Residential Unit for maintenance, repair or improvements to any pipes, sewers and/or drainage lines, wires, conduits, and public utility lines located in the Common Elements and any Residential Unit. Any utility or cable company and its employees and agents shall have the right of access to any Residential Unit or the Common Elements in furtherance of such easements, provided such right of access shall be exercised in such a manner as shall not unreasonably interfere with the use of any Residential Unit for its permitted purposes by its owner, tenants or occupants.

The Board of Managers shall have the right to grant such additional electric, water, sewer, drainage, cable or other utility easements or relocate any existing utility easement in any portion of the Condominium as the Board of Managers shall deem necessary or desirable for the proper operation and maintenance of the Condominium, or any portion thereof, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of any Residential Unit for its permitted purposes. Any utility company and its employees and agents shall have the right of access to any Residential Unit or the Common Elements in furtherance of such easements, provided such right of access shall be exercised in such a manner as shall not unreasonably interfere with the use of any Residential Unit for its permitted purposes by its owner, tenants or occupants.

The Board of Managers shall have the right to grant easements in any portion of the Condominium as the Board of Managers shall deem necessary or desirable for the purpose of installation, maintenance and repair of a satellite dish, cable service or other data or internet services and all ancillary wires, conduits, utility lines and any other services required for a satellite dish, cable service or other data or internet services for the use of the Residential Unit Owners in the Condominium.

The Board of Managers shall have an easement through the Residential Units for access, installation, maintenance, repair and replacement of any flues, vents, air-conditioning, heating, ventilating, water and other mechanical lines and fixtures and any other machinery, pipes, wires, conduits, equipment, or meters servicing any portion of the Condominium.

The Sponsor shall have the right (without any obligation to obtain the consent of the Board of Managers or any other Residential Unit Owner or other party except as required by law) to grant such additional cable, electric, water, sewer, drainage or other utility easements or relocate any existing utility easements in any portion of the Property as Sponsor shall deem necessary or desirable for the proper operation and maintenance

of the Condominium or any portion thereof, or for the general health or welfare of the Residential Unit Owners, tenants, and residents of the applicable Residential Units.

The Sponsor, its successors, assigns, and purchasers of undeveloped or unsold Residential Units, reserves the easements, licenses, rights and privileges of a right-of-way in, through, over, under and across all of the Property and the Buildings comprising the Condominium for the purpose of completing construction, sale and rental of Residential Units and facilities in the Condominium and towards this end, reserves the right to grant and reserve easements and rights-of-way in, through, under, over and across all of the Property and each Building comprising the Condominium for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, cable television and other utilities and for any other materials or services necessary for the completion of the work. The Sponsor, its successors, assigns, and purchasers of undeveloped or unsold Residential Units, also reserve the right to connect with and make use of the utility lines, wires, pipes, conduits, cable television, sewers and drainage lines which may from time to time be in or on the Property and a Building comprising the Condominium. The Sponsor, its successors and assigns, and purchasers of undeveloped or unsold Residential Units, shall have an easement to erect and maintain general sales, leasing, business or administration offices and/or model Residential Units, to erect, maintain, repair and replace from time to time one or more free-standing and other selling, directional and informational signs in/or on the Property and the A Building comprising the Condominium as it deems necessary for the purposes of advertising the sale or lease of Residential Units, and for the purpose of showing the Residential Units to prospective Purchasers or lessees and for access to Residential Units and Common Elements consistent with the purposes of the Declaration, as the same may be amended, and Sponsor's rights and obligations thereunder, including, without limitation the right to develop, renovate, maintain, repair, refurbish, offer, sell and lease Residential Units, together with their Percentage of Common Interest in the Common Elements. The Sponsor, its successors and assigns reserve the right to continue to use the Common Elements and any facilities, sales offices, model Residential Units and signs located on the Common Elements, in its efforts to sell and/or lease Residential Units constructed in the Condominium and to complete construction or renovation of the Condominium. This paragraph shall not be amended without the consent of the Sponsor.

Sponsor shall have and each Residential Unit Owner shall be deemed to grant a right of access to and through their Residential Unit to Sponsor or its designee, assignee or successor and any contractors, subcontractors, agents, and employees of the foregoing for the purposes of the repair and completion of any installation, construction, modification, alteration, renovation, maintenance, repair, restoration, replacement, or change being performed or to be performed by or on behalf of Sponsor with respect to the Common Elements and/or the Residential Units.

Each Residential Unit Owner grants an easement of ingress and egress in, over and through any hallway that may be part of their Residential Unit to any other Residential Unit Owner, tenant, resident or other persons needing ingress or egress to their respective Residential Unit that may be necessary for said purpose.

The Board of Managers will have and each Residential Unit will be subject to, an easement (a) to install, utilize, operate, maintain, repair, alter, rebuild, restore and replace the General Common Elements and Limited Common Elements that are the obligation of the Condominium to repair, maintain and replace, located in, over, under, through or upon any Residential Unit, or any other Common Elements or elsewhere in the Condominium and (b) to maintain any encroachment on any Residential Unit or Common Elements resulting from the repair, alteration, rebuilding, restoration or replacement of the General Common Elements or Limited Common Elements.

Each Residential Unit will have an easement of support from all structural members (including, but not limited to, columns, footings, bracings, piles, plates, foundations, slabs, and exterior walls) supporting or serving a Building and any replacement thereof and additions thereto and an easement of necessity, and each Residential Unit will be subject to an easement of support and necessity in favor of all other Residential Units and the Common Elements.

Each Residential Unit will have an easement for lateral and vertical support among all adjoining Residential Units and Common Elements.

Any easements granted to Sponsor, the Board of Managers, any Residential Unit or any Residential Unit Owner under the Declaration and the By-Laws may be exercised by such Sponsor's, Board of Managers' or Residential Unit Owner's employees, agents, contractors, suppliers, customers, guests, invitees, licensees, servants, tenants, subtenants, members, and visitors, as the case may be, to the extent necessary to effectuate the purpose for the easement or as otherwise authorized by the Sponsor, the Residential Unit Owner or Board of Managers.

Each Residential Unit Owner will have a right and easement to use its Residential Unit and Limited Common Elements appurtenant to such Residential Unit or Residential Units, and the General Common Elements subject to and in accordance with the terms and conditions of the Declaration and By-Laws.

All Residential Unit Owners, residents, guests, tenants and anyone else needing access to a Residential Unit shall have an easement of ingress and egress, in, through and over the Property of the Condominium, including the Common Elements regardless of how classified for access to their Residential Unit.

The Board of Managers on behalf of the Condominium will have an easement and unlimited access to any Common Element, no matter how classified, for the purpose of making inspections, repairs or rebuilding of the Condominium.

All emergency vehicles and personnel, including, but not limited to, police, fire and medical vehicles and personnel shall be granted an easement of ingress and egress over, upon and through all areas of the Property. This Paragraph may not be amended by the Residential Unit Owners in the Condominium.

Except as may otherwise be set forth in the Declaration, any easement created or granted hereunder shall be perpetual and irrevocable for so long as the Condominium shall remain in existence.

Allocation of Common Interest

The Percentage of Common Interest of the Condominium establishes the Residential Unit Owners percentage of ownership in the Common Elements of the Condominium and percentage of liability for the payment of Common Charges subject to the rights under Section 339-m of the Real Property Law of the State of New York which permits the Board of Managers to make allocations and assessments of Common Charges in accordance with sub-metering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are based on special or exclusive use or availability or exclusive control of particular Residential Units or Common Elements by particular Residential Unit Owners. In the event of any dispute relating to the expenses to be borne by a Residential Unit Owner such dispute shall be submitted to arbitration in accordance with the provisions contained in Article XII of the By-Laws. The Schedule B budget set forth in Section VI of this Offering Plan does not contemplate any special allocation of Common Expenses. Each Residential Unit Owner has the Percentage of Common Interest in the Condominium set forth on Schedule A. Such allocation has been based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium the uniqueness of the Residential Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Residential Unit. Said method of determining the percentage of Common Interest in a Condominium complies with and is pursuant to the provisions of Section 339-i(1)(iv) of the Real Property Law of the State of New York.

The Percentage of Common Interest in the Common Elements shall not be changed except with the consent of all Residential Unit Owners affected expressed in a duly recorded amendment to the Declaration. However, based upon final specifications, construction conditions and/or “as-built” Plans for the Building reflecting relative measurements, areas and uses of portions of the Buildings, application of such method of allocation of the Percentage of Common Interest may justify a minor increase or decrease in the aggregate Percentage of Common Interest appurtenant to Residential Units. In such event, the Percentage Interest of Common Interest appurtenant to each individual Residential Unit would be adjusted pro rata. Sponsor expressly reserves the right, from time to time, prior to the first Closing, to effect such a change in the Percentage of Common Interests and to amend the Plan so as to reflect the same. In no event, however, will the Percentage of Common Interest of any Residential Unit be increased or decreased as a result of any of the foregoing a material amount. Purchasers should note that there is a rebuttable presumption that a five (5%) percent change in the Percentage of Common Interest does not constitute a material change.

Reserve Account

The Condominium budget includes a reserve fund line item to be used for future major capital improvements of the Condominium. Article VI, Section 8 of the By-Laws contains a provision that provides for the establishment of a reserve account.

Copies of both the Declaration of Condominium and By-Laws are contained in Part II of the Offering Plan.

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XXI. REAL ESTATE TAXES

In accordance with the New York State Condominium Act, real estate taxes applicable to each Residential Unit will be separately assessed. The estimated monthly costs and charges to be incurred by the Residential Unit Owner of each Residential Unit in the estimated first year of operation of the Condominium together with estimated Common Charges on each Residential Unit and other carrying costs are set forth on Schedule A.

Real Estate Tax estimates were provided to the Sponsor by the law firm of Korngold, Powers, LLP, Counselors at Law ("Real Estate Tax Counsel") with offices located at 60 East 42nd Street, Suite 4600, New York, New York 10165 based upon information provided to them by the Sponsor. A copy of their Opinion Letter is contained in Section XXIII of the Offering Plan.

The assessed value of the Residential Units is determined by the City of New York. Taxes may increase in subsequent years if the tax rates increase. In view of the fact the projected real estate taxes for the first year of operation contained in Schedule A are based on an assessment of the Buildings before construction is complete real estate taxes may increase materially when the Building is reassessed after construction is complete.

The estimated real estate tax assessment has also considered the recent tax assessment history of the property, the cost of the new project, the potential income for the new structure (if operated as a rental), comparable properties in the Borough of Brooklyn which have been newly constructed or undergone renovation as well as market conditions in the general area. **This estimate has not fully considered the effect of the current Corona Virus pandemic, it is unknown how this will affect assessed values going forward and therefore was not fully factored into this estimate.**

Real Property Tax Law Section 581 provides that condominium units shall be assessed for tax purposes as if the building was a comparable rental property. As such the New York City Department of Finance ("DOF") is prohibited from utilizing the sales prices of the individual condominium units in determining the assessed valuation. Therefore, the prices of the individual Residential Units reflected in Schedule A and any subsequent sales or resales are not relevant in determining the assessed value of the property or of the individual Residential Units. Upon the conversion to a condominium and after an application is submitted by the Sponsor to DOF, the DOF will assign individual tax lot numbers to each of the Residential Units. The Residential Units of the Property will be designated by the DOF as a Tax Class 2 property and will pay on a Class 2 rate at the next tax year. The 2021/2022 tax class 2 residential tax rate has been set at $12.235 for each $100 of assessed valuation.

Tax Class 2C is a protected residential tax class covering condominium buildings where there are ten or fewer residential units and which limits the increases in assessed value that may be imposed on the condominium units. Pursuant to Real Property Tax

Law Section 1805, the assessor shall not increase the assessment of any parcel in this tax class in any one year, as measured from the actual assessment on the previous year's assessment roll, by more than eight percent and shall not increase such assessment by more than thirty percent in any five-year-period. Increases due to physical improvements (such as the construction of the buildings) are added in full to the next year's assessment and are not subject to the 8% and 30% limitations. Therefore, the increase in the assessed value which is forecast for the post construction tax year below will not be subject to the 8% and 30% limitations. Since the law grants the 2C tax cap benefit on a per parcel basis, each building should be deemed a separate parcel and thus the 2C protection should be applied but no guarantee is made that the Department of Finance will not disregard the limitation due to the condominium status.

In June of 2021, the New York State Legislature passed legislation extending property tax abatements for homeowners in New York City cooperatives and condominiums through June 30, 2023, at the rate of 17.5% with buildings with average assessments greater than $60,000 per unit and a greater percentage for buildings with a lesser average per unit. It is anticipated that this bill will become law. Assuming the post construction assessed value is set as estimated in this letter, the abatement for eligible unit owners would be set at 17.5% of the annual taxes. A unit owner must acquire title by January 5 and an application must be timely filed with the New York City Department of Finance to be possibly eligible for the abatement for immediately successive tax year. The law makes additional changes from the original abatement law which will eliminate such abatement benefits for units which are not the primary residence of the owner. The law further limits the benefits of a maximum of three units in the building, one of which must be the primary residence of the owner. Units owned by limited liability companies and corporations are not eligible. In September of 2021, Governor Hochul signed into law an amendment to the existing condo abatement law which would require certain buildings to pay a prevailing wage to all building service workers in order to be eligible for this condo abatement. If the assessed value is determined as estimated in this letter, this condominium will initially not have to pay such prevailing wage to any building service worker, but if the assessed value is determined to be greater than $1,800,000, then such prevailing wage must be paid in order to obtain the tax abatement. It is unknown at this time if unit owners will have acquired their ownership interests at a point in time by which they will be eligible to apply for this abatement or if this law will be reenacted. This building will not qualify for the abatement unless a prevailing wage is paid to all building service workers. Therefore, in predicting the taxes on this building we have not given any consideration to this tax benefit. Unit owners are advised to beware of various filing deadlines that may be included in the renewed law as well as possible changes in the level of abatement and eligibility.

Since November 28, 2005, the DOF calls for the locking-in of a common-interest percentage extracted from the condominium declaration filed at the New York City Register's Office. As a result, it is anticipated that the individual residential units will have a relationship with each other in line with such common interests.

In view of the fact that the projected real estate taxes for the first year of operation contained in Schedule A are based on an assessment of the Buildings before construction

is complete real estate taxes may increase materially when the Building is reassessed after construction is complete. It is anticipated that the Building will be complete by April 1, 2023 and that the partial assessment as described below will be for the year of operation commencing April 1, 2023 through March 1, 2024. It is anticipated that the full assessment will commence for the year of operation commencing April 1, 2024 through March 31, 2025. Purchasers are further cautioned that the assessment practices of the DOF are notoriously inconsistent in assessing properties during the course of construction and it is possible that there may be a substantial deviation from the estimated assessed values.

The real estate taxes for the first year of operation of the Condominium are estimated as follows:

April 1, 2023, through June 30, 2023 (3 Months of the 2022/2023 Tax Year)

Assessed Value	Tax Rate	Tax (3 months)
$138,600	.12235%	$2,036

July 1, 2023, through March 31, 2024 (9 Months of the 2023/2024 Tax Year)

Assessed Value	Tax Rate	Tax (9 months)
$1,265,000	.12235%	$114,703

Estimated Initial Budget Year Real Estate Taxes	$ 116,739
Estimated Post Construction Real Estate Taxes	$ 152,938

The real estate taxes for the fully assessed completed Condominium for the year of operation April 1, 2024 through March 31, 2025 are estimated using an estimated assessed value of $1,250,000 based upon an estimated tax rate of .12235.

Any projected or estimated amount set forth above including, without limitation, the estimates of the Property's assessed valuation during the first year of Condominium operation; the estimates of the portions of such assessed valuations that will be allocable to the Residential Units; the tax rate that will be in effect during the first year; will approximate the actual amount.

The projected real estate taxes for the first year of operation contained on Schedule A are based on an assessment of the building before construction is complete. Purchasers are advised that real estate taxes may increase materially when the building is reassessed after construction is complete. See Schedule A, the footnotes to Schedule A and above for more information regarding the projected assessed valuation after completion of construction.

Each Residential Unit will be given a separate block and lot designation.

The estimate of real estate taxes for each Residential Unit for the first year of Condominium operation further assumes that the amount of real estate taxes payable with respect to each Residential Unit will be calculated by dividing the total tax liability among the Residential Units in proportion to their Percentage of Common Interest as

reflected in Schedule A. There is no assurance that the City of New York will allocate taxes between Residential Units in this manner. If they do not, Owners of Residential Units with the same Offering Price will pay different amounts of real estate taxes.

Although in the Sponsor's opinion this method of calculating the real estate taxes applicable to each Residential Unit is reasonable, there can be no assurance that final exemption will be granted or that this method of calculation of real estate taxes applicable to each Residential Unit will be the final method used by the New York City taxing authorities in establishing the real estate tax assessment for each Residential Unit. If for any reason a different method of calculation is used or a different assessment is placed upon any of the Residential Units by such authorities, or the tax rates change, real estate taxes may increase or decrease, depending upon the final decision of such taxing authorities.

Since the New York State Condominium Act provides that real estate taxes will be separately assessed against each individual Residential Unit Owner, the result of the tax exemption program will be to give each individual Residential Unit Owner the full benefit of the tax exemption program.

In the event the Residential Units have not been separately assessed for real estate tax purposes prior to the Closing of Title to the first Residential Unit, Sponsor may place in escrow, in the name of the Board of Managers, an amount equal to the unpaid real estate taxes which will be levied against the Residential Units in the Condominium for the six (6) month period following the first Closing. Thereafter, at each Closing during said period, each Purchaser will reimburse the Sponsor for the pro-rata amount paid on behalf of said Residential Unit. Alternatively, the Sponsor may place in escrow, in the name of Board of Managers, an amount equal to the real estate taxes attributable to the unsold Residential Units for such six (6) month period and may collect at each Closing the estimated amount of taxes attributable to such Residential Unit for the balance of the six (6) month period. The Board of Managers will pay the real estate taxes from the escrow account when taxes are due and payable. After the Residential Units are separately assessed, the funder of the escrow account or the Residential Unit Owner will be reimbursed for any overpayment of taxes or assessed for an underpayment.

After the Residential Units are separately assessed Residential Unit Owners will not be responsible for the payment of or subject to any lien arising from the non-payment of real estate taxes on any other Residential Unit.

There are no tax certiorari proceedings currently pending for the property. The By-Laws empower the Board of Managers to bring such proceedings on behalf of the Residential Unit Owners.

The Sponsor anticipates that the real estate tax rate will vary in future years rather than remain constant. The estimates of projected real estate taxes in this Offering Plan have been prepared by the Sponsor and cannot be construed as an assurance of the final tax costs but are merely estimates based upon information available to the Sponsor at this time. As such, the estimated real estate taxes are not a guarantee. No assurances

can be given that the real estate taxes applicable to a Residential Unit will not change. In no event will the Sponsor, the Sponsor's counsel, any selling agent or any other person be liable if there are changes in the facts on which the real estate taxes were relied upon All Purchasers are advised to consult with their attorney or real estate tax consultant as to the real estate taxes that may be applicable in purchasing and owning a Residential Unit in the Condominium.

XXII. INCOME TAX DEDUCTIONS TO RESIDENTIAL UNIT OWNERS AND TAX STATUS OF THE CONDOMINIUM

The Sponsor has been advised by its counsel, Certilman Balin Adler & Hyman, LLP that each Residential Unit Owner will be entitled under present law to a deduction for Federal, New York State and New York City income tax purposes for the real estate taxes paid by each Residential Unit Owner covering their Residential Unit and, provided the Residential Unit is used as the Residential Unit Owner's primary residence or one (l) other residence that the Residential Unit Owner selects pursuant to Section 163(h) of the Internal Revenue code of 1986, for the interest paid by the Residential Unit Owner on any mortgage, covering the Residential Unit Owner's Residential Unit. Purchasers should note that pursuant to the Tax Act of 2017, which went into effect on January 1, 2018, the maximum mortgage in which an individual can deduct the interest on is $750,000. In addition, the Tax Act placed a $10,000 maximum on the amount an individual can deduct for the combined amount of real estate taxes and State income taxes. See the Opinion of Counsel in Section XXIII of the Offering Plan. Similarly, the Sponsor has been advised by counsel that certain Residential Unit Owners who are veterans of the Residential United States Armed Forces may be entitled to deductions covering part of the real estate taxes applicable to their respective Residential Units.

Purchasers are advised to seek the advice of their tax consultant to ascertain the income tax ramifications to the Purchaser pursuant to the Tax Act.

The Sponsor has been advised by its counsel that the Condominium will be taxed on any excess of income over expenses from unrelated sources. Examples of unrelated source income include interest earned on reserve and other invested funds, income from concessions and income from dues or fees received from persons other than the Residential Unit Owners. If the Condominium is required to pay taxes, the amount thereof will be levied as an additional Common Charge.

Sponsor has also been advised that pursuant to Section 528 of the Internal Revenue Code, certain Condominiums, substantially all of whose Residential Units are used for residences, are afforded the opportunity to elect to be treated as tax exempt organizations. In order to qualify, sixty (60%) percent or more of the gross income of each must consist of amounts received as membership dues, fees or assessments from the Residential Unit Owners and ninety (90%) percent or more of the expenditures of each must be for the acquisition, construction, management, maintenance and care of the Condominium Properties, which properties, as defined in Section 528 of said Code,

include property held by the Condominium, property commonly held by the Residential Unit Owners of the Condominium, or property within the Condominium held by the Residential Unit Owners of the Condominium. This Condominium has been structured so that it will meet the requirements of Section 528 of the Internal Revenue Code and as a result the Condominium will be eligible to be treated as a tax-exempt organization under Section 528 of the Internal Revenue Code. Purchasers should refer to the Opinion of Counsel in Section XXIII of the Offering Plan.

CERTILMAN BALIN
ATTORNEYS

90 MERRICK AVENUE, 9TH FLOOR
EAST MEADOW, NY 11554
PHONE: 516.296.7000 • FAX: 516.296.7111
www.certilmanbalin.com

XXIII. OPINION OF COUNSEL

RICHARD HERZBACH
PARTNER
DIRECT DIAL 516.296.7006
rherzbach@certilmanbalin.com

September 1, 2022

1504 Jeff LLC
53 Broadway
Brooklyn, New York 11249

Re: **Hancock and Jefferson Condominium**

Gentlepeople:

We note that the Offering Plan for the above-captioned Condominium states that it is believed that the monthly payments of interest on any mortgage, up to a maximum mortgage of $750,000, which becomes a lien on a condominium Residential Unit and real estate taxes payable by a Residential Unit Owner, which are assessed against the Residential Unit by any governmental taxing authority, are a proper deduction in connection with Federal, New York State and New York City Income Taxes payable by the owner of such Condominium Residential Unit to the aforesaid maximum amount currently allowed by law pursuant to the Federal Tax Cuts and Jobs Act of 2017 (the "Tax Act"), which went into effect on January 1, 2018. In addition, the Tax Act placed a $10,000 maximum on the amount an individual can deduct for the combined amount of real estate taxes and State income taxes.

We have given this matter careful study, and it is our opinion that, pursuant to the provisions of the Internal Revenue Code (the "Code") the provision of the New York State Law (See Section 615 of the Tax Law), such interest payments and the aforesaid real estate payments are proper deductions by the owner of a Condominium Residential Unit, in connection with their Federal income taxes to the maximum amount currently allowed by the Act and New York State and City income taxes to the maximum allowed in each jurisdiction. Similarly, we are of the opinion that each Condominium Residential Unit Owner whose Residential Unit is their principal residence will be entitled, under the Code and Section 615 (a) of the State Law, to deduct interest paid or accrued by the Residential Unit Owner on any mortgage which becomes a lien on a Condominium Residential Unit to the maximum amount allowed by applicable law.

Pursuant to Section 528 of the Code, certain Condominiums, substantially all of whose Residential Units are used for residences, have the opportunity to elect to be treated as tax exempt organizations. In order to qualify, sixty (60%) percent or more of the gross income of each must consist of amounts received as membership dues, fees

CERTILMAN BALIN ADLER & HYMAN, LLP
SUFFOLK OFFICE: HAUPPAUGE, NY 11788

or assessments from the Residential Unit Owners and ninety (90%) percent or more of the expenditures of each must be for the acquisition, construction, management, maintenance and care of the Condominium properties, which properties, as defined in 528 of the Code, include property held by the Condominium, or property within the Condominium. Based upon our examination of the Offering Plan and subject to the Condominium, actually satisfying the minimum percentage income and expenditure criteria set forth above, it is our opinion that the Condominium will be eligible to be treated as a tax-exempt organization under Section 528 of the Code.

Such an election will exempt from Federal, New York State and New York City Income Taxation all amounts received by the Condominium from the Residential Unit Owners as membership dues, fees or assessments. The Condominium will be taxed, however, on any excess of income over expenses from unrelated sources. Examples of unrelated sources income include interest earned on Reserve Funds, income from concessions and income from dues or fees received from persons other than the Residential Unit Owners. In the event the Condominium fails to qualify for and elect Section 528 taxation status in any year, it may, to the extent it has any income from unrelated sources or from accumulated revenues received by virtue of dues, fees and assessments received from Residential Unit Owners not expended in any taxable year, be subject to Federal, New York State and New York City Income Taxation (see Rev. Ruling 74-99, 1974-1 C.B. 131).

We have considered the relevant cases and rulings on the tax status of the Condominium including Revenue Rulings 74-17, 74-99, 75-370 and 75-371. These rulings, under certain circumstances, permit assessments for capital replacements and new or replacement equipment to be excluded from the Condominium's income and be treated for tax purposes as additional capital contributions. In such case each Residential Unit Owner's assessment for such purposes would add to their tax basis. Although the Condominium described in the Offering Plan may be deemed a taxable entity under such Rulings, assuming that all expenses are designated and accounted for, and that certain other special purpose assessments are properly treated as trust funds, the Condominium should not realize any significant amount of taxable income, other that with respect to incidental investment income, such as interest earned on Reserve Funds deposited in bank accounts.

We have examined the exceptions to title set forth in Section XV of the Offering Plan, and we are of the opinion that none of such exceptions of title are contrary to the terms of the Purchase Agreement nor do they interfere with the quiet use or enjoyment of the Purchaser's Residential Unit as set forth in the Offering Plan.

We have examined the Declaration and By-Laws pertaining to the proposed Condominium. It is our opinion that the Declaration and By-Laws, when recorded, will validly create a Condominium in accordance with Article 9-B of the Real Property Law of the State of New York.

In addition, we note that the Percentage of Common Interest for each Residential Unit as contained in Schedule A has been determined based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Residential Unit, the availability of Common Elements for exclusive or shared use, and overall dimensions of the particular Residential Unit. In our opinion, this is a proper method of determining the percentage of common interest in a Condominium and complies with Section 339-i(1)(iv) of the Real Property Law.

In our opinion, the Condominium will be eligible for tax exempt status, if it so elects, and Residential Unit Owners will be entitled to the above-mentioned income tax deductions. However, this opinion is not a guarantee; it is based on existing rules of law applied to the given facts and documents referred to above. No assurances can be given that the tax laws upon which counsel bases this opinion will not change. In no event will the Sponsor, the Sponsor's counsel, the Board of Managers of the Condominium, any selling agent or any other person be liable if there are changes in the facts on which counsel relied in issuing this opinion or if there are changes in the applicable statues, 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 Code or the New York State tax law as amended or New York City tax law and Residential Unit Owners not to be entitled to income tax deductions. All Purchasers are advised to consult with their personal tax consultant as to purchasing and owning a Residential Unit in the Condominium.

Very truly yours,

CERTILMAN BALIN ADLER & HYMAN, LLP

By: _____
Richard Herzbach, Partner

Korngold Powers LLP
COUNSELORS AT LAW
60 East 42nd Street
Suite 4600
New York, NY 10165
212.324.3398
korngoldpowers.com

January 19, 2022

1504 Jeff LLC
53 Broadway
Brooklyn, New York 11249

RE: 1504 Jefferson Avenue
Block 3393, Currently Lot 36, Brooklyn

1437 Hancock Street
Block 3393 Currently Lot 61, Brooklyn

Dear Sir or Madam:

This letter is in response to your request for an opinion and projection of the estimated real estate assessments and taxes upon the completion of construction and creation of a condominium. The condominium consists of the two new buildings at the addresses set forth above.

You have requested our opinion concerning the real property assessment to be levied upon the new condominium to be located as set forth above as well as the taxes for the initial tax year after completion of construction. You have advised us that the project will consist of the construction of two new multiple dwellings which will each contain nine residential units and your initial budget year shall be deemed to have commenced on April 1, 2023.

In order to prepare this letter and the opinion set forth herein, you have supplied us with certain information upon which we have relied. This information includes your acquisition cost and your estimated construction costs. You have also supplied us with a square footage analysis of the project and a description of property and specifications prepared by Olivera Grk AIA. We have also relied upon publicly available web sites maintained by the New York City Department of Buildings and Department of Finance.

We have also considered the recent tax assessment history of the property, the cost of the new project, the potential income for the new structure (if operated as a rental), comparable properties in the Borough of Brooklyn which have been newly constructed or undergone renovation as well as market conditions in the general area. **This estimate has considered the effect of the current Corona Virus pandemic, but it is unknown how this will affect assessed values going forward and therefore was not fully factored into this estimate.**

In predicting the future assessed value, we have given consideration to the following factors:

1. The current claimed standard of assessment used by the Real Property Division of the New York City Department of Finance is to assess at 45% of value.

2. The estimate of the cost of the construction.

3. The potential capitalized net income of the property if operated as a rental.

4. Tax Assessments of comparable properties.

Tax Assessments in New York City are made on a fiscal year basis running from July 1 of any one year to the next succeeding June 30. The status of the building on January 5 of any one year is the basis of the assessment for the fiscal year beginning that July 1. The tentative assessment roll containing the tentative 2022/2023 assessed values for the entire property (lots 36 and 61) was as follows:

	Actual Assessed Value	Taxable Assessed Value	Tax Class
Lot 36	$129,382	$129,382	2B
Lot 61	$ 9,000	$ 9,000	1B

Real Property Tax Law Section 581 provides that cooperative and condominium apartments shall be assessed for tax purposes as if the building was a comparable rental property. Thus, the Department of Finance is prohibited from utilizing the sales prices of the individual condominium units in determining the assessed valuation. Therefore the prices that you set in your offering plan and any subsequent sales or resales are not relevant in determining the assessed value of the property or of the individual condominium units. Upon conversion to a condominium and after an application is submitted by you, the New York City Department of Finance shall assign individual tax lot numbers to each of the condominium units. The condominium units will be designated as tax class 2C property and will pay on the class 2 tax rate. The 2021/2022 tax class 2 residential tax rate has been set at $12.235 for each $100 of assessed valuation. The tax class 1B tax rate has been set at $19.963. Tax class 1B is taxed in class 1 and tax class 2B is taxed in class 2. Tax Class 2C is a protected residential tax class covering condominium buildings where there are ten or fewer residential units and which limits the increases in assessed value that may be imposed on the condominium units. Pursuant to Real Property Tax Law Section 1805, the assessor shall not increase the assessment of any parcel in this tax class in any one year, as measured from the actual assessment on the previous year`s assessment roll, by more than eight percent and shall not increase such assessment by more than thirty percent in any five-year period. Increases due to physical improvements (such as the construction of your building) are added in full to the next year's

assessment and are not subject to the 8% and 30% limitations. Therefore, the increase in the assessed value which we forecast for the post construction tax year below will not be subject to the 8% and 30% limitations. Since the law grants the 2C tax cap benefit on a per parcel basis, each building should be deemed a separate parcel and thus the 2C protection should be applied but no guarantee is made that the Department of Finance will not disregard the limitation due to the condominium status.

In June of 2021, the New York State Legislature passed legislation extending property tax abatements for homeowners in New York City cooperatives and condominiums through June 30, 2023 at the rate of 17.5% with buildings with average assessments greater than $60,000 per unit and a greater percentage for buildings with a lesser average per unit. Governor Cuomo signed this this bill into law. Assuming the post construction assessed value is set as estimated in this letter, the abatement for eligible unit owners would be set at 17.5% of the annual taxes. A unit owner must acquire title by January 5 and an application must be timely filed with the New York City Department of Finance to be possibly eligible for the abatement for immediately successive tax year. The law makes additional changes from the original abatement law which will eliminate such abatement benefits for units which are not the primary residence of the owner. The law further limits the benefits to a maximum of three units in the building, one of which must be the primary residence of the owner. Units owned by limited liability companies and corporations are not eligible. In September of 2021, Governor Hochul signed into law an amendment to the existing condo abatement law which would require certain buildings to pay a prevailing wage to all building service workers in order to be eligible for this condo abatement. If the assessed value is determined as estimated in this letter, this condominium will initially not have to pay such prevailing wage to any building service worker. Therefore, in predicting the taxes on this building we have not given any consideration to this tax benefit. Unit owners are advised to beware of various filing deadlines that may be included in any renewed law as well as possible changes in the level of abatement and eligibility.

Based on the information you have furnished us, we believe that the building portion of the tax assessment should not appear on the 2022/2023 final assessment roll in that it will be removed pursuant to New York City Administrative Code section 11-209 which provides for the removal of building assessments for new buildings in the course of construction which are not ready for occupancy by the following April 15th in the year after construction is commenced. The records of the Department of Buildings indicates that your construction has commenced in April 2021. Therefore, since the construction apparently commenced after January 5, 2021 and prior to January 5, 2022 and the building is not expected to be completed until the winter of 2023, New York City Administrative Code section 11-209 mandates that there be no building assessment for the 2022/2023 tax year. Accordingly, we believe that the 2022/20232 final assessment roll should

only reflect a land assessment when it is published. We urge you to contest the finding from the New York City Department of Finance that there is a building assessment on tax lot 36.

We caution you that it is possible that there will not be an official apportionment of the assessment for the tax liability among the units until such time as an official apportionment of the assessed value is made and becomes effective. We suggest that you include a provision in your offering plan to cover this possibility.

Predicated upon the foregoing, it is our opinion that for the initial budget year of April 1, 2023 through March 31, 2024, we estimate the total taxable assessed value of the property for 2022/2023 should be $66,573 which represents the first three months of the initial budget year and for following nine months which shall be during the 2023/2024 tax year we estimate an actual assessed value of $1,250,000 which we believe will also be the post construction assessed value. We caution you that we have found that the assessment practices of the New York City Department of Finance are notoriously inconsistent in assessing properties during the course of construction.

We have been advised that in determining the assessed values for the individual units, since November 28, 2005 the revised procedures of the New York City Department of Finance calls for the locking-in of the common interest (elements) percentages (Unit Allocation Factor or UAF) extracted from the condominium declaration filed with the Department of Finance, Survey office and registered at the City Register. Thus the allocation of the assessed value of all units should be based on the common interest as set forth in the condominium declaration.

Unit purchasers should be aware that the real estate taxes for the initial budget year are artificially low since they include three months of a land only assessed value. Therefore assuming the tax class 2 tax rate remains at $12.235 for each $100 of assessed value for 2022/2023 and 2023/2024, we make the following projections of the real estate taxes:

April 1, 2023 to June 30, 2023 (3 months of the 2022/2023 Tax Year)

Assessed Value	Tax Rate	Tax (3 Months)
$66,573	.12235	$2,036

July 1, 2022 to March 31, 2023 (9 months of the 2023/2024 Tax Year)

Assessed Value	Tax Rate	Tax (9 Months)
$1,250,000	.12235	$114,703

Initial Budget Year Estimated Real Estate Tax	$116,739
Post Construction Tax Year Estimated Real Estate Tax	$152,938

The writer of this opinion has extensive experience in real estate tax review matters as well as in 421-a and J-51 tax exemption/ tax abatement applications and has filed applications for correction of the tax assessments and tax exemptions/tax abatements on these properties. He has been practicing in this area of law since his admission to practice law in 1977. Additionally, the writer is the past chairman of the Law Committee of the Associated Builders and Owners of Greater New York, a former director of both the New York State Builders Association and the Associated Builders and Owners of Greater New York, a past member of the Tax Certiorari and Condemnation Committee of the Bar Association of the City of New York, and is a director and former President of the Real Estate Tax Review Bar Association, a specialized Bar dealing with real estate tax assessment matters.

Based upon our previous experience with such proceedings, we have issued the within letter with the estimates and caveats contained therein which the specific understanding that our opinion is not a guarantee that the taxes will be exactly as estimated. In no event will we, as Sponsor's real estate tax counsel, be liable if there are changes in the facts on which we have relied in issuing this opinion, or if there are changes in the applicable statutes, rules and regulations of the City of New York, decisional laws or administrative agency rulings, interpretations and policies on which we have relied which cause this opinion to be inaccurate. Interested parties should be aware that the estimate of the initial real estate tax assessment and taxes cover a period far into the future. Neither we nor any person can guarantee what the real estate taxes will be at any future date. As stated above, changes in law or policies of government agencies may radically change the opinions expressed herein.

The opinion expressed herein is that of the undersigned, and does not purport to express the opinion of the New York City Department of Finance or any city or government agency. That Department's opinions may result in substantially different total taxes for the initial budget year as well as for tax years 2022/2023 and 2023/2024 than set forth herein. This opinion letter is given as of the date hereof and we disclaim any obligation to advise you of any change which hereafter may be brought to our attention. We consent to the inclusion of this letter in the offering plan.

Very truly yours,

KORNGOLD POWERS, LLP.

Paul J. Korngold
By: Paul J. Korngold

XXIV. RESERVE FUND

The Condominium budget includes a Reserve Fund line item to be used for future major capital improvements of the Condominium. In view of the fact the Condominium will be newly constructed it is not anticipated that there should be any major capital repairs or replacements during the first five (5) years of operation of the Condominium.

Notwithstanding the above, no representation is made that the Reserve Fund line item will be adequate for future expenses including repairs or replacements of Common Elements during the first five (5) years of the Condominium. If additional funds are required over and above said funds, it may be necessary to increase the Common Charges payable by the Residential Unit Owners, collect a Special Assessment from each Residential Unit Owner or borrow money.

During the period Sponsor is in control of the Board of Managers, the Reserve Fund will not be used to reduce the estimated Common Charges.

The By-Laws contain a provision that provides for the establishment of a Reserve Fund. See Article VI, Section 8 of the By-Laws contained in Part II of the Offering Plan.

Neither the Department of Law nor any other Governmental Agency has passed upon the adequacy of the Reserve Fund.

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XXV. WORKING CAPITAL FUND

At Closing the Sponsor will collect the equivalent of two (2) months Common Charges from each Purchaser to be paid to the Condominium as initial Working Capital. While Sponsor is in control of the Board of Managers of the Condominium the Working Capital funds may be used to reduce the Common Charges. The Condominium Board of Managers may authorize the use of the Working Capital funds to reimburse Sponsor for prepaid expenses of the Condominium. The only budgetary item that might require a substantial credit to the Sponsor would be the insurance disclosed in the first-year budget contained in Schedule B. The Sponsor does not anticipate that this will result in the issuance of a promissory note to the Sponsor. In the event the Sponsor does issue a promissory note, Sponsor will disclose the terms of the promissory note by an Amendment to the Offering Plan. At such time as the Sponsor relinquishes control of the Board of Managers, oversight and management of any remaining balance of the Working Capital Fund will be the obligations of the residential Members of the Board of Managers.

Neither the Department of Law nor any other Governmental Agency has passed upon the adequacy of the Working Capital funds.

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XXVI. MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

The Condominium ("the Owner") will engage the services of Monarch Realty Group Holdings, LLC (the "Agent"), located at 19 West 34th Street, Suite 806, New York, New York 10001, to manage the Condominium Property (the "Property"). The Management Agreement shall become effective as of the day the initial 30-day closing notice is sent out (the "Commencement Date") and shall continue until the 1st anniversary of the last day of the month in which the Commencement Date falls (the "Initial Term"). Thereafter, it shall automatically renew for one (1) year periods. Prior to the expiration contract term, Agent reserves the right to modify and amend its terms, subject to Board of Managers (the "Board") approval to meet the expectations and to preserve the best interests of the Residential Unit Owners and the Board of Managers (the "Board"). At any time after the Initial Term, either party may terminate the Agreement with or without cause, effective as of the end of any calendar month upon not less than thirty (30) days' previous notice to the other party.

1. Pursuant to the terms of the Agreement, the Agent's services shall include but not be limited to the following:

(a) Provide routine supervision of all persons necessary to be employed in order to properly maintain and operate the Property (the "Building Services Employees"), who shall be the Agent's employees.

(b) Through the use of the Building Services Employees and third-party contractors retained on behalf of the Board, assist the Board in maintaining and repairing the Property as the Board directs, subject only to the limitations contained in the Agreement or in any Governing Documents. Such maintenance and repairs shall include, but not be limited to, electrical, plumbing, steam fitting, carpentry, masonry, decorating, and such other incidental alterations or changes therein as may be proper, and shall be limited to the common elements and limited common elements and any specific areas within the Property required to be maintained under the Governing Documents as applicable and or other agreement with any Unit Owner or tenant of the Board (all of the foregoing areas are called "Board Maintained Areas"). Agent is not responsible for any repairs or maintenance to the interior of any Units unless otherwise provided in the Agreement or authorized by the Board to do so. Ordinary non-emergency repairs or maintenance involving an expenditure of more than $1,500 for any one item or job, which is not part of a budget previously approved by the Board, shall be made only with the approval of the Board. In the case of an emergency, Agent, on behalf of the Board, has the authority to expend reasonable amounts to alleviate the emergency without prior approval of the Board. An emergency is defined as any condition involving: manifest danger to life or property; a risk to the preservation and safety of the Property or of occupants; or threat of the suspension of necessary services to the Property. If reasonably feasible given the nature of the emergency, Agent shall confer with the Board regarding emergency expenditures.

(c) Any capital improvement, major repair or extensive reconstruction or rehabilitation of the Property, including after a natural disaster, shall be considered a “Major Project”. Agent’s responsibility under the Agreement shall be limited to making reasonable efforts to have the work constituting the Major Project be done with as little interference or interruption of services to the Property as possible, and that reasonable precautions are taken to preserve and protect the Property and the property of the Unit Owners and the occupants of the Property.

(d) Recommend and, with the approval of the Board, cause all such acts and things to be done in or about the Property as shall be necessary or desirable to comply with any laws, statutes, ordinances, rules, regulations, orders or violations affecting the Property, as a result of any action by any federal, state, or municipal authority having jurisdiction thereover, or any order of the New York Board of Fire Underwriters, the New York Fire Insurance Exchange or other similar body (collectively, the “Laws”). If failure promptly to comply with the Laws would or might expose the Board or Agent to civil or criminal liability, Agent has the authority to expend reasonable amounts as necessary to prevent liability without prior approval of the Board. If reasonably feasible given the nature of the potential liability, Agent shall confer with the Board regarding the expenditures. In order to obtain prompt notice of actions of the Department of Buildings and other New York City agencies that post information on public web sites, Agent has engaged a service to deliver all such notices related to properties it manages to Agent on a continuous basis. The cost of this service will be billed to the Condominium at the rate negotiated by Agent for its managed properties.

Notwithstanding anything contained in the Agreement to the contrary, the Agreement provides that the Board acknowledges that in no event shall Agent be liable for the failure of any of the Board, the Unit Owners and/or occupants of the Property to comply with the Laws, the Governing Documents, or the House Rules.

(e) Subject to the directions of the Board, solicit contracts for goods and services reasonably necessary for the operation, maintenance and repair of Board Maintained Areas. The Board shall establish the standards and specifications for the approval of all contracts. All such contracts shall be entered into in the name of the Board and shall be signed by an authorized representative of the Board. Except for emergency repairs, whenever practical or at the request of the Board, all repairs anticipated to cost more than $1,500 shall only be undertaken after obtaining competitive proposals from at least two (2) third party contractors. Any third-party contractor, vendor, professional, or other consultant providing such goods or performing such services to the Board is solely responsible for the performance of the work or the quality of the goods. In addition, Agent shall not be liable to the Board for any loss, harm, or damage of any kind caused

by any third-party contractor, vendor, professional, or other consultant engaged to perform services or provide goods for the Board.

(f) On behalf of the Board, purchase all cleaning and other supplies as shall be necessary to properly maintain and operate the Property; make all such purchases either in the Board's name or Agent's name on behalf of the Board at commercially reasonable prices in the area of the Property.

(g) If requested by the Board, through an insurance broker selected by the Board, Agent will assist the Board in procuring the Required Policies (as hereinafter defined) and any other insurance policies Board may elect to maintain. Agent shall notify the Board and the Board's insurance broker of any insurance claim for losses sustained by the Board at the Property promptly after Agent becomes aware of such claim. Agent shall assist in investigating each such claim and making all relevant records and information available to the insurance carrier and/or any public adjuster or other party authorized by the Board to act on its behalf to negotiate such insurance claims with the insurance carrier. Agent shall not negotiate the settlement of any insurance claim as part of its services under the Agreement.

(h) Review and process all invoices received by Agent for services, work, and goods ordered in connection with maintaining and operating the Property.

(i) In a timely manner, bill or cause to be billed, Unit Owners, tenants and sub-tenants of the Board for common charges, rent, or other charges.

(j) Consider and attend to complaints of the Unit Owners and lawful tenants, subtenants and occupants at the Property.

(k) If the Board determines to list or offer for sale, lease or sublease space, including any Unit or other space at the Property that the Board acquires or has authority to so offer for sale or lease, and if the Board in the Board's sole discretion elects, serve as the exclusive broker to market such space, either directly or through an Affiliate (as hereinafter defined), but only if the Board and Agent or Affiliate enter into a separate agreement on the terms of such engagement, including but not limited to the rate of commission.

(l) Cause to be prepared and filed the forms for unemployment insurance, withholding, and social security taxes and all other tax and other forms of federal, state, or municipal authorities relating to employment of the Building Services Employees and maintenance and operation of the Property.

(m) Not later than the twentieth (20th) day of each month, prepare and deliver to each member of the Board monthly financial reports on a cash or accrual basis detailing the amounts collected during the previous month and disbursements made on behalf of, and for the account of, the Board, in the

standard form used by Agent for reporting to boards of Agent's managed properties.

(n) Maintain and retain in good order a separate set of the Board's files and records relating to the Property and its operation (the "Records"). The Board acknowledges and agrees that Agent may retain copies of the Records for itself. Records may be maintained in digital or non-digital form in any media that Agent reasonably selects. The parties acknowledge that Records (in any format) may be subject to accidental loss or damage because of fire, equipment malfunction, digital corruption, hacking, water intrusion, or theft, and that Agent is not responsible for any such loss or similar loss. Agent is not required to retain non-digital copies of any Records. If Records are stored in digital media, then the non-digital copies need not be retained, and the Records will not be deemed discarded for the purposes of the Agreement. Non-digital Records not needed for current operations by Agent will be placed in a record storage facility at the Board's expense or turned over to the Board.

(o) Cooperate with the Board's accountants in their performance of the annual audit of the books of account of the Property, including the annual report of the operations of the Property for the year then ended. Agent shall send a copy of such annual report to each Unit Owner after receipt from accountant.

(p) Cooperate with the Board's accountants in their preparation and filing of the Board's federal, state, city, and any other income and other tax returns required by any governmental authority.

(q) Each year assist the Board in preparing an operating budget. Agent shall provide a draft of such budget prior to the last meeting of the Board held in each fiscal year of the Condominium. The budget will set forth the anticipated income and expenses for the Board for the ensuing year, a comparison of such budget to the income and expenses of the preceding and current years, and any reasonably required explanations with respect thereto.

(r) Arrange a suitable place at its offices or elsewhere for meetings of the Board and for annual and special meetings of Unit Owners; and send notices to managers and/or Unit Owners in advance of such meetings. The Property Manager or other executive of Agent shall prepare an agenda and attend one meeting of the Board each month and the annual meeting of the Unit Owners, provided that such meetings are held at reasonable times (and end by 9:00 p.m.) and reasonable advance notice of the meetings is given to Agent. Attendance at meetings of the Board by the Property Manager or other executive of Agent may be via teleconference.

(s) Prepare, type, and send out letters and reports as the Board may request.

(t) Accept applications and references from all prospective Residential Unit Owners and subtenants of Residential Unit Owners seeking to purchase or lease a Residential Unit.

(u) Coordinate through the Building Services Employees the scheduling of the moving in and out of Residential Unit Owners, tenants, and sub-tenants.

(v) Accept applications from Residential Unit Owners to perform alterations to their Residential Units. Agent shall (i) obtain copies of the plans for the alterations; (ii) if directed by Board, and at the expense of the Residential Unit Owner, engage an architect, engineer, or other professional to review the plans on behalf of Board, provide recommendations on feasibility of such plans, and supervise the work for conformance to the approved plans; (iii) obtain a signed alteration agreement on a form approved by Board; (iv) submit completed applications to Board for review; and (v) if Board consents to an alteration, coordinate the work through the Building Services Employees with the Residential Unit Owner so that there will be a minimum of disturbance to the operation of the Property and inconvenience to other Residential Unit Owners, tenants, or sub-tenants. For the purposes of the Agreement, a major alteration is any alteration that requires a building permit to perform the work contemplated by the alteration. All other alterations shall be regular alterations. Work in a Residential Unit that involves painting, installation of wallpaper or carpet, and other such work that does not require Board consent shall be considered decorations.

(w) Cooperate with the Board's tax certiorari attorney in ascertaining the tentative assessed valuations of the Property.

2. Agent shall also receive the following additional fees; which fees shall be payable to Agent by each Residential Unit Owner and/or by each applicant submitting applications or requesting assistance of Agent:

<u>Unit Owner Purchase or Applicant Fees</u>

Purchase or Lease Applications:		$ 550.00
Consumer Credit Report (per person)		$ 75.00
Assistance with (re) financing of residential mortgages		$ 300.00
Processing of lease renewals		$ 200.00
For attending closings on behalf of the Board		$ 300.00
Minor Alterations		No Charge to Review
Major Alterations		$ 495.00
Accounting Software License Fee (per unit/per month)		$ 2.00
Witness Appearance/Doc Prep	(Principal)	$ 325.00/hour
Witness Appearance/Doc Prep	(Associate)	$ 100.00/hour
Assist in Mortgage- Condo Association		$ 85.00/hour
Procure Mortgage (or Capital Improvement Loan)-Condo Assoc.		1.00%

<u>Project Manager Oversight Fees</u>	
Senior Project Manager	$ 150.00/hour
Associate Project Manager	$ 85.00/hour
<u>Administrative Fees</u>	
Condo Questionnaire	$ 95.00
Board Minutes (if requested)	$ 95.00
Insufficient Funds	At Cost
Replace Offering Plan	$ 125.00
<u>Additional Fees</u>	
Annual Sexual Harassment Training	$100.00/employee
Building Compliance (per tax id number per month)	$ 35.00
Tax Abatement Credits (per apartment)	$ 8.00
Window Guard Notice (per apartment)	$ 6.00
Annual Bed Bug & other local law applicable filings (per apartment)	$10.00

3. Indemnification:

(a) Agent shall not be liable to the Board, its members, Residential Unit Owners, directors, officers, tenants or their guests and invitees, and vendors for any injury, loss, or damage to person or property unless caused solely by Agent's willful misconduct or negligence as finally adjudicated by a court of competent jurisdiction.

Unless liability results solely from Agent's willful misconduct or negligence as finally adjudicated by a court of competent jurisdiction, the Board will defend, indemnify and hold Agent and its Affiliates, their respective shareholders, members, directors, officers, partners, employees, representatives, assigns and agents (the "Agent Indemnified Parties") harmless from any loss, claims, demands, liability, damages, injunctive relief, fines, penalties, costs and expenses, statutory or otherwise (including reasonable attorneys' fees) asserted by any third party, hereinafter collectively called "Claims" and (i) sustained or incurred for injury to any person or damage to any property in, about, and in connection with the operation of the Property, from any cause whatsoever; (ii) for all acts performed by Agent pursuant to the Agreement or pursuant to the instructions of the Board; (iii) arising out of, resulting from, or being in any way related to any liens filed by or on behalf of any architects, contractors, engineers, or others against the Property, the Board, or Agent Indemnified Parties; (iv) that may arise based on Agent's status as "managing agent" (as that term or words of similar effect are used in any applicable laws); (v) for any act or omission of the Building Services Employees or brought by such Building Services Employees; or (vi) based on events that either occurred prior to the Commencement Date or occur after the expiration or termination of this Agreement. In each of the foregoing instances, Agent

shall promptly advise the Board of Agent's receipt of information concerning any Claim, but the failure to so notify the Board shall not relieve the Board of its obligations hereunder except to the extent such failure to notify prejudices the Board. In no event will Agent be liable to the Board for (1) Claims to the extent covered by the insurance policies of the Board (or which would have been covered under Required Policies in the event the Board fails to maintain any Required Policies); or for (2) consequential, exemplary or punitive damages. The indemnification provided herein shall not be limited to damages, compensation or benefits payable under insurance policies. None of the above shall be interpreted to, nor will it, abrogate any of Agent's rights to coverage under any insurance policy maintained by the Board, or modify the obligations under the Agreement which provide for Agent to be an insured under the Board's Commercial General Liability, Excess Liability and Directors' and Officers' Liability policies on a primary and noncontributory basis.

(b) Except to the extent Claims are covered by the insurance policies of the Board (or which would have been covered under Required Policies in the event the Board fails to maintain any Required Policies), Agent will indemnify, but in no event defend, the Board and its Residential Unit Owners, members, directors, officers, partners, employees, representatives, assigns, and agents (the "Board Indemnified Parties") from liability for a Claim resulting solely from Agent's willful misconduct or negligence as finally adjudicated by a court of competent jurisdiction. In each of the foregoing instances, the Board shall promptly advise Agent of the Board's receipt of information concerning any such liability, but the failure to so notify Agent shall not relieve Agent of its obligations hereunder except to the extent such failure to notify prejudices Agent. In order to be able to seek indemnification under this provision, the Board shall defend any Claim in good faith and shall use commercially reasonable efforts to defend all allegations of Agent's willful misconduct or negligence.

(c) The Board and Agent agree that, with respect to any applicable legal limitations affecting the enforceability of the indemnification obligations under the Agreement, such legal limitations shall operate to amend the indemnification obligations only to the minimum extent necessary to bring the provisions of this Agreement into conformity with the requirements of such limitations, and as so modified, the indemnification obligations shall continue in full force and effect.

4. Affiliation:

The Managing Agent is not affiliated with the Sponsor and does not have any financial interest in the Property except for its management fees for managing the Condominium.

A copy of the full Management Agreement is available upon request at the site**.**

XXVII. IDENTITY OF PARTIES

Sponsor

The Sponsor of the Condominium is 1504 Jeff LLC a New York limited liability company with an address at 53 Broadway, Brooklyn, New York 11249. The Managing Member of said company is David Marom with the same business address as the Sponsor. In addition, Shay Moskovich, who is a member of the Sponsor, is also a principal of the Sponsor.

Mr. Marom has been involved in the building industry since 1983 and has built both residential and commercial developments in the Northeast. He was a principal of the Sponsor of Marmil Plaza Office Condominium (Hauppauge, New York, filed 1989 Smithtown Professional Office Park II Condominium (Smithtown, New York, filed 1987), Spur Cove Home Owners Association (East Islip, New York, filed 1987), Old Westbury Home Owners Association (Westbury, New York, filed 1999), Villas at the Horizon Condominium (Wading River, New York, filed 2001), Horizon at Jericho HOA (Jericho, New York, filed 2005), Horizon at Westbury Condominium (Westbury, New York, filed 2005), Novo 64 Condominium (Queens, New York, filed 2007), Monarch at Ridge Hill Condominium I (Yonkers, New York, filed 2009), 100 Norfolk Street Condominium (New York, New York, filed 2014), The Nevins Condominium (Brooklyn, New York, filed 2016), The 251 1st Street Condominium (Brooklyn, New York, filed 2016), 308 North 7th Street Condominium (Brooklyn, New York, filed 2015), Horizon at Webster Condominium (Brooklyn, New York, filed 2018), and 61 Rivington Condominium (Manhattan, New York, filed 2020).

Shay Moskovich, with the same business address as the Co-Sponsors herein, has been involved in the building industry for over fifteen (15) years and has built both residential and commercial developments in the Metropolitan area. Mr. Moskovich is a principal of a Co-Sponsor of Horizon at Webster Condominium (Brooklyn, New York, filed 2018) and 61 Rivington Condominium (Manhattan, New York, filed 2020).

Neither the Sponsor nor any of its principals have any prior felony convictions. Neither the Sponsor nor its principals have any prior bankruptcies, convictions, injunctions, or judgments that may be material to the Offering Plan or to an offering of securities generally and that occurred within the fifteen (15) years prior to the submission of the proposed Offering Plan.

The Sponsor does not own 10% or more of any unsold units in any other condominium, cooperative or homeowner association. David Marom and Shay Moskovich are principals of the Co-Sponsors which currently own more than ten (10%) percent of the unsold units in Horizon at Webster Condominium. The Sponsor of Marmil Plaza Condominium currently owns ten (10%) or more of the Unsold Units in Marmil Plaza Condominium. The Co-Sponsors and Sponsor of said developments are current in their obligations to said Condominiums including, but not limited to, payment of maintenance or common charges, taxes, reserve or working capital fund payments, assessments, payments for repairs and improvements promised in the Plans, and payments of

underlying mortgages and loans for which shares or units have been pledged or mortgaged.

Managing Agent

The Managing Agent is Monarch Realty Group Holdings, LLC, 19 West 34th Street, Suite 806, New York City, New York 10001, The Managing Partner of said company has been involved in the management of condominiums in the metropolitan area for over five (5) years. Said company is not affiliated with the Sponsor.

The following is a representative list of communities that the Managing Partner has been involved in: Etage, 176 East 82nd Street, New York, New York 10028; 60 West 111th Street, New York, New York 10026; Museum House, 805 Washington Avenue Brooklyn NY 11238 and Luna, 229 9th Street, Brooklyn, New York 11215 and 61 Rivington Condominium, 61 Rivington Street, New York, New York 10002.

Neither the Managing Agent nor any of its principals have any prior felony convictions. Neither the Managing Agent nor any of its principals have any prior bankruptcies, convictions, injunctions, or judgments that may be material to the Offering Plan or to an offering of securities generally and that occurred within the fifteen (15) years prior to the submission of the proposed Offering Plan.

Selling Agent

The firm of Douglas Elliman Real Estate, 575 Madison Avenue, 4th Floor, New York, New York 10022 has been engaged by the Sponsor to be the exclusive Selling Agent. The firm is duly licensed under the laws of the State of New York as a real estate broker and is experienced in the sale of cooperatives and condominiums in the Metropolitan Area. Said company is not affiliated with the Sponsor. Current developments that Douglas Elliman is acting as the Selling Agent include the following: The XI, 76 Eleventh Avenue, Chelsea, New York, New York 10011, Madison House, 15 East 30th Street, Nomad, New York, New York 10016, 108 Leonard, 108 Leonard, Tribeca, New York, New York 10013, 565 Broome SoHo, 565 Broome Street, Hudson, New York, New York 10013 and 40 Bleecker, 40 Bleecker Street, NOHO, New York, New York 10012.

Neither the Selling Agent nor any of its principals have any prior felony conviction. Neither the Selling Agent nor any of its principals have any prior bankruptcies, convictions, injunctions, or judgments that may be material to the Offering Plan or to an offering of securities generally and that occurred within the fifteen (15) years prior to the submission of the proposed Offering Plan.

Attorneys

Certilman Balin Adler & Hyman, LLP, 90 Merrick Avenue, East Meadow, New York 11554, counsel of the Sponsor, have been selected by the Sponsor to initially represent the Condominium in connection with all legal matters incident to the operation and management of the Condominium. No legal fee will be charged for such representation except for work actually performed after the formation of the Condominium. The

Condominium can, at any time, choose to select different attorneys to represent it.

All legal matters in connection with the establishment of the Condominium, the tax opinion of counsel contained herein, and the preparation of this Offering Plan have been passed upon for the Sponsor by Certilman Balin Adler & Hyman, LLP. The individual partner in said firm responsible for said work is Richard Herzbach, Esq.

The Schmitt Law Group, P.C., 500 Old Country Road, Suite 110, Garden City, New York 11530 will represent the Sponsor in connection with the individual Residential Unit Closings and will also act as the Escrow Agent as described in Section XII of the Offering Plan.

Korngold Powers LLP, Counselors at Law with offices located at 60 East 42nd Street, Suite 4600, New York, New York 10165 prepared the tax opinion letter contained in Section XXIII of the Offering Plan.

The above law firms do not have any financial interest in the Property, either Co-Sponsor, the Condominium or any other party involved in this transaction, except for their fees for services rendered in connection with the Condominium.

Architect

The architectural firm which prepared the report in Part II and which executed the Certification in Part II is Olivera Grk AIA, with offices located at 505 Greenwich Street, New York, New York 10013. Said firm has no financial interest in the Property, the Sponsor, the Condominium or any other party involved in this transaction, except for its fee for services rendered in connection with the Condominium. Olivera Grk is the founder of Oliver Grk AIA practice based in New York and a principal and project director at ODA Architecture. At ODA she has led the design of large scale projects totaling over twenty-five million square feet., including the towers at 420 Kent Avenue in New York, 1045 Olive Street in Los Angeles, the mixed-use complex El Plaza Condesa in Mexico City, as well as the winning international competitions for the MAZD Territory masterplan and Badaevskiy in Moscow. Her career at ODA also encompasses work on their vast high-end residential portfolio. Some of the projects that Ms. Grk has been involved with include the following:

ERA Condominium, NY (ODA) – Project Director
2505 Broadway Condominium, NY (ODA) – Project Director
310 E. 86th Street Condominium, NY (ODA) – Project Director

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XXVIII. REPORTS TO RESIDENTIAL UNIT OWNERS

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

(i) a financial statement of the Condominium prepared by a certified public accountant or public accountant by a specific date; such statement shall be certified while the Sponsor retains a majority of the Members of the Board of Managers and such statement shall be provided no later than four (4) months after the close of the fiscal year;

(ii) prior notice of the annual Residential Unit Owners' meeting; and

(iii) a copy of the proposed annual budget of the Condominium within thirty (30) days of the date set for adoption by the Board of Managers. While Sponsor is in control of the Board of Managers such budget will be certified in accordance with the regulations of the Department of Law.

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XXIX. DOCUMENTS ON FILE

Sponsor shall keep copies of the Plan, all documents referred to in the Plan and all Schedules submitted to the Department of Law in connection with the filing of the Plan, on file and available for inspection without charge and copying at a reasonable charge at Sponsor's office for six years from the date of first Closing. The Sponsor shall deliver to the Board of Managers a copy of all documents filed with the appropriate recording office at the time of the Closing of the first Residential Unit.

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XXX. GENERAL

Prior Offerings

This property has not been the subject of any prior public offerings. No contracts or agreements, written or oral, have been entered into for the sale or transfer of any of the Residential Units being offered for sale in the Plan and no deposits or advances of funds have been taken by or on behalf of Sponsor in connection with the reservation, sale or transfer of such Residential Units, prior to submission of the Plan to the Department of Law. The property forming the Condominium is vacant land and therefore, there are no residential or non-residential tenants occupying the premises.

Non-Discrimination

In accordance with the provisions of the laws of the State of New York, the Sponsor represents that it will not discriminate against any person because of his or her race, creed, sex, sexual orientation, color, disability, marital status, national origin or ancestry in the sale of the Residential Units under this Plan.

Amendment of Plan

The Plan may be amended at any time and from time to time provided that, if the amendment is a material and substantial modification of the Plan which adversely affects Purchasers, then anyone who has theretofore executed a Purchase Agreement shall be given not less than thirty (30) days after a copy of the duly filed amendment is mailed or otherwise delivered to them by written notice to the Sponsor to cancel the Purchase Agreement and to obtain a refund, in full, of the Deposit made therewith with interest, if any. No person has been authorized to make any representation which is not expressly contained herein. This Plan may not be changed or modified orally.

Pending Litigation

As of the date of this Offering Plan, there is no litigation or administrative proceedings pending against the Condominium or the Sponsor or any other party which would affect their ability to perform their obligations relating to this offering, or which would in any way affect this offering.

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XXXI. SPONSOR'S STATEMENT OF SPECIFICATIONS OR BUILDING CONDITION

Sponsor adopts the Description of Property set forth in Part II of the Plan. Sponsor has no knowledge of any material defects or need for major repairs except as set forth in the Description of Property Report set forth in Part II of the Plan. Purchasers should be aware that they may be living in an active construction site after they close on their Residential Unit. During this period of construction there may be dirt and debris and construction material on site, construction vehicular traffic, construction noises, unfinished areas of the Condominium and other inconveniences which are normal in a condominium undergoing construction.

It is anticipated that construction of the Condominium will be complete by January 1, 2023, subject to circumstances beyond Sponsor's control such as weather conditions, pandemic, labor strikes, material shortages, acts of God and sales conditions.

1504 Jeff LLC

Date of Offering Plan: , 2022
East Meadow, New York

O F F E R I N G S TA T E M E N T

HANCOCK AND JEFFERSON CONDOMINIUM
1504 Jefferson Avenue and 1437 Hancock Street
Brooklyn, New York 11237

PART II

SCHEDULE D

PURCHASE AGREEMENT

PURCHASE AGREEMENT

Unit No. _____ **Date** _____
Storage Space No. _____

Anticipated Closing Date: _____

Seller: 1504 Jeff LLC

Address: 53 Broadway, Brooklyn, New York 11249

Purchaser(s): _____

Address: _____

Telephone Number: _____

Email Address: _____

Purchaser's Attorney: _____
Attorney's Contact Information: _____
_____
_____
Phone:_____Fax: _____
Email:_____

Seller and Purchaser agree as follows:

1) **PURCHASE PRICE** - The purchase price (the "Purchase Price") payable in connection with Purchaser's acquisition of the Unit is **$_____,** payable as follows:

Residential Unit $_____
Storage Space License Fee $_____

PAYABLE AS FOLLOWS:

On the signing of this Purchase Agreement, __% of the Purchase Price ("Deposit"), to be deposited with Escrow Agent (hereinafter defined) by check subject to collection or wire $_____

Purchaser's bank cashier's check or wire (drawn on a New York Bank) payable directly to the order of Seller or Seller 's designee at Closing $_____

TOTAL **$_____**

Any payment made by check is accepted subject to collection. If any check tendered is not honored, Purchaser shall deliver a bank cashier's check to Seller to replace the dishonored check within seventy-two (72) hours after demand for replacement therefor.

Notwithstanding the foregoing, if for any reason whatsoever the check given by Purchaser as the Deposit hereunder is dishonored, Seller shall have the right to cancel this Purchase Agreement. Seller's election to cancel shall not be deemed a waiver by Seller of its right to pursue other remedies at law or in equity.

ALL PAYMENTS DUE AT CLOSING IN ACCORDANCE WITH THIS PURCHASE AGREEMENT MUST BE MADE AT SELLER'S OPTION BY WIRE OR OFFICIAL BANK TELLER'S CHECK DRAWN ON A NEW YORK CLEARINGHOUSE BANK PAYABLE DIRECTLY TO SELLER OR SELLER'S DESIGNEE. IF PAYMENT SHALL BE MADE TO SELLER'S DESIGNEE, SELLER SHALL GIVE PURCHASER PRIOR INSTRUCTIONS. UNCERTIFIED CHECKS OF FUNDING COMPANIES, ATTORNEY ESCROW CHECKS AND CHECKS PAYABLE TO PURCHASER OR ANOTHER PARTY AND ENDORSED TO SELLER WILL NOT BE ACCEPTED AND TENDER OF SAME WILL NOT CONSTITUTE COMPLIANCE BY PURCHASER OF PURCHASER'S OBLIGATIONS HEREUNDER.

2) **DESCRIPTION OF UNIT** - Seller agrees to sell and convey, and at its own cost and expense erect and complete, and Purchaser shall purchase from Seller, the condominium unit(s) known as Unit No. _____ (the "Unit"), together with a _____ Percentage of Common Interest in the Common Elements of the condominium ("Common Elements") known as Hancock and Jefferson Condominium (the "Condominium"), located at 1504 Jefferson Avenue and 1437 Hancock Street, Brooklyn, New York 11237, and as described in the Declaration of Condominium recorded or to be recorded in the Office of the Register of the City of New York, Kings County, built or to be built by Seller on property comprising the Condominium Map ("Property") filed or to be filed in the Office of the City Register of the City of New York, Kings County. The Unit shall be constructed in accordance with the requirements as to materials and workmanship of the Building Department of the City of New York, which, when completed, will be in substantial accordance with the plans as filed or to be filed with the Building Department of the City of New York.

Purchaser is also purchasing Storage Space #_____ at an additional cost of $_____, for Purchaser's exclusive use pursuant to the Storage Space License Agreement set forth in the Plan to be signed at Closing. **[STRIKE IF NOT APPLICABLE]**

The Unit may vary from any models displayed to Purchaser, and Purchaser shall not rely on any model depiction of the units in the Condominium. All dimensions are approximate and may vary from the floor plans of the Condominium.

Except as otherwise expressly set forth in this Purchase Agreement, the Unit shall not include any of the following if displayed in any unit or model unit: decorative

fixtures, furniture, furnishings, paint, wallpaper, carpeting, shelves, wall and window treatments, built-ins, burglar alarm systems, site lighting, central vacuum systems, high-hat lighting, additional fixtures and switches added for decorative purposes and other optional fixtures or features exhibited in any model units and/or any sales office.

3) **OFFERING PLAN** - Seller has exhibited and delivered to Purchaser, and Purchaser acknowledges having received, read and understood the Offering Plan for condominium ownership of the Property and all amendments thereto filed to date, all of which are incorporated by reference and made a part of this Purchase Agreement, with the same force and effect as if fully set forth herein. Purchaser agrees to be bound by the Offering Plan, including all amendments filed by Seller prior to the execution of this Purchase Agreement (collectively, the "Plan"). Seller may freely amend the Plan in any respect from time to time, without Purchaser's approval or consent, except that Seller will not make any changes in the size or number of Residential Units in the Condominium and/or their respective Percentage of Common Interest and no material change will be made in the size or quality of Common Elements, except by amendment to the Plan and to the Declaration of Condominium (if the Declaration was filed prior to such change). Seller reserves the right to change the model type of the Residential Units as long as the Percentage of Common Interest for the Residential Units is not affected, there is no Purchase Agreement in effect for said Residential Unit, as long as the Seller does not change the total number of Residential Units being offered for sale or the total number of Buildings in the Condominium. Purchaser should note that a decrease in a Residential Unit's area of five (5%) percent or less will not affect a Purchaser's obligations unless such decrease is determined to be a material change. There is a rebuttable presumption that an area diminished by five (5%) percent or less is not material. Purchaser acknowledges having received and read the Plan at least three (3) business days prior to signing this Purchase Agreement and having had full opportunity to examine all papers and documents and investigate all matters set forth in the Plan. Any defined term set forth in this Purchase Agreement which is not specifically defined herein shall have the meaning ascribed to them in the Plan.

Purchaser shall deliver all documents to Seller and perform all acts required by Seller to carry out the provisions of the Plan, establish the Condominium and conform to all applicable laws and regulations. This Paragraph shall survive Closing (hereinafter defined) and delivery of the deed.

4) **MORTGAGE FINANCING** - This Purchase Agreement is not conditioned upon Purchaser obtaining mortgage financing. In the event Purchaser is unable to obtain a mortgage, this Purchase Agreement shall remain in full force and effect and Purchaser shall have an ongoing obligation to consummate the transaction. If Purchaser does not consummate this transaction and close title to the Unit as a result of Purchaser's inability to obtain a mortgage, Purchaser will be in default under this Purchase Agreement and Seller may retain all monies as provided for in Paragraph 20 herein.

5) **CLOSING -** The act of transferring ownership of the Unit in return for payment in full of the Purchase Price and all other sums due from Purchaser under this Purchase Agreement is known as the "Closing". The anticipated closing date set forth on the first page of this Purchase Agreement (the "Anticipated Closing Date") is an approximate

date and Seller cannot make any guarantees that such date will be the actual date of closing (the "Closing Date"). Seller shall have the right to adjourn or advance such Closing Date as provided herein. The Closing shall take place at such time and place and on such date and time as Seller shall designate by prior written notice (the "Notice for Closing") delivered in accordance with Paragraph 28, which shall be given no less than fifteen (15) days before the date set for Closing. Purchaser may waive the fifteen (15) day notice period by execution and delivery of a waiver in the form set forth as Schedule D-3 annexed hereto and made a part hereof.

Should Seller be unable to convey title to Purchaser in accordance with the Notice for Closing, Seller shall have the right, from time to time, to adjourn the date and time for Closing on written notice to Purchaser. In such event, Seller shall, by a new Notice for Closing, fix a new date and time for Closing, which shall be no less than ten (10) days prior to the new scheduled date and time for Closing.

The Closing shall take place at the office of the Seller's attorney. If the Closing takes place, at the request of Purchaser, at any location other than the office of Seller's attorney, Purchaser shall pay to Seller's attorney a travel fee in the sum of $500.00. The Closing may not take place in any location other than the office of Seller's attorney without Seller's prior written consent.

In the event the Closing is adjourned, with or without Seller's consent, at the request of Purchaser, Purchaser's attorney, Purchaser's lender or attorney for Purchaser's lender, if any, within forty-eight (48) hours of the scheduled date and time of Closing, Purchaser shall pay Seller's attorney an adjournment fee in the sum of $500.00.

If Purchaser is not in default under this Purchase Agreement and the Closing has not taken place within twelve (12) months after the Anticipated Closing Date, either Seller or Purchaser may cancel this Purchase Agreement by sending a written notice of cancellation ("Notice of Cancellation") to the other no later than ten (10) days following the last day of such twelve (12) month period. Upon receipt of the Notice of Cancellation, Escrow Agent shall refund to Purchaser, subject to the escrow provisions as disclosed in Section XII of the Plan and Paragraph 27 of this Purchase Agreement, all Deposits. Thereafter, neither party shall have any further liability or obligation to the other in connection with this Purchase Agreement. Failure to timely and properly notify Seller shall be deemed a waiver of this provision, and Purchaser shall continue to be bound by the terms of this Purchase Agreement. In the event Seller shall be unable to convey title to the Unit within twenty-four (24) months of the Anticipated Closing Date through no fault of Purchaser, this Purchase Agreement shall be deemed null and void and Escrow Agent shall return all monies being held in escrow within thirty (30) days thereafter.

6) **CLOSING COSTS** - In addition to all other sums payable or reimbursable elsewhere under this Purchase Agreement, at Closing, Purchaser shall pay, or reimburse to Seller if Seller has already made payment, or pay to any lender, all applicable charges for:

(a) any lender's charges for inspections, appraisals, title examination and policy insuring the lender's interest, lender's attorneys' fees for preparation of all loan documents, all commitment fees, points, origination fees and other fees and charges (however characterized) imposed or exacted by the lender or incurred by Seller or Purchaser in connection with Purchaser's mortgage loan;
(b) any mortgage recording taxes on Purchaser's mortgage;
(c) governmental charges which may be assessed on account of any mortgage loan;
(d) mortgage insurance, if required, on Purchaser's mortgage;
(e) New York State real estate transfer tax on the deed;
(f) New York City real estate transfer tax on the deed;
(g) Mansion Tax pursuant to Section 1402-a and 1402-b of the Tax Law of the State of New York, if applicable;
(h) all recording and filing charges payable on account of the transfer of title and the recording of all documents in connection with this transaction, including, without limitation, any mortgage, the deed, any power of attorney (including the condominium unit power of attorney), affidavits required pursuant to Section 339-ee of the New York State Real Property Law, any documents required to be recorded in connection with Paragraph 7 and any mortgage releases, terminations and UCC-3s and any mortgage pick-up fee or similar fee that shall be imposed by Purchaser's title company in connection with the payoff and/or release of Seller's mortgages;
(i) in the event that any mortgage of Seller shall be assigned to Purchaser's lender and/or assumed by Purchaser at Closing, a sum equal to the partial mortgage tax credit to which Purchaser may be entitled under any applicable law by reason of mortgage taxes having been previously paid by Seller;
(j) an initial non-reimbursable capital contribution equal to the equivalent of two (2) months Common Charges to the Condominium;
(k) fee for completion of any Lender's Mortgage questionnaire;
(l) any other municipal and/or utility company fees applicable to the Unit;
(m) $3,000.00 to Seller's attorney for the preparation of the closing documents; and
(n) $250.00 to Seller's attorney for the preparation of the New York City "ACRIS" transfer documents.

Seller shall also be entitled to any other costs referenced in Section XVI of the Plan if not specifically contained herein.

Purchaser shall also apportion with Seller as of the end of the day prior to Closing, and pay to Seller at Closing, the apportioned amount due for taxes, Condominium Common Charges, 1-month advanced additional Common Charge, sewer use (if applicable), water use, fuel oil, electricity, gas and any other utility costs. Purchaser shall also pay the deposits required by Purchaser's lender to establish the estimated or escrow fund for future payments of taxes, Condominium Common

Charges, sewer use and insurance premiums (if applicable). In the event the title company, with Seller's prior written consent, prepares the ACRIS, Purchaser shall pay the applicable fee of the title company. If through no fault of Seller, Purchaser fails for any reason to close title on the date originally scheduled in the Notice for Closing, or such later date (if applicable) to which Seller in a subsequent Notice for Closing adjourned the Closing, all of the aforementioned apportionments shall be made as of the end of the day preceding (i) the date originally scheduled for Closing in the Notice for Closing or (ii) Seller's adjourned Closing Date, as the case may be.

If Purchaser fails to close title to the Unit on or before the date set forth in the Notice for Closing, Purchaser shall pay to Seller at or prior to the date of the actual adjourned Closing, an amount equal to .0438% per diem (which equals an annual rate of 16%) of the Purchase Price for each day beyond such originally scheduled or Seller adjourned Closing Date, to and including the date of actual Closing, for reimbursement and defrayal of Seller's carrying costs and other charges, which amount Purchaser acknowledges to be reasonable and proper.

In the event that on the Date of Closing the real estate taxes have not yet been apportioned despite Seller's application for same, all unapportioned tax bill(s) due for the Unit have been or will be paid by Seller. At Closing, Purchaser shall pay to Seller Purchaser's pro-rata share of the unapportioned taxes from the Date of Closing through the end of the applicable tax period paid by Seller. Purchaser hereby agrees that in the event that following the Date of Closing any of the applicable taxes for the Premises remain unapportioned and Seller receives and pays such unapportioned tax bill(s) which include the taxes applicable to the Unit, Purchaser shall reimburse Seller for Purchaser's pro-rata share of such tax bill(s) promptly following receipt of written notice from Seller, which notice shall contain proof of payment of the relevant real estate tax and a calculation of the amount due by Purchaser. Purchaser hereby agrees that in the event any of the applicable taxes for the Unit remain unapportioned and Seller receives and pays any unapportioned tax bill(s) which cover the Premises in the future, Purchaser shall promptly reimburse Seller for Purchaser's pro-rata share of such tax bill(s) upon receipt of written notice from Seller, which notice shall contain proof of payment of the relevant real estate tax and a calculation of the amount due by Purchaser.

Any errors or omissions in computing apportionments or any other sums payable under this Paragraph which are communicated to the other party within six (6) months after Closing shall be corrected and payment made to the proper party promptly after such communication.

This Paragraph shall survive Closing and delivery of the deed.

7) **SEVERANCE OF MORTGAGE -** Purchaser shall use its best efforts to direct Purchaser's lender (i) to accept an assignment of the existing mortgage(s) encumbering the Property, as severed, to encumber only the Unit and its appurtenant percentage of Common Interest in the Common Elements, and (ii) to cooperate with Seller and Seller's existing lender as necessary to effectuate such assignment. At Closing, Purchaser shall execute the affidavits required pursuant to Section 255 of the Tax Law

of the State of New York. Seller shall receive, as a payment from Purchaser at Closing, a sum equal to the full mortgage tax credit which Purchaser may be entitled under any applicable law by reason of mortgage taxes having been previously paid by Seller on the amount of Purchaser's mortgage. Purchaser will be responsible for the full amount due on the mortgage tax on their mortgage if they obtain a mortgage. The severance and assignment of a portion of the mortgage on the Property, as contemplated herein, may result in an additional cost to the Purchaser in the nature of a fee for the assignment/severance by the lender. Any severance or assignment transaction will be initiated only after financing has been procured by Purchaser. Should this transaction fail to take place and result in the loss of Purchaser's financing commitment, Purchaser will be entitled to an opportunity to obtain new financing, if Purchaser so elects, however, this Purchase Agreement shall not be conditioned on such new financing, and the terms of this Paragraph 7 shall apply to Purchaser's new financing.

8) **MORTGAGE(S) -** All terms and provisions of this Purchase Agreement and all payments made hereunder are and shall be subject and subordinate to the lien of any acquisition, improvement, interim or building loan mortgage heretofore or hereafter made and any advances heretofore or hereafter made thereon, to the full extent thereof without the execution of any further documents by Purchaser. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the loan schedule of payments or accelerated thereunder by virtue of the lender's right to make advances before they become due in accordance with the schedule of payments. Seller shall satisfy all such mortgages or obtain a release of the Unit and its appurtenant percentage of Common Interest in the Common Elements from the liens of such mortgage(s) at or prior to Closing, unless Purchaser shall be required to take title subject to the existing mortgage(s), as severed and assigned to Purchaser's individual mortgage encumbering the Unit.

9) **DEED AND ENCUMBRANCES UPON OWNERSHIP** - The deed to be given by Seller to Purchaser at Closing shall be a Bargain and Sale Deed with Covenants against Grantor's Acts, but subject, nevertheless, to the matters set forth in sub-paragraphs (a) through (f) below and any additional exceptions set forth in Section XV of the Plan, as it may be amended, which need not be recited in the deed given at Closing, but shall survive Closing, and Seller's covenant in the deed against encumbrances shall be deemed modified accordingly. The deed shall be duly executed and acknowledged by Seller in proper statutory form for recording (except for payment of the New York State transfer tax and the New York City transfer tax which are the obligation of Purchaser) so as to convey to Purchaser fee simple title to the Unit, free and clear of all liens and encumbrances, except as herein stated. The deed shall also contain the covenant required by subdivision 5 of Section 13 of the Lien Law of the State of New York. Purchaser shall accept such title to the Unit subject to the liens, encumbrances and other matters set forth in this Purchase Agreement, as Advantage Title, with offices located at 201 Old Country Road, Suite 200, Melville, New York 11747, telephone (631) 424-6100, Attn: Jennifer Tomei (jtomei@advantagetitle.com), as agent for a title underwriter authorized to do business in the State of New York, is willing to approve and insure without additional premium. Purchaser may obtain title insurance from any other title insurance company or abstract company, or Purchaser may decline

to obtain any title insurance at all.

Purchaser shall be responsible for payment to the title insurance company or abstract company of the entire premium for Purchaser's title insurance and shall pay the applicable New York State transfer tax and New York City transfer tax and mansion tax, if applicable. Purchaser shall also be responsible for payment to the title company or abstract company of the entire cost of the premium of Purchaser's lender, if any, and all title charges relating to Purchaser's mortgage loan, if any.

The sale and transfer of ownership of the Unit to Purchaser shall, even though not stated in the deed, be subject to:

(a) Ordinances, rules, regulations, requirements and approvals of applicable governmental authorities, provided not violated by the Unit to be constructed.

(b) Rights for installation, use and/or maintenance of easements and rights of way for utilities, sewer, cable television, drainage, scenic purposes, screening and planting which have already been granted or may be granted after this Purchase Agreement is signed or after Closing, provided they do not prevent use of the Unit or the Common Elements for their intended purposes.

(c) Declarations, covenants, restrictions, reservations, exceptions, easements and agreements which have been recorded, or appear in recorded documents, or are yet to be recorded, provided they do not prevent use of the Unit or the Common Elements for their intended purposes.

(d) Unpaid taxes and liens provided the title insurance company shall insure against collection of same out of the Unit.

(e) The filed Condominium Map and all matters reflected thereon.

(f) The Declaration and By-Laws of the Condominium and any amendments or supplements thereto.

Purchaser shall deliver to Seller's attorney within thirty (30) days of Purchaser's attorney's receipt of a fully executed Purchase Agreement, a written notice setting forth each objection to title, if any (other than those specifically set forth herein subject to which the Unit is being sold), and a copy of Purchaser's title report. Seller shall have the right to a reasonable adjournment of Closing, not to exceed sixty (60) days, for the purpose of curing any title defect; however, no such action taken by Seller shall be deemed an admission by Seller that such defect is one that would entitle Purchaser to cancel this Purchase Agreement.

10) **PERSONAL PROPERTY INCLUDED IN SALE** - All articles of personal property, fixtures and equipment for the Unit which are included in this sale will be delivered free and clear of all liens and encumbrances, except as otherwise stated in Paragraph 9 herein, if applicable.

11) **POWER OF ATTORNEY -** At Closing, Purchaser shall execute, acknowledge

and deliver to Seller in recordable form, a power of attorney in the form set forth as Schedule E to the Plan ("Power of Attorney"), in favor of the Board of Managers of the Condominium relative to leasing and purchasing of units in the Condominium under certain circumstances and to foreclose upon units in the Condominium for which the payment of Common Charges is delinquent, and in favor of Seller relative to amending the Condominium documents to the extent provided for in the Plan. Purchaser further agrees to execute and pay for any recording fees in the event the form required to be used for a Power of Attorney is revised subsequent to the Closing Date. This Paragraph shall survive Closing and delivery of the deed.

12) **ENCUMBRANCES/LIENS EXISTING AT CLOSING** - The existence of anything affecting the transfer of the Unit at Closing, including unpaid taxes or liens of any kind, shall not constitute an objection to title provided Advantage Title or another title or abstract company licensed to do business in the State of New York selected by Purchaser, is willing to insure Purchaser's title clear of the matter or is willing to insure against enforcement or collection out of the Unit upon Seller's doing whatever acts as may be reasonably required by said company and/or the depositing of money not to exceed the net Purchase Price due Seller after payment of Seller's closing expenses and mortgage release amount. The parties agree that Seller may pay and discharge any liens and encumbrances upon the Unit out of monies to be paid by Purchaser at the time of closing.

13) **NO INSPECTIONS DURING CONSTRUCTION** - Purchaser acknowledges that unsupervised visits to the Property present a dangerous circumstance and could incur liability to Seller. **Unless specifically agreed to by Seller in writing, Purchaser shall not visit the Unit or any other portion of the Property and shall only have the right to visit the sales office. Any unauthorized visits to the Property by Purchaser are subject to a charge by Seller of $500.00 per visit, which Purchaser agrees to pay to Seller within ten (10) days of Seller's demand therefor.** Purchaser hereby releases and indemnifies, defends and holds Seller harmless from and against any and all claims and liabilities incurred by Seller resulting from the unauthorized presence of Purchaser or Purchaser's family members, agents, licensees or invitees on the Property prior to Closing. Purchaser further agrees to execute the Express Assumption of Risk Form, in the form set forth as Schedule D-4 annexed hereto and made a part hereof.

14) **PURCHASERS' INTERFERENCE** - Purchaser shall not interfere with Seller's ability to construct the Unit or other unit(s) or facilities, including interference with work performed on the Property by Seller's staff, contractors and/or sub-contractors in connection with the construction of the Unit or any other Units, attempts to hire any of Seller's staff, contractors or sub-contractors, and/or attempts to bring contractors, materialman, sub-contractors or workers onto the Property for work to the Unit prior to Closing, unless otherwise agreed to in writing by Seller.

15) **POSSESSION OF THE UNIT PRIOR TO CLOSING** - Neither Purchaser nor anyone acting on Purchaser's behalf may enter or take possession of all or any part of the Unit nor have any work performed or materials supplied or installed at the Unit prior to Closing without the prior written consent of Seller. Seller will not accept any liability

whatsoever for any property belonging to Purchaser, their agents, employees, licensees, invitees, family, or belonging to any party other than Seller which is placed on the Property and/or in the Unit prior to Closing. No act of Seller, whatever its nature, shall constitute a waiver of this Paragraph.

16) **CHANGES BY SELLER -** Seller is obligated to build and complete the Condominium in accordance with the building plans and specifications identified in the Offering Plan and intends to use the materials, fixtures, appliances, and equipment described therein and in the building plans. Notwithstanding, Seller reserves the right to substitute equipment or materials and make modifications of layout or design, provided however, that Seller may not: (i) substitute equipment or materials of lesser quality or design; or (ii) change the size, location of Buildings or Residential Units other improvements or Common Elements if such changes affect the Percentage of Common Interests or adversely affect the value of any Residential Unit to which title has closed or for which a purchase agreement has been executed and is in effect unless all affected Residential Unit Owners and contract vendees consent in writing to such change. Seller further reserves the right to determine the ultimate type of Residential Units to be constructed in the Buildings; determine the location of electric and water meters, electric transformers, air conditioning compressors, other Building wide equipment, mailboxes; and make any other changes required by the City of New York or any other municipal or governmental agency having jurisdiction over the Property.

17) **COMPLETION OF CONSTRUCTION; PURCHASER'S INSPECTION -** Purchaser shall accept title (without abatement or credit against the Purchase Price or provision for escrow) notwithstanding that construction of (a) minor details of the Unit or the Building, or (b) other unit(s) in the Condominium, or (c) any landscaped areas of the Property. Purchaser shall inspect the Unit with a representative of Seller during normal business hours approximately three (3) days prior to Closing and shall sign and deliver to Seller on or before Closing, a Pre-Title Inspection Statement supplied by Seller, acknowledging the condition of the Unit. Purchaser agrees to accept the Pre-Title Inspection Statement wherein Seller shall agree to complete all unfinished items within six (6) months from the Closing Date, weather and other circumstances permitting. Any such incomplete items shall not constitute an objection to Closing. Purchaser shall allow Seller, its agents, servants and/or employees the right to enter the Unit and shall provide reasonable access thereto subsequent to Closing to complete any incomplete items. In the event Seller is required to make any repair or complete any item of work to be performed by Seller after Closing, the limit of Seller's liability shall be to make said repair and/or to complete such item. Seller is obligated to build and complete the Condominium in accordance with the building plans and specifications identified in the Offering Plan and Seller's failure to do so may entitle Purchaser to rescind this Purchase Agreement. This Paragraph shall survive Closing and delivery of the deed.

18) **CERTIFICATE OF OCCUPANCY** - At Closing, Seller shall deliver to Purchaser a temporary or final Certificate of Occupancy for the Unit (or the Building) and, if available, a New York Board of Fire Underwriter's Certificate or equivalent for the Unit. Purchaser represents and agrees that Purchaser will not do anything within their Unit to prevent the extension or renewal of a temporary Certificate of Occupancy or the issuance of a

final Certificate of Occupancy. Purchaser further acknowledges that Seller will have no liability nor responsibility to Purchaser or to make improvements to the Unit in the event Purchaser has made changes to the Unit that prevents the extension or renewal of a temporary Certificate of Occupancy or the issuance of a final Certificate of Occupancy by the Department of Buildings of the City of New York. Purchaser shall reimburse Seller, within ten (10) days following Seller's demand therefor, for any and all costs incurred by Seller with respect to Purchaser's changes to the Unit that prevent the extension or renewal of a temporary Certificate of Occupancy or the issuance of a final Certificate of Occupancy by the Department of Buildings of the City of New York. This Paragraph shall survive Closing and delivery of the deed.

19) **UNIT PART OF DEVELOPMENT -** Purchaser acknowledges that they may be living in an active construction site after Closing on the Unit. During the period of construction, there may be dirt and debris and construction material on the Property, construction vehicular traffic, construction noises, unfinished areas of the Condominium and other inconveniences which are normal in a community undergoing construction. Purchaser further acknowledges that other units and infrastructure are presently being constructed at the Property and that Seller anticipates that such construction shall continue until the Condominium is completed in accordance with the Plan. As of the date of the Offering Plan, Seller anticipates that construction will be substantially completed by January of 2023 subject to circumstances beyond Sponsor's control such as weather conditions, pandemic, labor strikes, material shortages, acts of God and sales conditions. Accordingly, Purchaser agrees that such continuing construction shall not be deemed a nuisance nor an interference with Purchaser's quiet enjoyment of the Unit after Closing. This Paragraph shall survive Closing and the delivery of the deed.

20) **PURCHASER'S DEFAULT** - If Purchaser fails to appear and close title in accordance with this Purchase Agreement on the date and at the time and place stated in the Notice for Closing, or if Purchaser fails to observe or perform any other obligation on the part of Purchaser to be observed or performed under this Purchase Agreement, Seller may send Purchaser a written notice of default giving Purchaser thirty (30) days from the date of such notice to cure any such default. Upon Purchaser's failure to cure such default within such thirty (30) day period, this Purchase Agreement shall, at Seller's option, be deemed canceled and Seller shall have the right to retain, as and for liquidated damages, all sums paid by Purchaser to Seller on account of the Purchase Price, including, without limitation, the Deposit.

Prior to such funds being released to Seller, Escrow Agent shall send a notice to Purchaser of Escrow Agent's intent to release the funds being held in escrow on behalf of Purchaser pursuant to the escrow regulations as set forth in Section XII of the Plan and Paragraph 27 of this Purchase Agreement.

TIME IS OF THE ESSENCE FOR PURCHASER TO CURE SUCH DEFAULT WITHIN SUCH THIRTY (30) DAY PERIOD.

Upon cancellation of this Purchase Agreement for Purchaser's failure to timely cure any default, Seller shall be released and discharged of any and all further liability

and obligations to Purchaser under this Purchase Agreement. Thereafter, the Unit may be sold or disposed of as though this Purchase Agreement had never existed and without any accounting to Purchaser for the proceeds of any subsequent sale. The foregoing remedy shall be in addition to any and all other remedies available to Seller under this Purchase Agreement, at law or in equity for any default by Purchaser under this Purchase Agreement.

21) **SELLER'S RIGHT TO CANCEL** - Seller may cancel this Purchase Agreement by forwarding a full refund of the Deposit to Purchaser, together with written notice of cancellation, in the event of the occurrence of any of the following:

(a) any governmental authority imposes a ban on the construction or completion of the Building and/or the Unit or imposes restrictions on the manufacture, sale, distribution and/or use of materials from Seller's regular suppliers or from using same in the construction and/or completion of the Unit and/or the Building; or

(b) Seller is unable to obtain materials from its usual sources due to labor troubles, lockouts, war, military operations and requirements, civil unrest, act of God, force majeure or national emergencies; or

(c) the installation of public utilities is restricted or curtailed; or

(d) zoning and/or building restrictions and/or regulations, imposed by any governmental body having jurisdiction over the construction of residential housing and appurtenances of the Condominium, either presently in effect or as enacted or promulgated in the future, which create or impose requirements upon Seller which are not presently contemplated; or

(e) the Plan is abandoned, withdrawn or not consummated for any reason.

Upon such cancellation and refund, this Purchase Agreement shall be terminated and neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Purchase Agreement and the Plan.

22) **INABILITY OF SELLER TO TRANSFER OWNERSHIP** - Except for Seller's willful default, if Seller is unable to transfer ownership of the Unit in accordance with this Purchase Agreement, Seller shall only be liable to Purchaser for the return to Purchaser of the Deposit. Thereafter, this Purchase Agreement shall be deemed canceled and neither party shall have any further liability to the other in connection with this Purchase Agreement or transaction. Seller shall not be required to commence any action or proceeding or incur any expense in order to remove the condition which prevents Seller from transferring ownership of the Unit in accordance with this Purchase Agreement.

23) **PROHIBITION AGAINST ASSIGNMENT OR RECORDING OF PURCHASE AGREEMENT**- Neither this Purchase Agreement nor Purchaser's interest hereunder may be assigned by Purchaser without the prior written consent of Seller, which consent may be withheld in Seller's sole and absolute discretion. In addition, neither shall this Purchase Agreement nor any memorandum thereof be recorded in the Office of the

Register of the City of New York, Kings County, by Purchaser or on behalf of Purchaser. Should Purchaser violate the provisions of the foregoing sentence, this Purchase Agreement, at Seller's option, shall become null and void, whereupon all rights of Purchaser shall cease and terminate and Seller shall have the right to retain, as liquidated damages, the Deposit, pursuant to the default provisions of Paragraph 20 of this Purchase Agreement. Seller shall have the right to assign this Purchase Agreement to a successor and/or designee of Seller.

24) **PROHIBITION AGAINST SIGNS ON THE UNIT** - Purchaser shall not place any sign on or in the Unit or Property until Seller has closed title to all of the Units in the Condominium. This Paragraph shall survive Closing and delivery of the deed.

25) **PROHIBITION AGAINST ADVERTISING OF THE UNIT FOR SALE** - From and after the date hereof through the Closing Date, Purchaser shall not place an advertisement for the sale of the Unit in any newspaper or other publication or media or list the Unit with any real estate broker. Such action shall constitute a material breach of this Purchase Agreement entitling Seller to retain all monies paid on account of this Purchase Agreement as liquidated damages pursuant to the provisions of Paragraph 20 of this Purchase Agreement.

26) **NO BROKER CONSULTED BY PURCHASER** – Purchaser represents that no broker other than Seller's broker, Douglas Elliman Real Estate ("Broker"), or their co-broker ("Co-Broker") pursuant to a standard co-brokerage agreement, brought about this sale, and Purchaser indemnifies Seller against any and all claims brought by any broker other than Broker or Co-Broker for brokerage commission based upon Purchaser's acts. Seller shall pay Broker and/or Co-Broker pursuant to a separate agreement between Seller and Broker and/or Co-Broker. In the event Purchaser is represented or has consulted with an outside broker (other than Broker or Co-Broker), Purchaser shall be responsible for any and all costs and commissions associated therewith, and Seller shall not be responsible for any co-broker commission. This Paragraph shall survive Closing and delivery of the deed.

27) **TRUST FUNDS/ESCROW PROVISIONS** - The Deposit and all other deposits or advances (collectively, "Deposits") made by Purchaser prior to Closing shall initially be held in a segregated escrow account held by Escrow Agent (as hereinafter defined) pursuant to the following:

(a) Schmitt Law Group, P.C. with an address at 600 Old Country Road, Suite 500, Garden City, New York 11530 telephone number (516) 387-4786, shall serve as escrow agent ("Escrow Agent") for Seller and Purchaser. Escrow Agent has designated the members of the firm to serve as signatories. All designated signatories are admitted to practice law in the State of New York. Neither Escrow Agent nor its authorized signatories on the account are Seller, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

(b) Escrow Agent and all authorized signatories hereby submit to the jurisdiction of the State of New York and its courts for any cause of action

arising out of this Purchase Agreement or otherwise concerning the maintenance or release of the Deposit from escrow.

(c) Escrow Agent has established the Escrow Account at Signature Bank, 900 Stewart Avenue, 3rd Floor, Garden City, New York 11530 ("Bank"), a bank authorized to do business in the State of New York, which account is entitled “Schmitt Law Group, P.C. – Hancock and Jefferson Condominium IOLA Escrow Account” ("Escrow Account"). The Escrow Account is an IOLA account pursuant to Section 497 of the Judiciary Law of the State of New York. The Escrow Account is federally insured by the FDIC at the maximum amount of $250,000.00 per Deposit. Any Deposit in excess of $250,000.00 will not be insured.

(d) All monies received from Purchaser shall be in the form of checks, money orders, wire transfers, or other instruments approved by Seller, and shall be made payable to or endorsed by Purchaser to the order of “Schmitt Law Group, P.C., as Escrow Agent”.

(e) Pursuant to Section 497 of the Judiciary Law, all interest earned on the IOLA account will be paid to the State of New York. No fees of any kind may be deducted from the Escrow Account, and Seller shall bear all costs associated with the maintenance of the Escrow Account.

(f) Within five (5) business days after this Purchase Agreement has been tendered to Escrow Agent along with the Deposit, Escrow Agent shall sign this Purchase Agreement and place the Deposit into the Escrow Account. Within ten (10) business days of placing the Deposit in the Escrow Account, Escrow Agent shall provide written notice to Purchaser and Seller, confirming that the Deposit has been deposited into the Escrow Account. The notice shall provide the account number.

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

(h) All Deposits received in connection with this Purchase Agreement are and shall continue to be Purchaser’s money and may not be comingled with any other money or pledged or hypothecated by Seller, as per Section 352-h of the General Business Law of the State of New York.

(i) Under no circumstances shall Seller seek or accept release of the Deposit of a defaulting Purchaser until consummation of the Plan as defined in Section 20.1 (c) (6) of the Department of Law regulations, which defines consummation of the Plan as the filing of the Declaration of Condominium and the first transfer of title to a unit to at least one (1) purchaser under the Plan following a declaration of effectiveness by Seller and acceptance of the amendment of the declaration of effectiveness by the Office of the Attorney General of the State of New York. Consummation of the Plan does not relieve Seller of its obligations pursuant to Sections 352-e(2-b) and 352-h of the General Business Law of the State of New York.

(j) Escrow Agent shall release the Deposit if so directed:

(i) pursuant to terms and conditions set forth in this Purchase 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, non-appealable order or judgment of a court of competent jurisdiction.

If Escrow Agent is not directed to release the Deposit pursuant to paragraphs (i) through (iii) above, and Escrow Agent receives a request by either party to release the Deposit, then Escrow Agent must give both Purchaser and Seller prior written notice of not fewer than thirty (30) days before releasing the Deposit. If Escrow Agent has not received notice of objection to the release of the Deposit prior to the expiration of such thirty (30) day period, the Deposit shall be released, and Escrow Agent shall provide further written notice to both parties informing them of said release. If Escrow Agent receives a written notice from either party objecting to the release of the Deposit within such thirty (30) day period, Escrow Agent shall continue to hold the Deposit until otherwise directed pursuant to paragraphs (i) through (iii) above. Notwithstanding the foregoing, Escrow Agent shall have the right at any time to deposit the Deposit with the clerk of the county where the Unit is located and shall give written notice to both parties of such deposit. Escrow Agent shall disburse Purchaser's Deposit(s) escrowed under this Purchase Agreement within twenty (20) business days after the escrowed funds are permitted to be released in accordance with this Purchase Agreement.

Seller shall not object to the release of the Deposit to:

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

(ii) all purchasers after an amendment to the Plan 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.

(k) 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 Escrow Agent holding any deposit in trust is absolutely void. The provisions of the Attorney General's regulations and GBL §§ 352-e(2-b) and 352-h concerning escrow trust funds shall prevail over any conflicting or inconsistent provisions in this Purchase Agreement, the Plan, or any amendment(s) thereto.

(l) Escrow Agent shall maintain the Escrow Account under its direct supervision and control.

(m) A fiduciary relationship shall exist between Escrow Agent and Purchaser, and Escrow Agent acknowledges its fiduciary and statutory obligations pursuant to GBL §§ 352(e)(2-b) and 352(h).

(n) Escrow Agent may rely upon any paper or document which may be submitted to it in connection with its duties under this Purchase Agreement and which is believed by Escrow Agent to be genuine and to have been signed or presented by the proper party or parties and shall have no liability or responsibility with respect to the form, execution or validity thereof.

(o) No disbursement need or will be made by Escrow Agent until the Deposit has actually and finally cleared Escrow Agent’s account.

(p) Escrow Agent shall only be responsible for monies actually received and cleared, and monies earned thereon, if any.

(q) Escrow Agent undertakes to perform only such duties as are expressly set forth in this Purchase Agreement and the Escrow Regulations, as amended on November 14, 2012, promulgated by the Office of the Attorney General of the State of New York, and no implied duties or obligations shall be read into this Purchase Agreement against Escrow Agent.

(r) Seller agrees that Seller and its agents, including any selling agents, shall deliver the Deposit received by them prior to closing of the Unit to a designated attorney who is a member of or employed by Escrow Agent within five (5) business days of tender of the Deposit by Purchaser.

(s) Seller agrees that it shall not interfere with Escrow Agent's performance of its fiduciary duties and statutory obligations as set forth in GBL §§ 352-(e)(2-b) and 352-(h) and the New York State Department of Law’s regulations.

(t) The following record keeping provisions shall apply:

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

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

(u) Prior to release of the Deposit, Escrow Agent's fees and disbursements shall neither be paid by Seller from the Deposit nor deducted from the Deposit by any financial institution under any circumstance.

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

(w) Escrow Agent shall not be liable for Seller's failure to tender Purchaser's funds to Escrow Agent within five (5) business days, for any mistakes of fact or errors of judgment, or for any acts or omissions of any kind unless caused by Escrow Agent's willful misconduct or gross negligence.

(x) Escrow Agent shall not be liable in any manner for the sufficiency or correctness as to form, manner or execution, or validity of any written instructions delivered to it, nor as to the identity, authority, or rights of any person executing the same.

(y) The duties of Escrow Agent shall be limited to the safekeeping of the Deposits and for disbursements of same in accordance with the written instructions described in this Purchase Agreement.

(z) This Paragraph 27 shall remain in effect unless and until the following:

(i) Written notice given by Seller to Escrow Agent of cancellation of designation of Escrow Agent to act in said capacity, which cancellation shall take effect only upon the filing of an amendment

with the Department of Law providing for a successor escrow agent; or

(ii) The resignation of Escrow Agent upon giving notice to Seller of its desire to so resign, which resignation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor escrow agent; or

(iii) All units offered pursuant to the Plan have been sold and all sales transactions have been consummated.

(iv) Escrow Agent shall have no responsibility to verify qualifications of any successor escrow agent.

(aa) Upon termination of the duties of Escrow Agent as described in sub-paragraph 27(z) above, Escrow Agent shall deliver any and all funds held by it in the Escrow Account and any and all contracts or documents maintained by Escrow Agent to the new escrow agent designated in the duly filed amendment related thereto.

(bb) Upon delivery of all funds held by Escrow Agent to the successor escrow agent pursuant to sub-paragraph 27(aa) above, this Paragraph 27 shall be terminated, and Escrow Agent shall be released from all liability hereunder.

(cc) Upon Escrow Agent disbursing the Deposit of Purchaser in accordance with the provisions of this Paragraph 27, Escrow Agent's obligations shall terminate as regards to the Deposit, and Escrow Agent shall thereafter be released of all liability in connection with Purchaser.

(dd) In the event of a good faith disagreement about the interpretation of this Paragraph 27, or about the rights and obligations, or the propriety, of any action contemplated by Escrow Agent hereunder, Escrow Agent may, in its sole discretion, retain the Deposit and payments in escrow and file an action and deposit any applicable funds in a court of competent jurisdiction to resolve said disagreement. Escrow Agent shall be indemnified by Seller for any and all costs, including reasonable attorneys' fees or reasonable value of services rendered by Escrow Agent's litigation attorneys representing Escrow Agent pro se in connection with the aforesaid action. No such action shall be filed where Escrow Agent's required course of action is clearly dictated within this Paragraph 27.

(ee) Any provision of any contract or agreement, whether oral or in writing, by which Purchaser purports to waive or indemnify any obligation of Escrow Agent holding trust funds is absolutely void. The provisions of the regulations pertaining to escrow funds, as amended on November 14, 2012, shall prevail over any conflicting or inconsistent provision in the

Plan, an amendment to the Plan or in this Purchase Agreement.

(ff) This Paragraph 27 shall be construed in accordance with and governed by the laws of the State of New York without giving effect to its conflict of laws provisions.

28) **NOTICES** - Any notices, statements, certificates, requests or demands required or permitted to be given or delivered under this Purchase Agreement shall be in writing and may be sent by mail, nationally recognized overnight courier or personal delivery, addressed to Purchaser or to Seller, as the case may be, at their respective addresses shown at the beginning of this Purchase Agreement, or to such other address as Purchaser or Seller may designate in the manner herein provided, or to their respective attorneys. Such notice, statement, certificate, request or demand shall be deemed to have been given:

(a) upon personal delivery actually being made, and

(b) upon receipt, first refusal of delivery or when returned as undeliverable if delivered by: (i) the United States Post Office with proper postage prepaid, if sent by regular mail, registered or certified mail return receipt requested; or (ii) nationally recognized overnight courier service.

Notwithstanding the foregoing, any notice of default must be delivered only by nationally recognized overnight courier service, personal delivery, or certified mail return receipt requested. Notice given by an attorney for a party shall be deemed effective notice as if given by such party.

29) **PURCHASER GENERAL REPRESENTATIONS -** Purchaser represents that Purchaser has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties or statements, written or oral, of any nature, including, but not limited to, any of the above relating to the description or physical condition of the Building or the Unit or the Property, the size or the dimensions of the Unit or the rooms therein contained or any physical characteristics thereof, the services offered by the Condominium, the estimated Common Charges for the Unit or any other matter or estimate not set forth herein and/or in the Plan. Purchaser further represents that Purchaser has not relied on any verbal or written representations made by Broker or any other agent of Seller. Purchaser further acknowledges having had full opportunity to examine all documents and investigate all facts referred to and stated herein and/or in the Plan. Seller shall have no liability or responsibility to Purchaser and Purchaser shall not be relieved from Purchaser's obligations hereunder, by reason of any inaccuracy or error in the layout or dimensions of the Unit so long as the layout and specifications as they may be changed or amended are in accordance with the provisions of the Plan. Seller cannot guarantee a firm completion and availability date for the Unit and Purchaser agrees that Seller shall not be obligated to make, provide or compensate for any accommodations or costs to Purchaser as a result of construction delays nor shall such delays serve to cancel, amend or diminish any of Purchaser's obligations hereunder.

30) **ACKNOWLEDGMENT THAT THERE ARE NO OTHER UNDERSTANDINGS** - All prior understandings and agreements are hereby superseded and merged into this Purchase Agreement, which alone contains the final and entire understanding and agreement between Seller and Purchaser. Neither Seller nor Purchaser shall be bound by any terms, conditions, statements, or representations, oral or written, not set forth in this Purchase Agreement or in the Plan. Purchaser acknowledges that Purchaser is buying a unit in a condominium development which may not yet have been formed at the time this Purchase Agreement is signed, and that, except as stated in this Purchase Agreement, the Declarations, By-Laws, Exhibits, Schedules and Plan, Purchaser has not relied on any representations or other statements of any kind or nature made by Seller or anyone else except as set forth in the Plan or any amendment thereto and this Purchase Agreement, including but not limited to, the description, size or dimensions of the Unit or rooms therein, or the estimated common charges, or other expenses relative thereto.

Purchaser also acknowledges that none of Seller's representatives has the authority to modify this Purchase Agreement or to make any oral promise, agreement or representation inconsistent or contrary to the terms of this Purchase Agreement. This Purchase Agreement may be changed only by a written document signed by both Purchaser and Seller. The invalidity or unenforceability of any particular provision of this Purchase Agreement will not affect the other provisions, and this Purchase Agreement will be interpreted in all respects as if such unenforceable provisions were omitted.

31) **RISK OF LOSS** - The risk of loss or damage to the Unit by fire or any other cause until delivery of the deed is assumed by Seller. In the event a substantial portion of the Unit or the Building shall be destroyed or damaged prior to Closing, Seller shall be entitled to cancel this Purchase Agreement by written notice to Purchaser, together with a check in the amount of the Deposit paid by Purchaser. The parties shall thereafter be released from any further liability hereunder.

In the event Purchaser takes actual possession of the Unit prior to Closing, Purchaser shall assume the risk of any loss not covered by insurance upon production of the policy by Seller to Purchaser which provides that actions of interim lessees are not covered under the then-existing policy. If Purchaser is or becomes the occupant or tenant of the Unit prior to Closing, then, as of the date of Purchaser's occupancy, Purchaser shall be responsible for any and all damage caused by any acts or omissions of Purchaser, or Purchaser's agents, employees, invitees and/or family members.

If any part of the Unit is damaged or destroyed by any casualty prior to Closing, Seller shall have the option to restore the Unit to its previous condition as soon as reasonably possible. In the event Seller elects to restore the Unit, then the Closing Date and any other applicable date or deadline will be extended in a reasonable manner by Seller. Seller shall notify Purchaser of Seller's decision within ten (10) business days of the date of such casualty. In the event Seller elects not to restore the Unit, then this Purchase Agreement will terminate, and Purchaser shall receive a refund of all monies paid to Seller. The parties shall thereafter be released from any further liability hereunder.

32) **DAMAGE TO PUBLIC IMPROVEMENTS, AMENITIES AND COMMON ELEMENTS** - Purchaser shall repair and/or restore to their original condition and standards any public improvement, amenity or Common Elements on the Property damaged by Purchaser or Purchaser's agents, employees, contractors or licensees. Upon failure of Purchaser to complete such repair and/or restoration work within thirty (30) days after written notice from Seller, then and in that event, Seller may complete same at the sole cost and expense of Purchaser who shall reimburse Seller for the cost thereof immediately upon demand. This Paragraph shall survive Closing and delivery of the deed.

33) **STRICT COMPLIANCE; WAIVER OF TRIAL BY JURY** - Any failure by Seller to insist upon strict performance by Purchaser of any of Purchaser's obligations under this Purchase Agreement shall not be deemed a waiver of such obligations, and Seller may at any time insist upon strict performance by Purchaser of any and all obligations to be performed by Purchaser under this Purchase Agreement irrespective of the number of times Purchaser failed to strictly comply with such obligations in the past.

Purchaser waives all rights to trial by jury in any action, proceeding or counterclaim in any way arising out of or relating to this Purchase Agreement or the Plan. Purchaser agrees to pay any and all court fees, including, without limitation, reasonable attorney's fees, should Purchaser bring an action against Seller in any court of proper jurisdiction (including, without limitation, small claims court) and should Seller be deemed the prevailing party in any such dispute or action. Purchaser hereby agrees to waive the right to file a Lis Pendens if not filed within sixty (60) days of the cancellation of this Purchase Agreement.

Purchaser and Seller hereby waive trial by jury in any action, proceeding or counterclaim arising out of this Purchase Agreement, provided such waiver is not prohibited by any laws of the State of New York. Any action or proceeding brought by either party hereto against the other, directly or indirectly, arising out of this Purchase Agreement, shall be instituted in a court of competent jurisdiction in Kings County and all motions in any such action shall be made in Kings County.

This Paragraph shall survive Closing and delivery of the Deed.

34) **LIEN OF DEPOSIT** - All sums paid on account of this Purchase Agreement are hereby made liens upon the Unit, but such liens shall not continue after default by Purchaser under this Purchase Agreement.

35) **RECAPTURE OF PROFIT – IN THE EVENT PURCHASER ELECTS TO SELL THE UNIT TO A THIRD-PARTY PURCHASER WITHIN TWELVE (12) MONTHS OF THE CLOSING DATE, PURCHASER SHALL BE REQUIRED TO PAY (AT OR BEFORE SUCH RESALE CLOSING) TO SELLER AN AMOUNT EQUAL TO THE LESSER OF (A) THE NET PROCEEDS OF SUCH RESALE OF THE UNIT (WHICH SHALL BE COMPUTED BASED ON THE GROSS SALES PRICE LESS (X) THE AMOUNTS OWED UNDER ANY THIRD-PARTY UNAFFILIATED MORTGAGE LENDER AND (Y) ALL CUSTOMARY CLOSING COSTS ACTUALLY PAID BY**

PURCHASER IN CONNECTION WITH SUCH RESALE) AND (B) TEN PERCENT (10%) OF DIFFERENCE BETWEEN (I) THE GROSS PURCHASE PRICE PAID BY SUCH THIRD-PARTY PURCHASER TO PURCHASER (WITHOUT DEDUCTION FOR CLOSING AND OTHER TRANSACTION COSTS) AND (II) THE PURCHASE PRICE; PROVIDED, THAT THE FOREGOING SHALL NOT APPLY IN THE EVENT THAT PURCHASER OR PURCHASER'S SPOUSE DIES WITHIN SUCH TWELVE (12) MONTH PERIOD AND SHALL NOT APPLY TO ANY MORTGAGEE WHO FORECLOSES OR ACCEPTS A DEED IN LIEU OF FORECLOSURE FOR A DEFAULT UNDER A FIRST MORTGAGE. THIS PARAGRAPH 35 SHALL SURVIVE THE CLOSING AND DELIVERY OF THE DEED.

38) **LIMITED WARRANTY - THE LIMITED WARRANTY SET FORTH IN SCHEDULE D-7 OF THE PLAN AND INCORPORATED HEREIN BY REFERENCE (THE "LIMITED WARRANTY") IS IN PLACE OF AND EXCLUDES THE HOUSING MERCHANT IMPLIED WARRANTY, AS DEFINED IN ARTICLE 36-B OF THE NEW YORK GENERAL BUSINESS LAW, AS SAME MAY BE AMENDED FROM TIME TO TIME, AND ALSO EXCLUDES ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE IN CONNECTION WITH THIS PURCHASE AGREEMENT AND THE CONSTRUCTION AND SALE OF THE RESIDENTIAL UNIT. SELLER MAKES NO HOUSING MERCHANT IMPLIED WARRANTY AND, EXCEPT AS EXPRESSLY SET FORTH IN THE LIMITED WARRANTY, SELLER MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, IN CONNECTION WITH THIS PURCHASE AGREEMENT AND THE CONSTRUCTION AND SALE OF THE RESIDENTIAL UNIT, WHICH EXTEND BEYOND THE FACT THEREOF.**

PRIOR TO THE EXECUTION OF THIS PURCHASE AGREEMENT BY PURCHASER, PURCHASER ACKNOWLEDGES THAT SELLER HAS SUPPLIED TO PURCHASER FOR EXAMINATION AND PURCHASER HAS RECEIVED, READ AND UNDERSTOOD A WRITTEN COPY OF THE EXPRESS TERMS OF THE LIMITED WARRANTY.

PURCHASER FURTHER ACKNOWLEDGES THAT SELLER WILL CORRECT ANY DEFECTS IN THE CONSTRUCTION OF THE COMMON ELEMENTS OF THE CONDOMINIUM NOT COVERED BY ANY LIMITED WARRANTY, OR IN THE INSTALLATION OR OPERATION OF ANY MECHANICAL EQUIPMENT THEREIN, DUE TO IMPROPER WORKMANSHIP OR MATERIAL SUBSTANTIALLY AT VARIANCE WITH THE OFFERING PLAN AS MAY BE CHANGED BY SELLER FROM TIME TO TIME PROVIDED AND ON CONDITION THAT SELLER IS NOTIFIED OF OR BECOMES AWARE OF SUCH DEFECT(S) WITHIN TWELVE (12) MONTHS FROM THE DATE OF ISSUANCE OF A CERTIFICATE OF OCCUPANCY FOR THE BUILDING.

36) **MISCELLANEOUS -**

(a) The start of any activity by Seller in connection with the Unit is not to be

deemed a waiver of any of Seller's rights under this Purchase Agreement.

(b) The personal property referred to in this Purchase Agreement shall be deemed conveyed by the deed, and no part of the Purchase Price shall be deemed allocated to such personal property.

(c) The attorneys representing Seller, or any lender represent such parties only and not Purchaser. Purchaser may retain independent counsel, at Purchaser's sole cost and expense, in order to protect Purchaser's interest.

(d) Seller's employees, agents and representatives are not authorized to make any representations regarding economic benefits to be derived from the transaction contemplated by this Purchase Agreement. Purchaser is advised that economic benefits to be derived from this transaction may vary with individual circumstances and/or market conditions, and Purchaser should rely only upon Purchaser's own attorney, accountant, and/or other counsel if guidance in such matters is desired.

(e) Purchaser acknowledges that Seller has the right to lower and/or increase the price paid for a similar unit and/or change the terms applicable to similar units. As a result, Purchaser may pay more or less and may receive better or worse terms than another purchaser for a similar unit.

(f) The delivery of the deed for the Unit to Purchaser or Purchaser's representative at Closing shall be deemed to mean that all things required to be done by Seller under this Purchase Agreement have been done and that Purchaser shall not claim otherwise except as to those things, if any, which are specifically stated in this Purchase Agreement or in a separate writing signed by Seller or Seller's attorney on Seller's behalf, to survive or continue beyond Closing and delivery of the deed.

(g) The paragraph headings set forth in this Purchase Agreement are inserted solely for convenience of reference and in no way deemed to affect, amend, define, describe or limit the scope or intent of the provisions set forth in this Purchase Agreement.

(h) No provision of this Purchase Agreement may be changed, waived, discharged, or terminated orally, by telephone, or by any other means, except an instrument in writing signed by the party against whom enforcement of such change, waiver, discharge, or termination is sought and then only to the extent set forth in such instrument.

(i) Any singular word or term herein shall also be read as in the plural whenever the sense of this Purchase Agreement may require it. The use of the masculine gender shall be deemed to refer to the feminine gender, or neuter, whenever the context so requires.

(j) All capitalized terms shall be given the definition contained in Part I of the

Plan unless otherwise indicated

(k) If two (2) or more persons are named as Purchaser in this Purchase Agreement, (i) each person shall be jointly and severally liable for payment, observance and performance of all obligations under this Purchase Agreement; and (ii) anyone of them is hereby made agent for the other in all matters of any and every kind or nature with respect to the Unit and/or this Purchase Agreement. The act, assent, election or approval by one shall conclusively constitute the act, assent, election and approval by all.

(l) The provisions of this Purchase Agreement shall bind and inure to the benefit of Purchaser and Purchaser's heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Seller and its successors and/or assigns.

(m) This Purchase Agreement shall not be binding or effective until fully executed and delivered by Seller and Purchaser.

(n) Seller represents that its Federal Employer Identification Number is _____; and Purchaser represents that his/her/their social security number(s) is _____ and _____.

(o) Purchaser shall execute the Tender of Escrow form attached hereto as Purchase Schedule "D-1" upon execution of this Purchase Agreement and shall execute the Release Form, attached hereto as Schedule "D-2" at Closing.

(p) In the event any portion of this Purchase Agreement shall be declared by any court of competent jurisdiction to be invalid, illegal or unenforceable, such portion shall be deemed severed from this Purchase Agreement and the remaining parts hereof shall remain in full force and effect, as fully as though such invalid, illegal or unenforceable portion had never been part of this Purchase Agreement.

(q) In the event of any conflict between the Purchase Agreement and the Plan the terms of the Plan shall control.

(r) A copy of the Smoking Policy of this Condominium is attached to and made part of this Purchase Agreement as the Smoking Policy Rider.

(s) This Purchase Agreement may be executed in any number of counterparts each of which shall be deemed an original and all of which together shall be deemed to constitute one and the same agreement. Electronic (i.e. portable document format (.pdf), email and facsimile) signatures shall be deemed originals for purposes of this Purchase Agreement.

(t) The parties agree that this Purchase Agreement shall be governed by and construed in accordance with the laws of the State of New York.

37) **NOTICES TO PURCHASER - YOU, AS PURCHASER OF THE UNIT, MAY REQUIRE THE RECIPIENT OR CONTRACTOR TO DEPOSIT THE INITIAL ADVANCE MADE BY YOU IN AN ESCROW ACCOUNT. IN LIEU OF SUCH DEPOSIT, THE RECIPIENT OR CONTRACTOR MAY POST A BOND OR CONTRACT OF INDEMNITY WITH YOU GUARANTEEING THE RETURN OF SUCH ADVANCE.**

WHEN SIGNED BY SELLER AND PURCHASER, THIS PURCHASE AGREEMENT SHALL BECOME A LEGALLY BINDING AGREEMENT. PURCHASER SHOULD READ AND UNDERSTAND ALL PROVISIONS BEFORE SIGNING. IF PURCHASER DOES NOT UNDERSTAND ANY PROVISION, PURCHASER SHOULD SEEK LEGAL ADVICE.

PURCHASER MUST BE GIVEN A COPY OF THE PLAN PRIOR TO THE SIGNING OF THIS PURCHASE AGREEMENT. BY SIGNING THIS PURCHASE AGREEMENT, PURCHASER ACKNOWLEDGES RECEIPT OF THE PLAN AND THAT PURCHASER HAS HAD AN OPPORTUNITY TO READ THE PLAN AT LEAST THREE (3) BUSINESS DAYS PRIOR TO SIGNING THIS PURCHASE AGREEMENT.

(REMAINDER OF PAGE INTENTIONALLY BLANK; SIGNATURE PAGE TO FOLLOW)

IN WITNESS WHEREOF, the parties hereto have executed this Purchase Agreement as of the date first above written.

SELLER:

1504 JEFF LLC

By:_____
Name:
Title:

PURCHASER(S):

_____

_____

Agreed to as to Paragraph 27 by Escrow Agent:
SCHMITT LAW GROUP, P.C.

By:_____
Name: Michelle Schmitt
Title: Partner

SCHEDULE D-1

TENDER OF ESCROW FORM

TENDER OF ESCROW DEPOSIT

Date: _____

Tender of Deposit of $_____, for Unit ____ at Hancock and Jefferson Condominium located at 1504 Jefferson Avenue and 1437 Hancock Street, Brooklyn, New York.

Purchaser(s) named below has/have tendered on_____, 20__, the above escrow deposit to Sponsor/Selling Agent as a deposit for the above Unit.

Purchaser(s) _____
_____

Address of Purchaser(s) _____
_____

Phone number of Purchaser(s):

Home: _____
Business: _____

Social Security Number(s) or
Tax Identification Number(s)
of Purchaser(s) _____
_____

By: _____
Purchaser

By: _____
Purchaser

RECEIPT

The SPONSOR/SELLING AGENT of the above named property hereby acknowledges receipt of the above escrow deposit.

By: _____
_____
Title or Position

Date of Receipt: _____

SCHEDULE D-2

FORM TO RELEASE ESCROW FUNDS

FORM FOR THE RELEASE OF ESCROW FUNDS

Date

Schmitt Law Group, P.C.
600 Old Country Road, Suite 500
Garden City, NY 11530

Re: **Hancock and Jefferson Condominium**
Purchaser:
Unit No.:

Dear Sirs:

You have been holding in a trust account my/our down payment for the above-referenced Unit in the amount of $_____ (the "Deposit"). I/we acknowledge that a closing has taken place on this date. Accordingly, Schmitt Law Group, P.C. ("Escrow Agent") is authorized to release the Deposit to whomever the Sponsor so designates. In addition, Escrow Agent is hereby released from any and all liability or further obligation to me/us with respect to the Deposit.

Very truly yours,

_____
Purchaser

_____
Purchaser

_____
Sponsor's representative

SCHEDULE D-3

WAIVER OF NOTICE OF CLOSING

WAIVER OF NOTICE OF CLOSING

STATE OF NEW YORK)
:ss.:
COUNTY OF)

_____, being duly sworn, does hereby depose and state:

1. I am/We are the Purchaser(s) of Unit # _____ at Hancock and Jefferson Condominium.

2. Pursuant to a Purchase Agreement dated_____, 20___, I am/we are entitled to thirty (30) days' written notice of the Closing for my/our Unit.

3. I/We hereby waive the applicable notice provision contained in the Purchase Agreement and agree to close on _____, 20___.

_____
Purchaser

_____
Purchaser

Sworn to before me this
day of , 20 .

_____
Notary Public

SCHEDULE D-4

SMOKING POLICY RIDER

PURCHASE AGREEMENT SMOKING POLICY RIDER

The Smoke-Free Air Act of New York City prohibits Smoking and using E-cigarettes of any kind in indoor common areas, including but not limited to, lobbies, hallways, stairwells, mailrooms, fitness areas, storage areas, garages and laundry rooms in any building with three or more residential units. NYC Admin. Code, § 17-505 (the "NYC Administrative Code"). Effective as of August 28, 2018, Local Law 147 of the City of New York became effective. Local Law 147 amends the NYC Administrative Code to require that all class A multiple dwellings (i.e. buildings with 3 or more residential dwelling units) adopt a written smoking policy (the "Smoking Policy"). In compliance with Local Law 147 the following is the smoking policy that will apply to this Condominium:

(a) Definitions:

(i) Smoking: Inhaling, exhaling, burning or carrying any lighted or heated cigar, cigarette, little cigar, pipe, water pipe or hookah, herbal cigarette, non-tobacco smoking product (e.g., marijuana or non-tobacco shisha), or any similar form of lighted object or device designated for people to use to inhale smoke.

(ii) Electronic Cigarette (E-cigarette): A battery-operated device that heats a liquid, gel, herb or other substance and produces a vapor for people to inhale.

(b) Policy:

(i) All types of Smoking and use of Electronic Cigarettes as defined above are prohibited from all general common areas of the Condominium, including but not limited to any lobby, hallway, stairwell, mailroom, fitness room or other recreational facility, meeting room, laundry room, storage area, mechanical room, equipment room, cellar, basement, elevator, garage, rooftop, play areas, parking areas, shared balconies, shared courtyards, shared patios, shared porches, shared yards and/or any outdoor common area on property grounds, including, without limitation, entrances, exits, windows and air intake units.

(ii) All legal Smoking and Electronic Cigarette use is permitted within the interior area of a Residential Unit and any appurtenant Limited Common Element for a Residential Unit Owner's exclusive use.

(iii) The Smoking Policy shall be applicable to all Residential Unit Owners, residents, tenants, guests, licensees, employees and all persons that may be in or on any portion of the Condominium.

(iv) Any Residential Unit Owner who leases their Residential Unit shall incorporate the provisions of the Smoking Policy into the lease with the Residential Unit Owner's tenant.

(c) Complaints:

Complaints about smoke drifting into a Residential Unit or common area should be made promptly to the Managing Agent. Complaints should be made in writing and should be as specific as possible, including the date, approximate time, location where smoke was observed, building address, description of incident and apparent source of smoke.

The Smoking Policy shall be applicable to all Residential Unit Owners, residents, tenants, guests, licensees, employees and all persons that may be in or on any portion of the Property and any Building located thereon constituting the Condominium. Pursuant to the requirements of Local Law 147 all tenants in the Building are required to receive a copy of the Building's Smoking Policy and the Smoking Policy must be incorporated into all leases or interim leases.

SCHEDULE D-5

EXPRESS ASSUMPTION OF RISK

EXPRESS ASSUMPTION OF RISK

I/We _____ understand that by entering onto a construction site there are extraordinary risks of grave bodily injury and/or death. In consideration for being allowed to enter upon the Property, I/We expressly assume all risks associated with the construction site, including but not limited to:

1. Falling debris;
2. Falls associated with excavations, uncleared ice and/or snow incomplete sidewalks and roads and downed trees and/or bushes;
3. Injuries associated with incomplete construction;
4. Injuries associated with operating machinery;
5. Injuries associated with incomplete or no railings; and
6. Injuries associated with incomplete and/or insufficient lighting.

I/We _____ further agree to fully indemnify and hold harmless 1504 Jeff LLC, and its respective members, managers, officers, directors, principals, shareholders, successors and assigns for any and all damage to any personal property.

_____

_____

SCHEDULE D-5

SCHEDULE D-6

STORAGE SPACE LICENSE AGREEMENT

STORAGE SPACE LICENSE AGREEMENT

This Storage Space License Agreement (the "License Agreement") made as of this _____ day of_____, 20___, between **1504 JEFF LLC**, having an address at 53 Broadway, Brooklyn, New York 11249 (the "Sponsor"), **THE BOARD OF MANAGERS OF HANCOCK AND JEFFERSON CONDOMINIUM**, having an address at 1504 Jefferson Avenue and 1437 Hancock Street, Brooklyn, New York 11237 ("Licensor"), and _____, residing at _ _____("Licensee").

W I T N E S S E T H:

WHEREAS, Sponsor promulgated an offering plan (the "Offering Plan") for Hancock and Jefferson Condominium (the "Condominium") located at 1504 Jefferson Avenue and 1437 Hancock Street, Brooklyn, New York 11237 (the "Building"); and

WHEREAS, pursuant to the terms of the Offering Plan, Sponsor is offering to purchasers of residential units in the Condominium the option to purchase storage spaces located in the cellar of the Building ("Storage Space Area") which have been designated for use by permitted unit owners; and

WHEREAS, the Condominium is governed by a certain Declaration of Condominium dated _____, 20 , recorded, or to be recorded, in the New York City Register's Office, Kings County, to be amended from time to time (the "Declaration"), the By-Laws of the Condominium, as the same has been or may be amended from time to time (the "By-Laws") and the Residential Units Rules and Regulations of the Condominium, as the same have been or

may be amended from time to time (the "Residential Rules and Regulations"; together with the Declaration and By-Laws, collectively referred to herein as the "Condominium Documents"); and

WHEREAS, Licensee owns, or simultaneously herewith is acquiring, Residential Unit #_____ in the Condominium (the "Unit"); and

WHEREAS, Licensee is purchasing from Sponsor the right to the exclusive use of Storage Space #____ (the "Storage Space") for so long as Licensee owns the Unit, or another residential unit, in the Condominium; and

WHEREAS, Licensor has agreed to grant Licensee a license for the exclusive use of the Storage Space for a purchase price in the amount of $_____ (the "Storage Space Purchase Price") to be paid by Licensee to Sponsor upon the execution of this License Agreement, which License shall be expressly subject to the terms and conditions set forth in this License Agreement.

NOW, THEREFORE, in consideration of the sum of Ten and No/100 ($10.00) Dollars and the mutual covenants herein expressed, Sponsor, Licensee and Licensor hereby covenant and agree as follows:

1. **License**. (a) Licensor hereby grants to Licensee, its successors and/or assigns, a license (the "License") for the exclusive use of the Storage Space and Licensee hereby accepts such License from Licensor upon the terms and conditions set forth in this License Agreement.

(b) Licensee shall have access to the Storage Space twenty-four (24) hours each day, seven (7) days each week, during the Term (hereinafter defined) subject to any rules and regulations promulgated by Licensor regarding the use and operation of the storage spaces (as detailed in the Offering Plan or any subsequent Residential Rules and Regulations adopted by Licensor).

(c) This License Agreement shall create the relationship of licensor and licensee and shall in no way be construed as a lease, partnership agreement or joint venture, nor shall this License Agreement be construed in any manner so as to give Licensee the rights of a lessee or tenant of Licensor. Except for the License conferred by this License Agreement, no leasehold interest or other right, title or interest in the Storage Space or any part thereof shall be deemed to have been created in Licensee by anything contained in this License Agreement.

2. **Use**. (a) The Storage Space may only be used for the storage of personal effects of the Licensee, and in no event shall any food or other perishable item, or any flammable or explosive item be stored in the Storage Space.

(b) Licensee shall not (i) store any property in the Storage Space Area outside of the Storage Space; or (ii) allow any other person to use the Storage Space except in accordance with the terms of this License Agreement.

(c) Use of the Storage Space is subject to all Residential Rules and Regulations which Licensor has adopted or may adopt in the future.

3. **Term**. The term of the License shall commence on _____ (the "Commencement Date") and expire at the earlier of (i) such time as Licensee no longer owns a residential unit in the Condominium, or (ii) forty-nine (49) years from the Commencement Date (the "Term"). In the event Licensee still owns a residential unit in the Condominium on the last day of the forty-ninth (49th) year, the Term shall automatically be extended for successive periods of ten (10) years each unless Licensee ceases to be an owner of a unit in the Condominium, in which event the Term shall automatically expire, this License Agreement shall terminate and the License granted hereunder shall be of no further force or effect.

4. **Storage Space Purchase Price**. The Storage Space Purchase Price shall be payable to Sponsor upon the execution of this License Agreement. Beginning on the Commencement Date and continuing throughout the Term, Licensee shall be responsible for any fees required to be paid to Licensor.

5. **Monthly License Fee.** Licensee shall pay to the Condominium a monthly sum as determined by the Board of Managers for operating and maintenance costs in connection with the Storage Space and Storage Space Area (the "License Fee"). The License Fee shall be in addition to the common charges and any special assessments required to be paid to the Condominium by residential unit owners.

6. **Condominium Documents.** This License and Licensee are subject to the provisions regarding the Storage Spaces contained in the Condominium Documents and any amendments thereto.

7. **Late Charge**. In the event that any payment required to be made by Licensee pursuant to the terms of this License Agreement shall not be paid within ten (10) days from the date such payment is due, Licensor may charge Licensee a late fee in the amount of $0.25 for each $1.00 which remains unpaid for the purpose of defraying the expenses incurred in handling delinquent payments, which shall be payable to Licensor each and every month until Licensor is paid in full.

8. **Maintenance**. Subject to Paragraph 9 herein, Licensor shall provide, at its sole cost and expense, all customary maintenance required for the Storage Space and Storage Space Area so as to keep the Storage Space and Storage Space Area in good order and repair.

9. **Damage Caused by Licensee**. Licensee shall throughout the Term, take good care of and maintain the Storage Space. All repairs and replacements to the Storage Space as

well as the Storage Space Area shall be performed by Licensor and the cost thereof shall be a common expense, unless such repair or replacement is necessitated by the negligence, misuse, or abuse of Licensee (or any of Licensee's agents or invitees), in which event the entire cost and expense of such repair or replacement shall be borne by Licensee, and shall be paid by Licensee to Licensor no later than ten (10) days following written demand therefor.

10. **Indemnification**. Licensee shall indemnify and hold Sponsor, Licensor, and their respective members, managers, owners, shareholders, officers, directors, agents, employees, servants, successors, designees and assigns harmless from and against any loss, cost, damage and expense of whatever kind arising directly or indirectly from the operation and use of the Storage Space or from Licensee's breach of this License Agreement, including, but not limited to, reasonable attorneys' fees and court costs, except to the extent such loss, damage, cost or expense is due to the gross negligence or willful misconduct of Licensor and/or its employees and/or agents or other owners of units in the Condominium.

11. **Insurance**. Licensor shall, at all times during the Term, maintain insurance as required. Licensee shall maintain the following: (i) property insurance on a broad coverage form with a limit equal to Licensee's personal property, and (ii) personal liability coverage (including auto coverage) in an amount of $1,000,000 for bodily injury and/or property damage.

12. **Events of Default**. The following shall each be an "Event of Default" under this License Agreement:

(a) Licensee's failure to timely pay any License Fee, which failure continues for five (5) days after notice thereof.

(b) Licensee's violation or failure to perform any of the other material terms, conditions, covenants or agreements herein made by Licensee, if such violation or failure continues for a period of ten (10) days after notice thereof.

In the event of any violation or failure to perform a covenant as contemplated herein, and if such covenant cannot be performed within the ten (10) day period, provided that Licensee has promptly commenced to cure such violation and is diligently proceeding with the cure, the time within which Licensee may cure the same shall be extended to such reasonable time as may be necessary to cure the same with all due diligence.

(c) Licensee's violation of any provision of the Condominium Documents regarding the Storage Spaces.

13. **General**. (a) Neither Sponsor, Licensor nor their respective agents or employees shall be liable for any theft or damage to any property stored in the Storage Space Area and/or the Storage Space.

(b) The terms of this License Agreement are subject to the terms of the Condominium Documents. Nothing contained herein shall be construed as limiting the rights and obligations of the parties under the Condominium Documents. Any conflict between the provisions of this License Agreement and the Condominium Documents shall be resolved in favor of the Condominium Documents as they relate to the Storage Space.

(c) Licensor and/or its agents shall have the right, but not the obligation, to open the Storage Space or reasonably prevent access to the Storage Space in an emergency at any time, and, at other reasonable times upon prior notice to Licensee, to inspect and examine the Storage Space and to make such repairs, replacements and improvements as Licensor shall deem necessary.

14. **Remedies**. (a) If an Event of Default shall occur, and shall not be cured within the time period specified herein, then Licensor may give Licensee a fifteen (15) day notice of its intention to end the Term, and, at the expiration of such fifteen (15) day period, the Term shall expire as fully and completely as if that day were the date herein originally fixed for the expiration of the Term, and Licensee shall then quit and surrender the Storage Space to Licensor and remain liable under the terms of this License Agreement.

(b) The Board of Managers shall have the same rights of collection and enforcement of the License Fee for the Storage Space as they have for Common Charges and Special Assessments as provided for in Article XIX of the Declaration or elsewhere in the Declaration or By-Laws. In addition, if Licensee defaults in its obligations hereunder or under the Condominium Documents, the Condominium Board may, in addition to the rights and remedies set forth in the Condominium Documents, (i) deny access to and use of the Storage Space until Licensee cures such default or (ii) terminate this Agreement upon written notice to Licensee.

15. **Notices**. Any notices, statements, certificates, requests or demands required or permitted to be given or delivered under this License Agreement shall be in writing and may be sent by mail, nationally recognized overnight courier or personal delivery, addressed to Licensor or to Licensee, as the case may be, at their respective addresses shown at the beginning of this License Agreement, or to such other address as Licensor or Licensee may designate in the manner herein provided, or to their respective attorneys. Such notice, statement, certificate, request or demand shall be deemed to have been given:

(a) upon personal delivery actually being made, and

(b) upon receipt, first refusal of delivery or when returned as undeliverable if delivered by: (i) the United States Post Office with proper postage prepaid, if sent by regular

mail, registered or certified mail return receipt requested; or (ii) nationally recognized overnight courier service.

Notwithstanding the foregoing, any notice of default must be delivered only by nationally recognized overnight courier service, personal delivery, or certified mail return receipt requested. Notice given by an attorney for a party shall be deemed effective notice as if given by such party.

16. **Assignment**. This License may be assigned by Licensee at any time provided the assignee (i) owns a residential unit in the Condominium, (ii) is a successor purchaser of the Unit and assumes the obligations of Licensee under this License Agreement, (iii) notification of the assignment is delivered in writing to Licensor in compliance with its requirements as the same may be modified from time to time, and (iv) no outstanding monies are owed to the Condominium by Licensee and/or the assignee. The License shall automatically terminate at such time as the Term expires as provided herein or the License is assigned to and assumed by another owner of a residential unit in the Condominium.

17. **Waiver.** Neither this License Agreement nor any provision hereof may be waived, amended, discharged or terminated except by an instrument in writing signed by the party against which the enforcement of such waiver, amendment, discharge or termination is sought and then only to the extent set forth in such instrument.

18. **Acknowledgement.** 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 License Agreement or of any transaction contemplated herein or

to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

19. **Strict Performance**. Any failure by the Licensor to insist upon strict performance by Licensee of any of the provisions of this License Agreement shall not be deemed a waiver of any of the provisions hereof, irrespective of the number of violations or breaches which may occur, and Licensor, notwithstanding any such failure, shall have the right thereafter to insist upon strict performance by Licensee of any and all of the provisions of this License Agreement to be performed by Licensee.

20. **Governing Law**. (a) This License Agreement shall be governed by and construed under the laws of the State of New York, without giving effect to its conflict of laws principles.

(b) If any provision of this License Agreement is invalid or unenforceable as against any party or under, certain circumstances, the remainder of this License Agreement and the applicability of such provision to other parties or circumstances shall not be affected thereby. Each provision of this License Agreement, except as otherwise herein or therein provided, shall be valid and enforced to the fullest extent permitted by Law.

21. **Entire Agreement**. This instrument contains the entire agreement between the parties and any and all other prior oral or written agreements or representations made by or on behalf of either party with respect to this License Agreement or to the subject matter hereof shall be of no force or effect whatsoever. All understandings and agreements heretofore had between the parties hereto are merged in this License Agreement, which alone fully and completely express their agreement and that this License Agreement supersedes any and all such understandings and agreements with respect to the subject matter hereof.

22. **Arbitration**. Any dispute regarding the allocation or amount of the License Fee for the Storage Space shall be decided by Arbitration pursuant to the terms of Article XIII of the By-Laws of the Condominium.

23. **Waiver of Jury Trial; Venue**. Licensor and Licensee do hereby mutually waive trial by jury in any action, proceeding or counterclaim brought by either Licensor or Licensee against the other with regard to any matters whatsoever arising out of or in any way connected with this License Agreement, the relationship of Licensor and Licensee, and Licensee's use of the Storage Space provided such waiver is not prohibited by any laws of the State of New York. Any action or proceeding brought by either party hereto against the other, directly or indirectly, arising out of this License Agreement shall be brought in a court in Kings County and any and all motions in any such action shall be made in Kings County.

IN WITNESS WHEREOF, the parties hereto have executed this License Agreement as of the date and year first above written.

LICENSOR:

BOARD OF MANAGERS OF HANCOCK AND JEFFERSON CONDOMINIUM

By: _____
, President

LICENSEE:

_____

SPONSOR:

1504 JEFF LLC

By: _____

SCHEDULE D-7

LIMITED WARRANTY

RIDER TO PURCHASE AGREEMENT DATED _____, 20__ BY AND BETWEEN **1504 JEFF LLC**, AS SELLER, AND _____ _____, AS PURCHASER.

LIMITED WARRANTY

NAME OF PURCHASER(S): _____

_____

ADDRESS OF PURCHASER(S): _____

DESIGNATION OF RESIDENTIAL UNIT WARRANTED: _____

NAME OF SELLER: 1504 Jeff LLC

ADDRESS OF SELLER: 53 Broadway

Brooklyn, New York 11249

EFFECTIVE DATE OF THIS LIMITED WARRANTY: The date that Purchaser or its family shall first occupy the Residential Unit warranted or the date of delivery of the deed to such Residential Unit to Purchaser, whichever occurs first.

SELLER'S LIMIT OF TOTAL LIABILITY: In no event shall the Seller's total liability to Purchaser under this Limited Warranty exceed fifty thousand ($50,000) dollars less, any insurance proceeds received by Purchaser (the "Maximum Liability of Seller").

THIS LIMITED WARRANTY EXCLUDES AND PRECLUDES ALL CONSEQUENTIAL, INCIDENTAL, SPECIAL, AND INDIRECT DAMAGES.

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

1. To Whom Given. This Limited Warranty is given to the Purchaser named on page l while the Purchaser owns the Residential Unit. IT DOES NOT EXTEND TO SUBSEQUENT OWNERS, HEIRS, TENANTS OR MORTGAGEES IN POSSESSION OF THE RESIDENTIAL UNIT, ANYONE WHO MAY SUCCEED TO THE RIGHTS OF PURCHASER OR ANY OTHER PERSONS.

2. By Whom Made. This Limited Warranty is made exclusively by the Seller whose name and address appear on page 1.

3. Final Inspection of the Residential Unit. Before the Purchaser moves into the Residential Unit or accepts the deed, the Seller will schedule an appointment for final inspection of the Residential Unit with the Purchaser. The purpose of this final inspection is to discover any defects of a visible, obvious or patent nature, or any other unfinished work.

All defects found on final inspection of the Residential Unit will be itemized on a Final Inspection Sheet, which will be signed by the Purchaser and the Seller before occupancy of the Residential Unit or delivery of the deed.

4. Warranty Coverages and Periods. The Warranty Period for all of the following coverage begins on the Effective Date of this Warranty shown on page l of this warranty.

FIRST YEAR BASIC COVERAGE: for one year from the Effective Date of this warranty, the Residential Unit will be free from latent defects that constitute:

(a) defective workmanship by the Seller, or an agent, employee, or subcontractor of the Seller;

(b) defective materials furnished by the Seller, or an agent, employee, or subcontractor of the Seller;

(c) defective design, provided by an architect, engineer, surveyor, or other design professional retained exclusively by the Seller; or

(d) defective installation of appliances sold as part of the Residential Unit by the Seller or an agent, employee, or subcontractor of the Seller.

Seller under this coverage is not responsible for any defects in any work or materials ordered directly by Purchaser from Seller's subcontractors or suppliers or other outside suppliers or subcontractors or for incidental or consequential damages resulting from such work or materials.

TWO YEAR MAJOR SYSTEM COVERAGE: for two years from the Effective Date of this warranty, the Plumbing, Electrical, Heating, Cooling and Ventilation Systems of the Residential Unit which have been installed by the Seller are warranted to be free from latent defects resulting from defective installation by the Seller.

The Plumbing System refers to the gas supply lines and fittings; water supply, waste and vent pipes and their fittings; septic tanks and their drain fields; water, gas and sewer service piping, and their extensions to the tie-in of a public utility connection, or on-site well and sewage disposal system.

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

The Heating, Cooling and Ventilation System refers to all duct work, steam, water and refrigerant lines, registers, convertors, radiation elements and dampers.

Except by reason of a defect in installation by Seller, this major system coverage does not include defects in appliances, fixtures and items of equipment.

Seller under this coverage is not responsible for any defects in any work or materials ordered directly by Purchaser from Seller's subcontractors or suppliers or other outside suppliers or subcontractors or for incidental or consequential damages resulting from such work or materials.

SIX YEAR MAJOR STRUCTURAL DEFECT COVERAGE: for six years from the Effective Date of this warranty, the Residential Unit will be free from latent Major Structural Defects that result from:

(a) defective workmanship by the Seller, or an agent, employee or subcontractor of the Seller;

(b) defective materials furnished by the Seller, or an agent, employee or subcontractor of the Seller; or

(c) defective design, provided by an architect, engineer, surveyor, or other design professional retained exclusively by the Seller.

A Major Structural Defect is a defect resulting in actual physical damage to the following load-bearing portions which affects their load-bearing functions to the extent that the Residential 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 Residential Unit are not covered by this six-year 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 Residential Unit; electrical, plumbing, heating, cooling and ventilation systems; appliances, fixtures and items of equipment; paint; doors and windows; trim; cabinets; hardware; and insulation.

Seller under this coverage is not responsible for any defects in any work or materials ordered directly by Purchaser from Seller's subcontractors or suppliers or other outside suppliers or subcontractors or for incidental or consequential damages resulting from such work or materials.

In all coverages under this Paragraph 4, workmanship, materials, design and installation will be considered to be defective if they fail to meet or exceed the relevant standards and specifications of the applicable building code of the municipality in which the Residential Unit is located, in effect on the date that the building permit for the Residential Unit was issued, as supplemented by the annexed locally accepted building standards and practices.

ALL TIME PERIODS FOR THESE COVERAGES ARE OF THE ESSENCE AND WILL NOT BE EXTENDED.

5. Exclusions From All Coverages. The following are not covered by this warranty:

(a) patent defects including defects shown on the Final Inspection Sheet and defects which an examination of the Residential Unit prior to the Effective Date of this warranty ought to have revealed;

(b) defects in detached garages and carports; swimming pools and other recreational facilities, if any; driveways; walkways; patios; boundary walls; retaining walls; bulkheads; fences; landscaping (including sodding, seeding, shrubs, trees and plantings); and any other improvements not a part of the Residential Unit itself;

(c) raised butt joints; ridging, scuffing on kitchen cabinet or vanity surfaces; shading variations and fading of natural material on all cabinets, appliances, vanities, doors, fixtures, floors, counter tops, vanity tops and all exterior surfaces; variations of wood grain or staining of kitchen cabinets or vanities; shading variations of the exterior siding staining (on the face surface or grooves), and on fascias from staining; doors and windows sticking because of weather; adjustment of bi-fold doors; chips, scratches, marks, breaks, or other blemishes in windows, window sashes, sliding doors, screens, electric fixtures and globes, woodwork, doors, interior painted surfaces, sinks, tubs,

bowls, counter tops, vanity tops and bases, mirrors, hardware, flooring and cabinets; dented appliances; broken screens; minor chips (nicks) to cultured marble floors and counter tops; nail pops; ridging on sheet rock walls; lumber shrinkage; door warpage of less than 1/4"; warpage and shrinkage of deck wood; normal plumbing, heating and air conditioning noises and paint touch-ups.

(d) defects in any work or materials ordered directly by Purchaser from Seller's subcontractors or suppliers or other outside suppliers or subcontractors and for incidental or consequential damages resulting from such work or materials;

(e) damage caused by the failure by the Purchaser or anyone other than the Seller, its employees, agents, or subcontractors, to comply with the warranty requirements of manufacturers or suppliers of appliances, fixtures or items of equipment;

(f) damage caused by the misuse, abuse, or interference by Purchaser or anyone other than Seller or its employees, agents and subcontractors with the Seller's original construction or installations;

(g) additional damage caused by the failure of the Purchaser to give notice to the Seller of any defects or damage in a timely manner as provided in this warranty;

(h) damage caused by changes in grade made by anyone other than the Seller, its employees, agents or subcontractors and damage caused by changes in grade made by Seller's agents and subcontractors if such work was ordered directly by Purchaser;

(i) damage caused by changes, alterations or additions made to the Residential Unit by anyone other than Seller or its employees, agents or subcontractors after the Effective Date of this warranty;

(j) damage caused by changes, alterations or additions made to the Residential Unit by Seller's agents and subcontractors if such work was ordered directly by Purchaser after the Effective Date of this warranty;

(k) damage caused by dampness or condensation due to the failure of the Purchaser to maintain adequate ventilation;

(l) 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, soil movement and changes in the underground water table;

(m) loss or damage caused by seepage of water unless such loss or damage is the direct result of a construction defect;

(n) any damage which Purchaser has not taken timely action to minimize;

(o) normal wear and tear and normal deterioration;

(p) insect, vermin and/or rodent damage and infestation, or damage caused by other animals or pests;

(q) bodily injury, death, or damage to personal property;

(r) costs of shelter, transportation, food, moving, storage or other expenses related to relocation during repair or replacement;

(s) consequential, incidental, special and indirect damages;

(t) any claim not filed in a manner set forth in paragraph 7 of this warranty;

(u) damage which arises while the Residential Unit is being used for nonresidential purposes; and

(v) damage due to abnormal loading on floors which exceeds design loads as mandated by the applicable building code or building standards.

(w) damage due to ice build-up on the roof.

(x) defects in appliances, fixtures, and items of equipment except if caused by defect in installation by Seller.

(y) fading of color of any natural materials in any improvement.

6. <u>What Seller Will do in the Event of a Defect Covered by This Warranty</u>. If a defect occurs in an item covered by this warranty, the Seller will repair, replace, or pay the Purchaser the reasonable cost of repairing or replacing the defective item(s), within sixty (60) days after the Seller's inspection or testing discloses the problem, subject to weather conditions, acts of God, availability of materials, and other events beyond Seller's control. The choice among repair, replacement or payment is solely that of the Seller. In making any repairs or replacements, Seller shall have the right to select the method and materials to be used in performing such repairs or replacements.

Seller's liability under this warranty is limited in the aggregate to the amount listed on page 1 of the warranty.

Repair of damage to the load-bearing portions of the Residential Unit will be limited to that which is necessary to restore their load-bearing function. Repair of other Major Structural Defects will be limited to repair of those defects which made the Residential Unit unsafe, unsanitary, or otherwise unlivable.

7. 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 Seller no later than the tenth (l0th) day after the expiration of the applicable warranty period. Such notice must be sent by Purchaser to Seller by certified or express mail, return receipt requested. If this form shall not properly be completed and received by the Seller by that deadline, the Seller will have no duty to respond to any complaint or demand contained in such form, and any or all claims may be rejected. COMPLETION AND DELIVERY OF SUCH NOTICE OF WARRANTY CLAIM IN A TIMELY MANNER IS NECESSARY TO PROTECT THE RIGHTS OF THE PURCHASER UNDER THIS LIMITED WARRANTY.

(b) No steps taken by the Seller, Purchaser, or any other person to inspect, test or correct defects will extend any time period under this Warranty. No steps taken by the Seller in response to an improperly completed or untimely notice of a warranty claim will give rise to any liability of Seller to Purchaser in connection with such claim.

(c) In response to a Notice of Warranty Claim, or any other complaint or request of the Purchaser, the Seller and the Seller's agents will have the right to inspect and test the portion of the Residential Unit to which the claim, complaint or request relates. The Purchaser and occupants of the Residential Unit must provide reasonable access to the Seller and the Seller's agents during normal business hours, Monday through Friday, to complete inspection, testing and repair or replacement. Failure by Purchaser to provide such access shall invalidate this warranty with respect to the defect(s) set forth on the Notice of Warranty Claim.

(d) The Seller will complete inspection and testing within a reasonable time under the circumstances after receipt of a timely and properly completed Notice of Warranty Claim Form. Upon completion of inspection and testing, the Seller will determine whether to accept or reject the claim. If the Seller rejects the claim, the Seller will give written notice of that decision to the Purchaser at the address shown on the Notice of Claim Form. If the Seller accepts the claim, the Seller will take corrective action within a reasonable time under the circumstances. The Seller will use good faith efforts to process and handle claims in a timely manner, but all time periods for repair or replacement of defects necessary are subject to weather conditions, availability of materials, and other events beyond the Seller's control.

8. Legal Actions. (a) No claim under this warranty may be commenced or asserted against Seller in any lawsuit unless a properly completed Notice of Warranty

Claim Form has been received by the Seller in the time period set forth in paragraph 7 of this warranty.

(b) No lawsuit against the Seller under this warranty may be commenced more than thirty (30) days after the expiration date of the applicable warranty coverage, or thirty (30) days after Seller has given written notice of its rejection of Purchaser's claim with respect to such claim, or thirty (30) days after Builder has substantially completed corrective action for a defect with respect to such defect.

9. Miscellaneous Provisions. (a) To the extent any coverage under this warranty applies to common elements of a condominium, such coverage shall be deemed given to the Board of Managers of the condominium.

(b) This warranty may not be amended in any way without Seller's prior written consent in each instance.

(c) If any provision of this warranty will not be enforced by an appropriate court, the determination will not affect the enforceability of the remaining provisions.

(d) Use of one gender in this warranty includes the other gender, and use of the plural includes the singular, as may be appropriate.

(e) This warranty shall be governed in accordance with the laws of the State of New York.

(f) The annexed Building Standards, as they may be amended, establishes the standards by which it will be determined whether the Residential Unit has a problem which is covered by this Limited Warranty and the obligation of the Seller to correct such problem.

INSTRUCTIONS TO COMPLETE
NOTICE OF WARRANTY CLAIM FORM

To ask the Warrantor to correct a defect in your Residential Unit that you think is covered by the Warrantor's Limited Warranty, you must complete this form and deliver it to the Warrantor. This is necessary to protect your rights to warranty performance under the Limited Warranty.

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. If you do not know the answers to any questions, write "Don't know." **Please do not leave any items blank.**

NOTICE OF WARRANTY CLAIM FORM

I (We) (_____)
insert your name(s)

am the owner of Residential Unit #_____ located at _____

_____.

My mailing address and office and Residential Unit telephone numbers are as follows:

Mailing Address:_____

_____

Residential Unit Telephone No:_____

Office Telephone No:_____

I first occupied the Residential Unit as my residence on_____

I closed title to the Residential Unit on _____

Set forth below are defects in my Residential Unit and the approximate date the defects occurred or I became aware of them:

DATE OCCURRED OR NATURE OF DEFECTS FIRST OBSERVED

_____ _____
(Signature) (Date)

_____ _____
(Signature) (Date)

This completed and signed form must be sent to Warrantor at its address listed on the first page of the Warranty by certified or express mail, return receipt requested.

SCHEDULE E

POWER OF ATTORNEY

POWER OF ATTORNEY

I/(We) residing at _____the owner of Residential Unit No. ____in the condominium known as Hancock and Jefferson Condominium (the "Condominium") covering that certain real property located in the Borough of Kings County, City and State of New York, do hereby nominate, constitute and appoint the Board of Managers of the Condominium, in care of _____ _____ _____ and its successors and/or assigns, my true and lawful attorneys-in-fact, coupled with an interest, with power of substitution, in my name and on my behalf to acquire, in its own name, or in the name of its designee, by deed on behalf of all owners of Units in the Condominium, any Unit whose owner desires to abandon its Unit, or which shall be the subject of a foreclosure sale or which may be acquired by deed in lieu of a foreclosure sale, at such price and on such terms as my said attorneys-in-fact shall, in its sole discretion, deem proper and thereafter to convey, sell, lease, sublease, mortgage, vote or otherwise deal in such Unit so acquired, at such terms as my attorneys-in-fact may, in its sole and absolute discretion, determine, granting to my attorneys-in-fact the power to do all things in such Unit which I could do if I were personally present.

I/(We) do further hereby nominate, designate, constitute and appoint the Board of Managers of the Condominium and its successors and/or assigns, my true and lawful attorneys-in-fact, coupled with an interest, with power of substitution, in my name and on my behalf, to take any and all action necessary against any tenant(s) that may be residing in my Unit including, but not limited to, the right to seek an eviction in a court of law for failure to adhere to any of the provisions of the Declaration, By-Laws and/or Rules and Regulations of the Condominium.

I/(We) do hereby further irrevocably nominate, constitute and appoint the Board of Managers of the Condominium and its successors and/or assigns, my true and lawful attorneys-in-fact coupled with an interest in my name and on my behalf to vote at any Unit Owners meeting for, and to file an amendment to the Declaration of Condominium permitting the certification by a registered architect or professional engineer, certifying that the floor plans filed as part of an amended Declaration are an accurate copy of portions of the plans of the building and fully and fairly depict the layout, location, designation and approximate dimensions of the Units, as built, and to amend any Filed Map or amending such Declaration to create any utility easements or to carry out any of the provisions of the Offering Plan of the Condominium as described in Article X, Section 3 of the Declaration of Condominium.

This power of attorney shall be irrevocable.

IN WITNESS WHEREOF, I/(we) have set my/(our) hand(s) and seal this ___ day of _____, 20__.

_____

SCHEDULE E

STATE OF NEW YORK)
:ss.:
COUNTY OF)

On the _____ day of _____ in the year 20__, before me, the undersigned a Notary Public in and for said state, personally appeared _____ _____, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity, and that by his/her/their signature on the instrument the person or the entity upon behalf of which the person acted executed the instrument.

_____
NOTARY PUBLIC

SCHEDULE F

FORM OF DEED

DEED

THIS INDENTURE made the ___ day of _____ , 20___ between 1504 Jeff LLC, a New York limited liability company authorized to do business in the State of New York, having an office at 53 Broadway, Brooklyn, New York 11249, “Party of the First Part”, and _____, residing at _____, “Party of the Second Part”;

W I T N E S S E T H:

That the Party of the First Part, in consideration of Ten ($10.00) Dollars, lawful money of the United States, and other good and valuable consideration, paid by the Party of the Second Part, does hereby grant and release unto the Party of the Second Part, the heirs, successors and/or assigns of the Party of the Second part forever,

All that certain piece or parcel of real property, with the improvements therein contained, situate and being a Condominium Residential Unit (the "Residential Unit") in Kings County, City and State of New York, known as Residential Unit No. _____ in the Condominium known as Hancock and Jefferson Condominium located at 1504 Jefferson Avenue and 1437 Hancock Street, Brooklyn, New York 11237, said Residential Unit, designated and described as Residential Unit No._____ in the Declaration establishing a plan for Condominium Ownership of said premises under Article 9-B of the Real Property Law of the State of New York (the "New York Condominium Act"), dated and recorded in the Office of the City Register, Kings County (the "Register's Office") on _____in Reel _____page ___ and also designated as Tax Lot _____ in Block _____ of Section ____ of Kings County on the Tax Map of the Real Property Assessment Department of the City of New York, and on the Floor Plan of said building certified by _____on _____and filed with the Real Property Assessment Department of the City of New York on _____as Condominium Plan No. _____, and also filed in the Register's Office on _____ as Condominium Plan No. _____, Map No. _____.

TOGETHER with an undivided _____% percentage of Common Interest in the Common Elements.

The premises within which the Unit is located is more particularly bounded and described as follows:

(PROPERTY DESCRIPTION)

BEING AND INTENDED TO BE part of the same premises conveyed to the Party of the First Part by deed made by 1504 Jeff LLC, dated _____, and recorded in the Office of the City Register of the City of New York, Kings County on _____ as CRFN _____.

TOGETHER with the appurtenances and all the estate and rights of the Party of the First Part in and to said premises.

TOGETHER with the benefits, rights, privileges, easements and subject to the burdens, covenants, restrictions, by-laws, regulations and easements all as set forth in the documents with respect to the Condominium filed and recorded as aforesaid.

SUBJECT TO: The provisions of the Declaration, By-Laws, site plan and floor plans of the Condominium, as the same may be further amended from time to time by instruments recorded or filed in the Office of the City Register of the City of New York, Kings County, which provisions, together with any amendments thereto, shall bind any person having at any time any interest or estate in the Unit as though such provisions were recited at length herein.

TO HAVE AND TO HOLD the premises herein granted unto the Party of the Second Part, the heirs, successors and/or assigns of the Party of the Second Part forever.

AND the party of the First Part covenants that the party of the First Part has not done or suffered anything whereby the said premises have been encumbered in any way whatever, except as aforesaid.

AND the Party of the First Part, in compliance with Section 13 of the Lien Law of the State of New York, covenants that the Party of the First Part will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first for purpose of paying the cost of the improvement before using any part of the total of the same for any other purposes.

The use for which the Unit is intended is that of a one family residence, subject to the applicable governmental regulations and zoning requirements, and the restrictions contained in the Declaration, By-laws and Rules and Regulations of the Condominium.

SUBJECT TO: covenants, restrictions, reservations, waivers, agreements and easements of record.

This conveyance is made in the regular course of business actually conducted by the Party of the First Part.

The word "Party" shall be construed as if it read "Parties" whenever the sense of this Indenture so requires.

IN WITNESS WHEREOF, the Party of the First Part has duly executed this deed, the day and year first above written.

1504 JEFF LLC

By:_____
, duly authorized agent

STATE OF NEW YORK)
) ss.:
COUNTY OF)

On the _____ day of _____ in the year 20__, before me, the undersigned, a Notary Public in and for said state, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument the person or the entity upon behalf of which the person acted executed the instrument.

_____
NOTARY PUBLIC

SCHEDULE G

DESCRIPTION OF PROPERTY (SPECIFICATIONS AND BUILDING CONDITION)

Hancock and Jefferson Condominium

1504 Jefferson Ave / 1437 Hancock Str
Brooklyn, New York

Description of Property and Specifications

Date: 06.06.2022.

Prepared by: Olivera Grk AIA
505 Greenwich Street 9B
New York, NY 10013

PART 20

PROPERTY ADDRESS:	1504 Jefferson Ave / 1437 Hancock St Brooklyn, NY 11237
ARCHITECT:	Olivera Grk AIA 505 Greenwich St. 9B New York, NY 10013
STRUCTURAL ENGINEER:	Structural Engineering Technologies, P.C. 40-12 28th Street Long Island City, NY 11101
GEOTECHNICAL ENGINEER:	Structural Engineering Technologies, P.C. 40-12 28th Street Long Island City, NY 11101
MEP ENGINEERS:	A&D Engineering, PLLC 2613 E 65th Street, New York, NY 11234
	INTERIOR DESIGNER: BMID 301 Elizabeth Street, Suit 3R New York, NY 10012

DESCRIPTION OF PROPERTY AND BUILDING CONDITIONS

A. Location and Use of Property
B. Status of Construction
C. Site
D. Utilities
E. Sub-Soil Conditions
F. Landscaping and Enclosures
G. Building Size
H. Structural System
I. Auxiliary Facilities
J. Plumbing and Drainage
K. Heating
L. Gas Supply
M. Air Conditioning
N. Ventilation
O. Electrical System
P. Intercommunication
Q. Public Area Lighting
R. Garages and Parking Area – not applicable
S. Swimming Pool – not applicable
T. Amenity Spaces
U. Permits and Certificates
V. Violations
W. Unit Information
X. Finish Schedule
Y. Safety and Warning Devices
Z. Additional Information Required
AA. Further Development
BB. Asbestos
CC. Lead Based Paint
DD. Other Disclosures

A. *Location and use of property.*

1) Property Address: 1504 Jefferson Ave / 1437 Hancock St, Brooklyn, NY 11237

2) Block: 3393 / Lots: 36 & 61

3) Zoning District: R6
Zoning Map: 13D
Community District: Brooklyn CD 4

4) Permissible use. UG 1-2(Residential Use Groups), 3-4 (Community Facility Use Groups) Proposed uses will comply with all legally permissible zoning and use requirements.

5) NYC Department of Finance approved merger of two lots with the document RP602.

B. *Status of construction.*

1) Year built: New Construction. Construction began April 23rd, 2021, and the anticipated date for substantial completion will be December 1st, 2022, for 1437 Hancock and April 1st, 2023 for 1504 Jefferson. Applicable building code: 2014 NYC Construction Codes.

2) These buildings are a Quality Housing project. They comply with Storage of Refuse requirements (ZR 28-12), Required Recreation Space (ZR 28-21), Standard for Recreation Space (ZR 28-22), Planting Areas (ZR 28-23), Density per Corridor (ZR 28-31), Daylight in Corridor (ZR 28-14) on the first floor only.

ZR 28-11 (Elevated Ground Floor Units) is not applicable as no such units exist in the Building.
ZR 28-13 (Laundry Facilities) is not applicable as no such facility is provided.
ZR 28-40,41,42,43 (Parking Standards) are not applicable as no parking is provided.

3) Class 2 Construction Type. I-B "Non-combustible"
Includes buildings and spaces in which the bearing walls and other major structural elements including floor slabs, roof slabs, terrace roof slabs, and columns are 2-hour fire rated. Egress stairways, egress passageways, shaft enclosures, and exterior walls at the ground floor (1F) are also 2-hour rated. Exterior walls above 2F, demising walls between units, and walls between units and residential corridors are 1-hour rated. Interior partitions within units are non-rated.

4) Certificate of Occupancy: After completion of construction, the sponsor will apply for a Certificate of Occupancy for the building from the Department of Buildings of the City of New York. The sponsor will obtain a temporary certificate of occupancy for each residential unit prior to its closing for that unit.

5) New Building Permits:

1504 Jefferson New Building application # 321599007
New Building Permit # 321599007-01-NB

1437 Hancock New Building application # 321599016
New Building Permit # 321599016-01-NB

6) Where materials, appliances, equipment, fixtures and / or other construction or design details are specified herein, sponsor reserves the right to substitute in each instance one of comparable or better quality as recognized by industry standards, or as approved by A.O.R.

C. *Site*.

1) 1504 Jefferson (Lot 36)
The area of the lot is 3,000 sf. The lot is 30' wide along Jefferson Avenue and 100.00' deep, located between Wyckoff Avenue and Irving Avenue. The street fronting the property is pitched to drain through catch basins. The catch basins are part of the New York City storm water drainage system. They are in usable condition.

1437 Hancock (Lot 61)
The area of the lot is 3,000 sf. The lot is 30' wide along Hancock Street and 100.00' deep, located between Wyckoff Avenue and Irving Avenue. The street fronting the property is pitched to drain through catch basins. The catch basins are part of the New York City drainage system. They are in usable condition.

2) The development includes two, new 4-floor and penthouse building with residential uses. The project consists of 18 residential units; 9 units in each building on floors 1 through PH.

3) Floor Numbers (Floors and unit numbers in this Report are in reference to Marketing Floor).

Construction Floor	**Marketing Floor 1504 Jefferson**	**Marketing Floor 1437 Hancock**
Cellar	Cellar	Cellar
1st	1st	1st
2nd	2nd	2nd
3rd	3rd	3rd
4th	PH	PH
PH	Roof	Roof

4) Sidewalks. The Condominium will be responsible for maintaining the sidewalks in front of Jefferson Ave and Hancock Street. Sidewalks are paved in concrete.

5) Drives, sidewalks and ramps;

   i) Paving: New concrete sidewalk to be built for the width of the property on Jefferson Ave and Hancock St. It shall be in accordance with Department of Transportation requirements.

   ii) Curbing: New concrete curbing - for the width of the property on Jefferson Ave and Hancock St in accordance with Department of Transportation requirements.

   iii) There is no existing metal grating along Jefferson Ave or Hancock St in front of the property.

   iv) Street lighting - Not applicable.

   v) The above items conform to the local codes. The sidewalk providing access to the building shall be free of tripping hazards and ponding and will be ADA compliant.

6) The Project is not located on a site designated as environmentally restricted for air, noise or hazardous materials. Based on the findings of the Phase I and II Investigation there are no recognized environmental conditions.

7) No easements exist through the property.

D. *Utilities*.

1) Electricity:

   i) Electrical service to the building will be provided by Con Edison. The electric service will be distributed throughout the building to various loads and will be directly metered by Utility Company. Each of the Units shall be provided with a dedicated meter. Each Unit Owner shall be solely responsible for the cost of their own individual electric bill.

   ii) Common areas and House loads (Lighting, Refuse Storage, Electrical Heaters, Water Meter Room, Electrical Room, Telecom room, Storages, Vestibule, Exhaust Fans, and Miscellaneous small building electrical loads) shall be commonly metered and the cost of electric use measured thereby shall be billed to all Unit Owners as a Common Expense.

2) Gas: Not applicable

3) Domestic Water and Sewer Service:

   Water supply and combined sewer servicing the building will be provided by the City of New York DEP. Water will be collectively metered for the entire Building, and the cost of water use measured thereby together with any sewer charges, shall be a Common Expense of all of the unit owners.

4) Telephone:

"Local" telephone service will be available for all Units & provided by Verizon, Spectrum, Optimum and/or another service provider. Every Unit Owner will be required to pay their individual telephone charges and initial charges for activating individual outlets in the Unit. The telephone charges with respect to the public areas of the building (such as the concierge's desk, maintenance offices, fire alarm and elevator, etc.) will be borne as Common Expense by all of the Unit Owners.

5) Cable Television:

Cable Television services will be available for all Units provided by Spectrum, Optimum or Verizon FIOS (or alternate cable TV company). All charges for cable television service (including installation and subscription charges) will be paid by each Unit Owner who subscribes directly to the cable TV company. In each Unit, a Cable TV outlet will be provided as indicated on the plans.

6) Internet Service:

High speed internet service will be available for all Units provided by Spectrum, Optimum or Verizon FIOS (or alternate internet provider). It is the responsibility of the Unit Owner to obtain such service from an internet service provider servicing the Condominium, and the cost of such service shall be paid by the respective Unit Owner.

E. *Sub-soil conditions*:

Prior land use of the property was parking facilities; unlicensed parking lot (G7)

1) Subsoil conditions:

Uncontrolled Fill [Class 7]

Uncontrolled Fill was encountered immediately below ground surface. It generally consisted of a mixture of sand, silt, gravel and concrete debris and is considered Class 7 in accordance with the 2014 New York City Building Code (the NYCBC). Typical N-values varied from 9- to 15-blows/ft (bpf). The borings indicated that the Fill generally extends to about 10-ft bgs in boring locations B-1, B-2 and B-5 and approximately 15-ft and 20-ft bgs in boring locations B-3 and B-4, respectively.

Sand [Class 3a & 3b]

The Sand stratum was first encountered in boring locations B-1, B-3 and B-5 at the depth of 10-ft extending to the bottom of borings at depth of 52-ft bgs. Samples of Sand was obtained at depth of 15-ft and 20-ft bgs in boring location B-3 and B-4, respectively. All borings were terminated in this stratum at 52-ft bgs. Generally, this stratum consisted mainly of sand with varying percentages of silt and gravel and occasional obstruction on boulders. The N values

varied from 15- to 75-bpf and split spoon refusal on boulders. The Sand stratum was classified as medium dense to very dense sand and is designated as Class 3a and 3b per the NYCBC.

Groundwater
Groundwater was not encountered in any of boring locations during the subsurface investigation. Groundwater levels may vary with weather conditions, seasonal factors, or other unknown conditions.

Design Recommendations
Seismic Site Class
The NYCBC assigns a seismic site class based on the type, thickness, and average properties in the top 50-ft of bearing stratum. Based on the soil profile, and in accordance with Table 1613.5.2 of the NYCBC, the site may be assigned to Site Class D (stiff soil profile), and the corresponding site coefficients for short periods (Fa) and 1-second period (Fv) are 1.57 and 2.40, respectively.

Design spectral accelerations were determined in accordance with Section 1613.5.1 of the NYCBC. The maximum considered earthquake spectral accelerations at short periods (SMS) and 1-second period (SM1) are 0.441 g and 0.175 g, respectively.

Liquefaction Potential
The NYCBC requires evaluation of the liquefaction potential if non-cohesive soil below groundwater table and less than 50-ft below the ground surface. The results of subsurface investigation and soil boring profiles indicated that liquefaction need not be considered in the design.

2) Foundation system
The foundation system for the buildings consists of spread footings bearing on soil with a minimum earing capacity of 3TSF. The foundation system was designed based on the requirements of the project and is adequate to support the required loading

3) No environmental restrictions for “hazmat, air or noise” have been placed on the property.

4) There is no evidence at the site of land subsidence or expansive soils.

5) The site is outside of the FEMA’s 100-year flood zone and there is no potential for mudslides or erosion.

F. Landscaping and enclosures.

1) Grass cover - not applicable

2) Plantings: Planting will be provided at the ground floor Limited Common Element of Unit-1A. Landscaping will consist of 8” of native soil with 3” of planting mulch or equivalent.

3) Trees: A total number of two (2) trees is required by Department of Buildings. One (1) tree will be planted along Jefferson Avenue and one (1) tree will be planted off site.

4) Fencing: Privacy chain link or equivalent fencing will be provided at the first-floor front and rear yard gardens in both buildings and as a divider between penthouse terraces and common roof terrace in 1437 Hancock. Fencing height in the front yard is 4’-0”. Divider fencing at the rear yard terraces and roof terraces is 4’-6”. Maximum height of perimeter fencing in the rear yard is 8’-0”.
5) There are no gates in this project.

6) There are no garden walls in this project.

7) Concrete retaining walls with stucco finish are provided around the light well at the cellar level. At the ground floor 4’-6” high steel and wood railings are provided on top of the concrete walls. There are no horizontal members conducive to climbing that can be used as a ladder by children.

8) There are no display pools or fountains in this project.

G. Building size

1) Both buildings height will be approximately 55’ above the sidewalk.

2) Crawl spaces – not applicable.

3) There is 1 cellar level in each building. There are no subcellars in this project.

4) The buildings will have 4 structural floors, a roof, mechanical bulkhead.

5) Equipment rooms are in the Cellar and Bulkhead Levels. The Cellar will house 3 equipment rooms: the telecommunications room, electrical room, water room. Bulkhead will enclose ventilation equipment and condenser units.

6) Parapet is flashed with the roof. 3’-6” high railings are provided on top of the parapet. All railings will comply with New York City Building Code. There are no horizontal members conducive to climbing that can be used as a ladder by children.

7) Bulkhead equipment decks will have OSHA & NYC DOB compliant railings a minimum of 42" above the finish floor.

H. Structural system

The basic Building structural system was constructed using cast-in-place reinforced concrete flat plate slab. The typical floor slabs are eight inches thick. Slabs are supported by concrete columns and shear walls. Concrete shear walls around the stairs and along the building side wall are generally ten inches thick. Shear walls extend throughout the height of the Building. Shear walls are designed to provide rigidity to the building to resist wind and seismic forces as prescribed by the New York City Building Code.

There is no underpinning planned for this project.

The below grade cellar level is surrounded by cast-in-place concrete foundation walls. The lowest level slab consists of a 6" slab on grade reinforced with a wire mesh. Foundation walls and slabs are wrapped with a bentonite geotextile waterproofing membrane. No subgrade drainage system has been provided for the foundations of the buildings.

Acoustics:

Wall assemblies with a minimum factory tested STC rating of 50 are provided between units and between units and common corridors, and stairways.

Typical floors consist of 8" reinforced concrete slabs. A minimum factory tested STC rating of 50 is provided between floors. Flooring system is luxury vinyl tile, or equal, with an acoustical underlayment beneath, specified to reduce impact noise transmission.

1. Exterior of Building

i. Typical exterior street frontage walls are comprised of brick veneer masonry rain screen installed over stud framing with batt insulation, sheathing, waterproofing membrane, and continuous cavity insulation (Typ. Approx. R-Value 21).

ii. An internally drained exterior insulation façade system (EIFS) constitutes the walls of the lot line facades, rear façade, and bulkhead cladding.

a. The system is installed over either CMU backing wall with waterproofing membrane and drainable cavity (Typ. Approx. R-Value 20), or stud framing backing wall with batt insulation, sheathing, waterproofing membrane, and drainable cavity (Typ. Approx. R-Value 23).

b. The façade shall be inspected in accordance with the Façade Inspection Safety Program (FISP) every 5 years. The first FISP report must be filled five years past the initial TCO, falling on Cycle 10, Sub-Cycle ”C” of the FISP window. This initial FISP reporting will have a two-year window of February 21, 2027 - Feb 21, 2029 for filing

iii. The design includes painted aluminum windows and terrace doors. Windows and terrace doors are thermally broken.

iv. Windows have operable in-swing casement vents, fitted with limit stops per the NYC Child Fall Prevention Program requirements. The glazing will be insulated glass units with a low-e coating. Exterior and interior gaskets shall be compatible with all structural and weather sealants as required. Window lintels consist of either heavy gauge steel stud construction, downturned reinforced concrete beams, or typical reinforced concrete slab edges. The basis of design window manufacturer is Schuco, or approved Equal. The manufacturer will provide a warranty for materials and workmanship for a period of 1 year from the date of substantial completion. The installer will also provide a warranty for materials and workmanship for a period of 1 years from the date of substantial completion.

Fixed Window Assembly: Factory assembled fixed window system, consisting of thermally broken aluminum framing and insulating glass units. Insulating glass assembly includes two glass panes with an argon / air filled cavity and high performance low-e coating.

Operable Window Assembly: Factory assembled operable casement window system, consisting of thermally broken aluminum framing and insulating glass units. Insulating glass assembly includes two glass panes with an argon / air filled cavity and high performance low-e coating.

v. Glazing Sealants within the glazing assemblies shall be compatible with and adhere to all adjacent substrates. The perimeter seals between the window system and adjacent cladding assemblies shall be generic silicone weather sealant.

vi. The depth of the exterior wall at heads, sills, and jambs will be clad in non-combustible, painted aluminum composite panels (slab covers), EIFS wall return elements or brick veneer masonry return elements as described above and shall be sealed and counterflashed.

vii. Lot line windows within 60’ in any direction and any angle of any part of buildings adjacent to or in the vicinity of Building to be fully-sprinklered. Exterior walls at lot line conditions comply with UL-rated assemblies and details as per NYC Building Code.

viii. There are lot line windows at units:

1504 Jefferson
2B at the 2nd Floor at the East Elevation (1 window),
3B at the 3rd Floor at the West Elevation (1 window),
PHA at the 4th Floor at the East Elevation (1 window),
PHB at the 4th Floor at the East Elevation (1 window).

1437 Hancock
2B at the 2nd Floor at the East Elevation (1 window),
3B at the 3rd Floor at the West Elevation (1 window),
PHA at the 4th Floor at the East Elevation (1 window),
PHB at the 4th Floor at the East Elevation (1 window).

ix. Lot line windows do not provide legal light and air required for residential occupancy.

x. The thermal performance of all exterior wall type assemblies meets the requirements of the NYC Energy Code.

xi. The light and air requirements comply with New York City Building Code.

xii. There is no curtain wall in the building.

xiii. This is not a Landmarked project.

2) Parapets and copings:

i) Parapets consist of either poured-in-place concrete, mason or light gauge with metal flashing and coping.

ii) Glass or metal guardrails are provided where parapets are lower than 3'-6 above finish floor. Guardrails comply with New York City Building Code. There are no horizontal members conducive to climbing that can be used as a ladder by children.

3) Chimneys and caps: Not applicable.

4) Gardens & Terraces:

<u>1504 Jefferson</u>
One Private Roof Terrace with private access from the PHA unit, and one Limited Common Roof Terrace will be located at building roof. Private gardens will be located on the 1st floor rear yard units Garden B, Garden C and street facing garden at unit 1A. There will be additional, small Private Terraces at units 2B, 3A, 3B, PHA, PHB and Juliet balcony at unit 2A.

1437 Hancock
Two Private Roof Terraces with private access from the PHA and PHB units, and one Limited Common Roof Terrace will be located at building roof. Private gardens will be located on the 1st floor rear yard units Garden B, Garden C and street facing garden at unit 1A. There will be additional, small Private Terraces at units 2B, 3A, 3B, PHA and Juliet balcony at unit 2A.

All terraces will be allocated as accessory to residential space in the Certificate of Occupancy.

i) Concrete Pavers will be used at main roof decks and terraces. Roof pavers are accepted by the roof manufacturer to retain the roof warranty. All roof drains shall be accompanied by overflow drains connected to the storm leader on verticals.

ii) The exterior soffits at roof level are enclosed with EIFS or exposed concrete slab.

iii) The basis of design terrace door manufacturer is Schuco or approved equal. The manufacturer will provide a warranty for materials and workmanship for a period of 1 years from the date of substantial completion. The installer will also provide a warranty for materials and workmanship for a period of 1 years from the date of substantial completion.

In-swing Terrace Doors: Thermally broken aluminum framed out-swing glazed terrace doors with insulated glass panels. Insulating glass assembly includes two glass panes with an argon / air filled cavity and high performance low-e coating.

5) Exterior entrance from Jefferson Ave and Hancock St will be ADA compliant. Exterior doors system manufacturer and installer is WINDTREND.

i) **Residential Entrance Doors:** Narrow stile, balanced aluminum and glass swing entrance doors consisting of thermally broken, painted aluminum extrusions and insulated glass units. Insulating glass assembly includes two glass panes with an argon / air filled cavity and high performance low-e coating. Door assembly will include the manufacturer's standard hardware and keyed multipoint locking device on each operable panel. Hardware and locks will be fabricated from a corrosion-resistant material compatible with aluminum and designed to smoothly operate, tightly close, and securely lock entrance doors.

The basis of design entrance door manufacturer is Schuco. The manufacturer will provide a warranty for materials and workmanship for a period of 10 years from the date of substantial completion. The installer will also provide a warranty for materials and workmanship of 1-year from substantial completion.

ii) The vestibule door will be full height glass door with door closer and electric strike.

iii) Exterior stairs – not applicable.

Egress door from the stairway will open directly to the exit corridor towards the public street.

iv) Exterior railings – not applicable.

v) U.S. Postal Service Cat-4 mailboxes will be located in the ground floor entrance vestibule.

vi) Surface mount wall sconce (Or approved equivalent per AOR determination) to illuminate residential entrance.

6) There are no distinct service entrances.

7) The roof structure consists of reinforced cast-in-place concrete supported by columns and walls. Manufacturer of waterproofing system is Soprema. Installer of the roof system is Master Roofing. Installation of roof pavers for areas designated as terraces retains the warranty.

i) Low-slope roof assemblies will be provided for all areas as outlined below:

a. **Inverted Roof Membrane Assembly (IRMA) Roofs** (Private Terraces and Main Amenity Roof Space): A protected roof membrane assembly consisting of two plies of a torched down prefabricated, reinforced, homogeneous Styrene-Butadiene-Styrene (SBS) block copolymer modified asphalt membrane, applied over a prepared substrate. Both reinforcement mats shall be impregnated / saturated and coated each side with an SBS modified bitumen blend. All flashing shall be PMMA (polymethyl methacrylate) liquid flashing. Roof assembly will also consist of precast concrete pavers, pedestals, filter fabric, and prefabricated drainage mat. A portion of the main roof is accessible to residents for common use, the other portion is for private use by residents of the PH units.

Conventional Assembly Roofs (Bulkhead Roof / Mechanical Spaces): A conventional roof membrane assembly consisting of vapor barrier torched applied on concrete slab; tapered polyisocyanurate insulation; ¼" Densdeck cover board; two plies of a torched down prefabricated, reinforced, homogeneous Styrene-Butadiene-Styrene (SBS) block copolymer modified asphalt membrane, applied over a prepared substrate. Both reinforcement mats shall be impregnated/saturated and coated each side with an SBS modified bitumen blend. All flashing shall be PMMA (polymethyl methacrylate) liquid flashing.

b. Insulation: 7" Rigid XPS insulation board (R-35) at main roof and private terraces. R values comply with NYC energy code.

c. Surface finish: All occupiable IRMA roofs shall have precast concrete pavers (color / finish to be confirmed by Architect). All non-occupiable conventional roofs such as bulkheads and mechanical penthouses shall have exposed SBS modified bituminous membrane and slip-resistant, ceramic-coated granule walk treads, or ballast as required for maintenance access.

d. Guarantee and Warranty: 20-year Waterproofing Membrane Guarantee. Guarantee Period commences from date of Substantial Completion. Installers Warranty: 1-year on installation and labor from the date of substantial competition.

e. Flashing materials including counter flashing by Soprema. Catalyzed acrylic resin flashing system and reinforced fluid applied polymethylmethacrylate (PMMA) resin flashing system at transitions between horizontal and vertical surfaces. 316 series stainless or galvanized steel cap and pan flashing at parapets and curbs.

ii) Drains 1504 Jefferson

a. There are (14) floor drains in the Building: (4) floor drains located at the cellar level, (1) floor drain on the 1st floor, (3) floor drains on the 2nd floor, (3) floor drains on the 3rd floor, and (3) floor drains on the 4th floor. Type: cast iron drains with trap primers.

b. The Building's main roof has (2) roof drains with flow control. Each is paired with an overflow drain. The roof drains are type: cast iron domed typed drains. The bulkhead is equipped with scuppers.

c. There is a total of (6) terrace drains located in the building. The terraces of the Unit #3A on the 3rd floor and the Units #PHA, #PHB on the 4th floor have (1) roof drain with flow control each. Each is paired with an overflow drain. The roof drains are type: cast iron domed typed drains. The terraces of Unit #3B on the 3rd floor and Units #2A, #2B on the 2nd floor have (1) roof drain each. Each is paired with an overflow drain. The roof drains are type: cast iron domed typed drains.

d. There are (4) area drains outside of the Building. (2) area drains located in the light wells in the cellar level and (2) area drains located at the private gardens of the Units #1C, #1B on the ground level. The area drains are cast iron with light duty strainer. (1) plant area drain located at the façade planted area on the ground level.

Drains 1437 Hancock

a. There are (14) floor drains in the Building: (4) floor drains located at the cellar level, (0) floor drain on the 1st floor, (2) floor drains on the 2nd floor, (2) floor drains on the 3rd floor, and (2) floor drains on the 4th floor. Type: cast iron drains with trap primers.

b. The Building's main roof has (2) roof drains with flow control. Each is paired with an overflow drain. The roof drains are type: cast iron domed typed drains. The bulkhead is equipped with scuppers.

c. There is a total of (5) terrace drains located in the building. The terraces of the Unit #3A on the 3rd floor and the Units #PHA on the 4th floor have (1) roof drain with flow control each. Each is paired with an overflow drain. The roof drains are type: cast iron domed typed drains. The terraces of Unit #3B on the 3rd floor and Units #2A, #2B on the 2nd floor have (1) roof drain each. Each is paired with an overflow drain. The roof drains are type: cast iron domed typed drains.

d. There are (4) area drains outside of the Building. (2) area drains located in the light wells in the cellar level and (2) area drains located at the private gardens of the Units #1C, #1B on the ground level. The area drains are cast iron with light duty strainer. (1) plant area drain located at the façade planted area on the ground level.

iii) There are no skylights in this project.

iv) Bulkheads:

a. Egress stairs are reinforced cast-in-place concrete. A motorized louver smoke vent is provided at the top of each stair in lieu of skylight.

b. There are no elevators in this project.

c. Stair bulkhead is constructed in cast in place concrete and/or metal stud framing cladded in EIFS. The mechanical bulkhead will be clad with architectural screening elements with steel supports. Bulkhead roofs will be cast in place concrete with rigid insulation per energy code.

v) Metal work at roof levels:

a. Exterior vertical steel ship ladders to be provided for access to the mechanical areas at the bulkhead areas.

b. OSHA approved railings will be provided at mechanical roofs and comply with New York City Building Code.

c. There is no hatch at the roof or top of the bulkhead.

vii) Rooftop Facilities

a. Rooftop antenna for internet is provided

b. The General Common Roof Area used for recreation activity consists of:

<u>1504 Jefferson:</u>
Two adjacent rectangular zones, 24'-1" x 18'-8" and 17'-0" x 8'-6", for an approximate combined area of 668 SF, constituting 41% of the 1,631 SF Roof Level.

<u>1437 Hancock:</u>
Rectangular zones, 21'-4" x 15'-8" with smaller auxiliary zone, for an approximate area of 404 SF, constituting 25% of the 1,642 SF Roof Level.

c. The General Common Roof Area has a maximum allowable occupancy of 4 persons in 1504 Jefferson; 2 persons in 1437 Hancock building. A purchaser may not place obstacles in the fire department access path.

d. General Common Roof Area features electric BBQ grill station Coyote C1EL120SM, 2 years warranty, or equivalent, sink and food preparation surfaces.

e. The roof terraces comply with NYC Department of Buildings (DOB) Buildings Bulletin 2018-002.

8) There are no exterior fire escapes.

9) At the 1st level of each building, there is a rear yard that is approximately 32'-6" x 30' comprised of two private gardens per building; four private gardens in total.

i) Concrete pavers will be used in portions of rear gardens.

ii) Drainage: 1504 Jefferson: there is one area drain in front yard and 2 area drains in rear yard gardens.
1437 Hancock: there is one area drain and one trench drain in front yard and 2 area drains in rear yard gardens. Drains are cast iron with underground drain connected to building drainage system.

iii) 42" high wood and metal railings are provided along the light well.

iv) There are no stairs in the rear gardens.

v) There is a fence surrounding the rear gardens from neighboring properties.

vi) Dividers will separate the 1st floor rear gardens from each other.

10) Interior stairs.

i) There are 2 egress stairways in each building; Stair A, that service the building from the first floor to the Roof level, and Stair B that service the cellar.
One egress via public stair is in compliance with NYC 2014 BC 1021.2. 5): Buildings of Group R-2 occupancy of construction Type I or II not exceeding six stories and not exceeding 2,000 square feet per story.

In-Unit Interior stairs:
1504 Jefferson - There are 3 in-unit interior stairs: 2 at ground floor units Garden C and Garden B and 1 at penthouse unit PHA.
1437 Hancock - There are 4 in-unit interior stairs: 2 at ground floor units Garden C and Garden B and 2 at penthouse units PHA and PHB.

ii) All Egress stairs will be 3'-0" minimum wide, will have a 2-hour rated enclosure with 1 ½ hour rated doors as per NYC Building Code. In-unit interior stairs will not be enclosed.

iii) All interior stairs will be constructed of concrete. 1504 Jefferson Garden C unit stairs feature straight run. 1504 Jefferson Garden B and PHA stairs and all in-unit stairs in 1437 Hancock feature straight run segments and a winder segment. The in-unit winder stairs are convenience stairs and do not qualify as means of egress due to incompliance with egress stairs as per 2014 NYC BC 1009.4.2, exception 7. Each level of duplex units is provided with the access to the public egress stairs at the same level.

iv) Egress stair stringer to be constructed of cast in place concrete. Interior stair stringer to be constructed of cast in place concrete.

v) Egress stair treads to be constructed of cast in place concrete. Garden unit interior stair treads to be constructed of cast in place polished concrete. Penthouse unit interior stair treads to be constructed of cast in place concrete finished with LVT.

vi) Egress stair risers to be constructed of cast in place concrete. Garden unit interior stair risers to be constructed of cast in place polished concrete. Penthouse unit interior stair risers to be constructed of cast in place concrete finished with LVT.

vii) Egress stair guardrails and handrails to be made of steel. Interior in-unit stairs guardrails and balustrade to be constructed of metal. Handrails in interior stairs to be made of 1-1/2" wood or metal.

11) Interior doors and frames.

i) Unit entrance doors will be hollow steel doors with hollow steel frames complying with 1 ½ hour fire rating per NYC Building Code. Interior doors have wood panels with metal frames.

ii) Corridor doors and frames are hollow steel, self-closing with 1 ½ hour fire rating per NYC Building Code.

iii) Egress stairway doors will be hollow steel with hollow steel frames, and self-closing with 1 ½ hour fire rating per NYC Building Code.

iv) Roof and cellar doors will be hollow steel with hollow steel frames, and self-closing with 1 ½ hour fire rating per NYC Building Code.

I. *Auxiliary facilities*:

1) Common Laundry Room: Not applicable

Descriptions of in-unit residential laundry equipment provided in section *(W) Unit Descriptions.* Each residential unit will have stacked electric washer and electric dryer. There will be a total of 9 washers and 9 dryers per building, totaling in 18 washers and 18 dryers.

2) Refuse disposal:

i) There are no incinerators.

ii) No trash compactor

iii) There are no refuse disposal approvals by authority having jurisdiction required.

iv) Refuse disposal recycle rooms will be located on each floor.

v) Pick up will be public, by the New York City Department of Sanitation, as per their requirements and schedule, minimum twice per week. Condominium staff to bring trash to the curbside.

3) Bicycle Storage: Not applicable

4) Storage Lockers will be licensed to individual Residential Units.
1504 Jefferson – storage lockers are located in the 166 SF Residential Storage Room, accessed by key from the Cellar Level. The room will be part of the General Common Elements and the costs and expenses to operate and maintain the facility will be included in the Common Expenses. Ten metal storage cages (five two tier cages) will be provided. Tenants to provide individual locking devices.

1437 Hancock – storage lockers are located in the 113 SF Residential Storage Room, accessed by key from the Cellar Level. The room will be part of the General Common Elements and the costs and expenses to operate and maintain the facility will be included in the Common Expenses. Ten metal storage cages (five two tier cages) will be provided. Tenants to provide individual locking devices.

5) Residential Common Use: Not applicable

6) Common Bathrooms: Not applicable

7) A Package Room: Not applicable

J. Plumbing and drainage.

1) Water supply.

(a) There will be (1) one DEP approved 4" combined service, which will be split for 2-inch domestic water service & 4-inch fire protection water service. Domestic water supply to the building from street water main will be metered by (1) one meter. After the water meter assembly and DEP code required back flow preventer device, water is pumped from a duplex constant pressure booster to all plumbing fixtures and equipment in the building from the cellar to the roof. The booster pumps system will be a lead/lag duplex pump system sized at 45 GPM, 92 ft. head. Pump's system will be manufactured by PRIMEFLOW and consist of (1) one Grundfos Model CR10-3 Vertical Multi Stage Pumps, 3 hp each or an alternate acceptable manufacturer.
Warranty: standard warranty extends for twelve months from date of shipment.
Main shut off valve will be located into the Water Room in the cellar.

(b) Water Piping:

1). Service piping - AWWA ductile iron class 52 and 104.

2) Above ground – Copper type "L" ASTM B-88.

(c) Insulation of water piping:
All domestic water piping including cold, hot and hot water return shall be copper, insulated and sized as required by Building Code. Cover all hot water pipe and all cold-water pipe with Manville micro-lok AP-T plus fiberglass insulation (or approved equal). Fittings and valves shall be insulated with Manville Zeston 2000 PVC insulated fitting covers (or approved equal). Thickness of insulation shall be Energy Code compliant as it shown on contract plans.

2) Fire Protection System:

(a) The 4" sprinkler water supply with DEP approved reduced pressure zone assembly for the Sprinkler system. Main flow control valve / switch is located into Building water room. Sprinkler risers located within the stairs: 3" riser – within stair. Sprinkler system will be as per New York City Building Code. All residential units (except bathrooms and closets), all common spaces, and below grade spaces are to be fully sprinkler protected.

(b) Sprinkler riser to be 3" black steel pipe schedule 10 with Victaulic couplings or equal and fittings located in stair core. Sprinkler mains of 2-1/2" or larger to be Schedule 10 steel pipe, all others to be schedule 10 steel pipes (CPVC pipe BlazeMaster or approved equal to be used where allowed by code). Drain risers are to be black steel pipe Schedule 10. Location: Stair Core.

(c) Sprinkler Head: UL and MEA approved quick response, pendant, upright and sidewall sprinkler heads.
Location: Provided throughout the Building. Entire Building is protected by sprinklers, except in areas not required to be sprinklered by Code.

(d) Siamese connection: located as per NYC Building Department requirements at the 1st floor facade. The finish to be Polished Bronze or Brass with caps painted green.

(e) There are lot-line sprinklers:
- (1) one at Unit 2B on the 2nd Floor;
- (1) one at Unit 3B on the 3rd Floor;
- (1) one at Unit PHA on the 4th Floor;
- (1) one at Unit PHB on the 4th Floor.

(f) After the DEP code required back flow preventer device, fire sprinkler water will be pumped from a sprinkler booster pump to sprinkler system in the building from the cellar to the roof in case of fire. The sprinkler booster pump will be a vertical in-line pump sized at 500 GPM, 40PSI. Pump will be manufactured by AC and consist of (1) one AC pump model 1580 with pump controller, 20 hp or an alternate acceptable manufacturer. The working pressure in sprinkler system will be supported with jockey pump Grundfos model CR1-6 sized at 10GPM, 50PSI with pump controller.

3) Water Pressure

(a) The building from the cellar and above is furnished with separate duplex constant pressure booster system to feed one zones of water supply for entire building. The booster pumps system will be a lead/lag duplex water booster pumps sized at 45 GPM, 92 ft. head, 3 hp. Pump will be manufactured by PRIMEFLOW or an alternate acceptable manufacturer.

(b) The Hydrant flow test provided by NYC DEP for:
1504 Jefferson dated 12/15/2020 indicates a static pressure of 41 PSI with a residual pressure of 30 PSI with 500 GPM flowing.
1437 Hancock dated 12/15/2020 indicates a static pressure of 58 PSI with a residual pressure of 52 PSI with 500 GPM flowing.

(c) Hose bibs in the water meter room of the cellar level will operate on street pressure.

(d) The domestic water pressure within the apartments will be maintained by the booster pump systems between approximately 80 PSI max at the first floor and 33 PSI min at the roof.

(e) Maximum pressure at any fixture will be 83 PSI as required by NYC code.

(f) All domestic water piping including cold and hot water return shall be copper, insulated and sized as required by Code. Cover all hot water pipe and all cold-water pipe with Manville micro-lok AP-T plus fiberglass insulation with thickness as specified on contract drawings. Fittings and valves shall be insulated with Manville Zeston 2000 PVC insulated fitting covers.

(g) Pipe sizing and installation to be as per New York City Building Code.

4) Sanitary Sewage System;

(a) Permit as required for DEP Site connection proposal for a new 6-inch combined sewer shall be required including special inspections for flow control of storm water retention.

(b) Sewer piping materials shall be E.H.C.I. pipe hub & spigot ASTM 74; sanitary waste gravity discharge to street combined sewer, sized as required and shown on the drawings. Duplex sewage ejector pump is provided on cellar level.
(1) one duplex sewage ejector pump will be manufactured by Federal Pumps Co. with (2) two pump model # VSA-4F-1.5-4, at 100 GPM, 30 ft. head, 1.5hp. efficiency 65% or an alternate acceptable manufacturer.
Warranty: standard warranty extends for twelve months from date of shipment.

(c) Building will have multiple stacks and vent system with all areas above grade flowing by gravity to adjacent sewers in street.

(d) Sewer will be discharge into New York City sewer system.

5) Permits:

(a) DEP approval and permit required for Site sewer connection proposal.

(b) DEP approval and permit are required for new Domestic water and Fire services backflow preventer device including required filing of GEN 236 and 215B forms.

7) Storm Drainage System

(a) Storm drainage will be collected via roof and terrace drains and discharged to the combined sewer and into the street main.

(b) Storm drainage system shall be installed as designed and as required per Building Code with storm water retention roof drains that control the storm water flow on the roof. The main roof will consist of (2) controlled flow roof drains with (2) overflow roof drains.

(c) All areas above grade will flow by gravity.

(d) All leaders will be cast iron with No-hub fittings.

(e) The storm drainage from areas under Cellar level will be pumped by Sump Pumps to the building storm drainage system. Duplex sump pump will be manufactured by Federal Pumps Co. with (2) two pumps model # VSP-2C-2-4, at 100 GPM, 29 ft. head, 1.5hp. efficiency 65% or an alternate acceptable manufacturer.
Warranty: standard warranty extends for twelve months from date of shipment.

K. Heating System

1. The heating system is designed to maintain an indoor temperature of 72° F indoors when outside temperature is 15° F.

2. Heating for (9) nine Residential Units will be provided by an HVAC system with wall mounted Electrical split heat pumps, manufactured by Daikin or approved equal, see Appendix for apartment designation. Heat is provided in accordance with the controls sequencing. Heating system is designed based on energy performance maintaining space temperature settings from local programmable thermostat for each Air Handler (indoor) unit. The thermostat will maintain space temperature based on time-of-day settings. There will have filter bank installed on return. Air Ducts will be insulated with 1" of felt insulation within the ducts and 1 ½" externally.

3. Domestic hot water for all apartments is provided by (9) nine instantaneous electric water heaters with 18 KW capacity each. Hot water heaters located in the closets on each apartment. Heaters will be manufactured by TEMPRA with model # 24 TREND-239216 or approved equal.
Warranty is provided by TEMPRA:
Leakage Warranty Term: 7 Years;
Limited Parts Warranty Term: 3 Years.
The system will have circulation pumps and hot water return piping to maintain the temperature of the hot water circulated to fixtures as per NYC code.

4. Air Handler units: See Air conditioning tabulation in Appendix for equipment schedule. Heating for corridor and vestibule on 1st floor will be provided by ducted Electrical split heat pump with condensing unit located on the bulkhead roof.

Heating for all units will be provided by wall mounted Electrical split heat pumps with condensing units located on the bulkhead roof and in light wells for garden units.
Heating for water meter room, stairs and storages will be provided with electrical baseboard heaters.
Heating for bathrooms located at perimeter wall & underneath roof will be provided with the toilet electric heaters.

5. Hot Water and refrigerant water piping are Type K, Type L, copper for sizes less than 3" and schedule 40 steel for sizes 3" and above.

6. Ductwork, Hot and Cold Water, Refrigerant Piping insulation has an R-value as specified on mechanical and plumbing drawings and in compliance with NYC Energy Conservation Code.

7. Valves are rated for the temperatures and pressures of the system they serve.

8. Warranty Daikin: Warranty coverage begins on the "installation date". The installation date is one of two dates:
   (1) The installation date is the date that the unit is originally commissioned, but no later than 18 months after the manufacture date noted on the unit's rating plate.
   (2) If the date the unit is originally commissioned cannot be verified, the installation date is three months after the manufacture date.

   The warranty lasts for a period up to 10 years if the following conditions have been satisfied:
   - Vacuum drying at commissioning per Daikin's instructions.
   - All brazing of pipe-work was performed with nitrogen flow in pipe to eliminate oxidation.
   - Pressure checking the pipework per Daikin's guidelines to ensure no leaks.
   - Correct refrigerant charge was weighed in at time of commissioning.
   - Correct refrigerant charge was present at time of breakdown (i.e., no leaks due to installation or operator errors or failure to follow instructions).
   - Equipment was operating within Daikin's operating temperature limits and specifications unless the failure to so operate is solely attributable to a defect in the unit.

L. Gas supply:

1) Natural gas will not be supplied to the building. Not applicable.

M. Air conditioning:

1. The air conditioning systems are designed to maintain an indoor temperature of 75°F DB inside when 89°F DB/ 76°F WB outside. A year-round heating and cooling system consisting of Daikin VRV-IVS mini-split type heat pump system with outdoor mounted condenser units for each residential apartment unit. Part of apartment air handlers have ducted air distribution inside apartments. Refrigerant pipes will be constructed of copper and insulated. Piping will consist of a 2-pipe system. Units inside the apartments will have the ability to either provide heating or cooling. Each indoor air handler unit will be provided with its own heating and cooling thermostat and function per the programmed sequence of operation. The thermostat will have the ability to control the fan and mode of operation automatically based on room conditions. All piping shall be properly insulated. All exterior metals, including fasteners, must be corrosion resistant.
   i. Warranty:
      Standard Daikin Warranty please see in the section "Heating Systems", paragraph 8.
   ii. Dunnage: The dunnage provided will be steel concrete or concrete blocks which are flashed with liquid membrane. An additional curb will be provided by Greenheck. The units are all set on internal spring isolators to reduce vibration and noise. Dunnage is provided by the manufacturer shall be with galvanized metal curbs.

2. Building common area on the 1st floor such as corridor, vestibule will be provided by Electrical split heat pump with condensing unit located on the bulkhead roof.

3. Common stairs will not be cooled.

4. All ductwork running in unconditioned areas shall be insulated with R-6 fiberglass insulation. All refrigerant piping shall be insulated with Armaflex insulation with protective tape all around in accordance with NYC Energy Conservation Code see table in the Appendix.

N. Ventilation.

1. Bathrooms are provided with local fans at the NYC code required intermittent rate of 50 CFM per toilet. The main vertical exhaust risers exhaust air via the bulkhead roof mounted main exhaust fans. All bulkhead roof fans will have duct mounted static pressure sensor with VFD drive on each exhaust fan.

2. All kitchens are provided with local grille at the NYC code required intermittent rate of 50 CFM per kitchen. The main vertical exhaust risers exhaust air via the bulkhead roof mounted main exhaust fans. All bulkhead roof fans will have duct mounted static pressure sensor with VFD drive on each exhaust fan.

3. Units are also ventilated via operable windows.

4. All corridors are ventilated in accordance with current mechanical code by energy recovery ventilation (ERV) system.

5. . In accordance with NYC Building Code stairs are not ventilated. For emergency situation (smoke relief staircase) the staircase is equipped with top-of-stair opening, covered by motorized damper, activated via fire alarm control panel.

6. All common spaces, utility rooms in the cellar are provided with adequate ventilation to comply with NYC Mechanical Code. Utility rooms provided with exhaust system. Corridors provided with supply system via NYCECC required ERV system. Refuse room is provided with exhaust to remove bad odor.

O. Electrical system.

1. Electrical System: Electrical service will be provided into main electric room in the Cellar level. Service from Con Edison shall be sized as per building's electrical loads in accordance with the New York City Electrical Code. Service to the building will be 800A, 120/208 volt, 3- phase, 4 wire and distributed to individual Units and base Building electrical systems via power and lighting panels. Dedicated service and electrical equipment for individual Units and base Building distribution systems are sized based on their respective loads. All wiring will be copper.

2. Main electrical room consolidating individual Units and common electrical equipment is located in the Cellar level of the building. Local distribution equipment for Units is situated in their respective spaces. Power for Units is distributed from meter banks and disconnect switches in main electrical room.

3. Service to individual Units from meter banks include dedicated feeders that run to each Unit and terminates at the apartment panel boards. Unit feeders sized as required by load and voltage drop. Each Unit feeder is protected by individual overcurrent protective device at the meter bank location and consist of 2p-175A C/B for all Units.

4. Residential Unit Service: The residential panel board will be rated to comply with the New York City Electrical Code, and takes into account all equipment provided in Units such as washing machines, clothes dryers, dishwashers, microwaves, air conditioning equipment, etc.

5. All residential Units will be supplied with 120/208V, 1 phase, 3 wire + ground, 42 pole power panels with single and double pole circuit breakers in each unit.

6. Common Areas:
   Power and Lighting panels will be provided to distribute electricity to the loads in all common areas and to be circuited from the dedicated electrical house meter. Individual branch circuit

protection will be sized and rated based on the connected loads and requirements of the code, which shall include lighting, receptacles, air conditioning and heating etc.

7. Fire Detection Alarm Systems:
   a) Smoke detection and sprinkler fire alarm system is provided as required in accordance with NYC code including water flow and tamper switches as required for the sprinkler-fire alarm system, with smoke detection for cellar and 1st floor utility rooms.
   b) Protection type smoke alarms and combination CO detector, hard wired, with battery backup, 120 volts provided in each Unit as required by Code. Maintenance of safety and warning devices is the responsibility of the Unit Owner.

8. Adequacy: Residential:
   a) Service: Capacity provided for each Unit will be in accordance with Code requirements, sized at 120/208V, 1 phase, 3 wires + ground 2p-175A C/B for all Units.

      Service will be adequate to meet normal Unit appliance, lighting and air conditioning loads.

   b) Lighting and Fixtures: Shall be in accordance with Architectural reflected ceiling plan and lighting fixture schedule.

   c) Convenience Outlets: Receptacles will be provided in all rooms to meet the New York City Electrical Code. All receptacles in Units will be protected with AFCI (Arc Fault Circuit Interrupting) type circuit breakers, except as otherwise required by NYC Electrical Code.

   d) Appliance Outlets: Appliance receptacles will be provided in kitchens. Dedicated appliance receptacles will be provided for laundry equipment and individual loads such as cooking range and clothes washers & dryers. Ground fault receptacles will be provided in all bathrooms, kitchens, and at Unit terraces.
      1) 20 amps, 120V circuits are provided to handle lighting and general-purpose receptacles.
      2) 20 amps, 120V circuits are provided in the kitchen area for 120V kitchen appliances. Each appliance outlet above counter will be GFCI type.
      3). 20 amps, 120V circuits in the bedrooms area are provided with AFCI type circuit breakers in the apartment panels.
      4) 20 amps, 120V single phase circuits for dishwashing machine are provided.
      5) 2p-30 amps, 208V, 1 phase circuits are provided for electric washer/dryer units.
      6) 20 amps, 120V single phase circuits for refrigerators are provided.
      7) 20 amps, 120V single phase circuits for bathroom's toilet electrical heater for apartments #1B, 1C, 2A, 2B, 3A, 3B, PHA, PHB.

8) 20 amps, 120V single phase circuits for microwaves all apartments are provided.
9) 2p-20 amps, 208V, 1 phase services are provided to all Air Handler units.
10) 2p-45 amps, 208V, 1 phase services are provided to Condenser units for all apartments.
11) 2p-40 amps, 208V, 1 phase services for electrical range for all apartments.
12) 2p-20 amps, 208V, 1 phase services for BBH-1 for unit #1A.
13) 20 amps, 120V single phase circuits for recirculation pump.
14) 2 of 2p-50 amps, 208V, 1 phase services for electrical HWH for all apartments.
15) 20 amps, 120V single phase services for kitchen/toilet exhaust fan for all apartments.
16) Public area lighting complies with Housing Maintenance Code and Multiple Dwelling Laws.

9. Emergency generator is not required by NYC BC & not provided.

P. Intercommunication and/or door signal systems, security closed circuit TV.

1. Telephone services will enter the building from Jefferson Avenue and be fed to a telecom room located in the Cellar Level. It will then be distributed throughout the building through risers and sleeves. Each Unit will receive telephone service to a closet within the Unit.
2. Wiring will be installed in each Unit to enable the Unit Owner to obtain telephone and cable television service at the Unit Owner's Expense.
3. High speed internet service will be available for all Units provided by Spectrum, Optimum or Verizon FIOS or equivalent.
4. Intercom and CCTV:
   Intercom - 2N IP STYLE video intercom - model #02407-001; 2 years warranty
   Security - Eagle eye Bridge Cloud-Based Video Surveillance model# 301; Limited lifetime warranty
   Security camera - HIKVision models DS-2CD2543G0-I(W)(S)/DS-2CD2343G0-IB dome cameras; 1 year warranty

Q. Public Area Lighting.

1) Typical Apartments and Penthouse:
   a. Apartment Foyer/Corridor –recessed downlights. (Or approved equivalent per AOR determination)
   b. Kitchens – recessed downlights, strip LED light under upper cabinet; (Or approved equivalent per AOR determination)
   c. Kitchenettes – recessed downlights, strip LED light under upper cabinet; (Or approved equivalent per AOR determination)

d. Dining / Living area – LED cove light and / or recessed lighting

e. Master Bedrooms -none

f. Secondary Bedrooms – none

g. Master Bathrooms – Recessed downlights, and wall mounted medicine cabinet with integrated lighting; (Or approved equivalent per AOR determination)

h. Secondary Bathrooms – Recessed downlight, and wall mounted medicine cabinet with integrated lighting; (Or approved equivalent per AOR determination)

i. Powder rooms – Recessed downlight and sconce wall-mounted; (Or approved equivalent per AOR determination)

j. Linear Closets – none

2) Common Areas:

a. Lobby: Recessed downlights; (Or approved equivalent per AOR determination)

b. Back of House at Cellar: Surface mounted fixtures in MEP rooms; (Or approved equivalent per Engineer determination)

c. Corridors: Recessed downlights (Or approved equivalent per AOR determination)

d. Storage unit room: Surface mount light; (Or approved equivalent per AOR determination)

3) Exterior:

a. Exterior Façade: Surface mount wall sconce; (Or approved equivalent per AOR determination)

b. First Floor Garden Units Garden B & Garden C: Surface mount wall sconce, string lights and landscaping lighting; (Or approved equivalent per AOR determination). Unit 1A front garden wall sconce (Or approved equivalent per AOR determination).

c. Terraces: Surface mount wall sconce; (Or approved equivalent per AOR determination)

d. Roof Terraces: Penthouse terraces surface mount wall sconce and string lights (Or approved equivalent per AOR determination). Common roof terrace surface mount wall sconce. (Or approved equivalent per AOR determination)

4) Public area lighting complies with all applicable codes;

The lighting shall meet the 2014 NYC Building Code and NYC Energy Conservation Code requirements. Emergency lights will be distributed as per code. Stairwells will be provided with wall / ceiling mounted emergency lights.

R. *Garages and Parking* Area – not applicable

S. *Swimming Pool* – not applicable

T. Tennis Courts, Playgrounds and Recreation Facilities:

1) Tennis courts – not applicable

2) Playgrounds – not applicable

3) Other recreational facilities

a. There are no indoor amenity spaces in this project

b. Outdoor Amenity Spaces:

1504 Jefferson outdoor amenity consist of Common Roof. The Common Roof Area used for recreation activity is comprised of two rectangular zones, 24'-1" x 18'-8" and 17'-0" x 8'-6", for a combined area of 668 SF, constituting 41% of the 1,631 SF Roof Level. The Common Roof Area has a maximum allowable occupancy of 4 persons. Common Roof Area features BBQ grill station with food preparation surfaces electric BBQ grill station Coyote C1EL120SM, 2 years warranty, or equivalent, sink and food preparation surface.

1437 Hancock outdoor amenity consist of Common Roof. The Common Roof Area used for recreation activity is comprised of rectangular zone, 21'-4" X 15'-8" with smaller auxiliary zone, for an approximate area of 404SF, constituting 25% of the 1,642 SF Roof Level. The Common Roof Area has a maximum allowable occupancy of 2 persons.
Common Roof Area features BBQ grill station with food preparation surfaces electric BBQ grill station Coyote C1EL120SM, 2 years warranty, or equivalent, sink and food preparation surface.

U. Permits and certificates.

See (B)(3) & (B)(4) for certificate of occupancy and permits. Sprinkler alarm to be filed with Fire Department. The sprinkler system must be inspected yearly by a licensed plumber selected by the Condominium. All these inspection reports must be filed with Department of Buildings and all necessary defects corrected.

Permits required are as follows:

New York City Department of Buildings:	
New Building	Required
Excavation/Foundations	Required
Structural/General Construction	Required
Mechanical	Required
Sprinkler	Required
Plumbing	Required
Standpipe	Required
Generator	Not Required
Elevator	Not Required
Certificate of Occupancy	Required
Temporary Certificate of Occupancy	Required
Fire Protection Plan	Required
Fire Alarm	Required
Construction Fence	Required
ARCS System	Not Required
Street Tree	Required
MTA	Not Required
NYC Department of Highways:	
Builders Pavement	Required
Sidewalk Closing	Required
Miscellaneous:	
Water Main Tap Connection	Required
Bureau of Electrical Control	Required
Inspections:	
Temporary Certificate of Occupancy:	Initial DOB inspection. Renewable every 90 days.
Final Certificate of Occupancy:	Initial DOB inspection.

Sprinkler and Standpipe:	Initial DOB inspection. Monthly Inspection Annual Flow Test by licensed third party. Every 5 Year Fire department connection. Hydrostatical test by licensed third party.
Fire Alarm:	Initial FDNY inspection. Quarterly inspection. Semi-Annual inspection Annual inspection.
Plumbing:	Initial DOB inspection. Every 5 Year by licensed third party.
Electrical:	Initial DOB BEC inspection.
Service Switch Boards Infrared Scan:	Initial DOB BEC inspection. Annual inspection by licensed third party.
Fire Pump (1504 Jefferson only)	Initial FDNY inspection. Monthly zero flow test. Annual flow test by licensed third party.
Backflow Preventers:	Initial DOB inspection. Annual inspection by licensed third party.
Façade Inspection Safety Program (FISP):	Inspection every 5 years by licensed third party.

V. Violations.

As of the date of the report there are no violations. The work necessary to remove any violations due to individual Sponsor's work that may be issued during construction will be performed prior to the issuance of the permanent certificate of occupancy.

W. Unit information.

1) Unit Description

a. For measurement purposes:

i. The approximate square foot area of each Unit is measured horizontally on each of one or more floors from the outermost extent of exterior walls of the Building to the midpoint of the interior walls and partitions separating one Unit from another Unit, or the midpoint of the interior walls and partitions separating a Unit from, egress stairs and other mechanical equipment spaces or any Common Elements excluding Common Corridors, to the opposite outermost extent of exterior walls of the Building, as the case may be.

ii. Columns, mechanical pipes, shafts, shaft ways, chases, chase ways, conduits, and private convenience stairways in all Units are not deducted from measurement of each Unit.

iii. When a Unit shares a wall with a common corridor, the area shall be measured to the finished face of the corridor wall on the corridor side of the wall.

iv. Area on the Common Corridor side of Residential Unit Entry Doors shall be included in Unit Area up to the outermost extents of the architectural millwork frame of the door.

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

vi. Terraces, exterior to the building envelope and complying with parapet and fencing height restrictions set forth in the NYC Zoning resolution, are not subject to inclusion in floor area calculations. Terrace areas are not included in Unit Floor Areas.

b. Unit Finish Schedule

UNIT FINISH SCHEDULE				
Room	**Floor**	**Base**	**Wall**	**Ceiling**
ENTRANCE HALL:	LVT	PAINTED MDF	PAINTED	PAINTED
LIVING / DINING:	LVT	PAINTED MDF	PAINTED	PAINTED
KITCHEN:	LVT	PAINTED MDF	PAINTED	PAINTED
MASTER BEDROOMS & BEDROOMS:	LVT	PAINTED MDF	PAINTED	PAINTED
CLOSETS	LVT	PAINTED MDF	PAINTED	PAINTED
MASTER BATHROOMS:	Porcelain and ceramic	Porcelain and ceramic	Porcelain and ceramic and painted GWB	PAINTED
BATHROOMS:	Porcelain and ceramic	Porcelain and ceramic	Porcelain and ceramic and painted GWB	PAINTED
POWDER ROOMS:	Porcelain and ceramic	Porcelain and ceramic	Porcelain and ceramic and painted GWB	PAINTED
APT. STAIRS	LVT / Polished concrete	NA	PAINTED	PAINTED

- Walls and ceilings: Benjamin Moore super hide primer or equal, 2 coats of flat paint.
- Wood floors – not applicable.
- Floor to ceiling height of units:

1504 Jefferson:
Garden B varies 8’0” to 10’-3”
Garden C varies 8’0” to 9’-3”
All other units varies 8’6” to 10’-3”

1437 Hancock:
Garden B varies 8’0” to 9’-3”
Garden C varies 8’0” to 10’-3”
All other units varies 8’6” to 10’-3”

c. Description of units

DESCRIPTION OF UNITS – 1504 JEFFERSON										
FLOOR	GROSS FLOOR AREA	APARTMENT UNIT	APARTMENT AREA	DUPLEX	BEDROOMS	BATHROOMS	POWDER ROOMS	STORAGE AREA	TERRACE	OUTDOOR SQ. FT.
CELLAR	1,690									
		1A						85		
		GARDEN B	401	LL			1			92
		GARDEN C	368	LL			1			97
1ST	1,653									
		1A	422		0	1			YES	172
		GARDEN B	402	UL	0	1			YES	444
		GARDEN C	459	UL	0	1			YES	391
2ND	1,645									
		2A	742		1	1			YES	19
		2B	702		1	1			YES	59
3RD	1,653									
		3A	745		1	1			YES	81
		3B	708		1	1			YES	53
4TH	1,631									
		PHB	677		1	1			YES	128
		PHA	776	LL	3	2			YES	59
ROOF	538									
		PHA	408	UL	0	0			YES	425
BULKHEAD	329									
TOTAL	9,139	9	6,810		8	10	2	85		2,020

DESCRIPTION OF UNITS – 1437 HANCOCK										
FLOOR	GROSS FLOOR AREA	APARTMENT UNIT	APARTMENT AREA	DUPLEX	BEDROOMS	BATHROOMS	POWDER ROOMS	STORAGE AREA	TERRACE	OUTDOOR SQ. FT.
CELLAR	1,700									
		1A						85		
		GARDEN B	493	LL			1			92
		GARDEN C	425	LL			1			97
1ST	1,641									
		1A	404		0	1			YES	158
		GARDEN B	496	UL	0	1			YES	391
		GARDEN C	428	UL	0	1			YES	444
2ND	1,641									
		2A	745		1	1			YES	18
		2B	706		1	1			YES	57
3RD	1,641									
		3A	743		1	1			YES	87
		3B	704		1	1			YES	56
4TH	1,642									
		PHB	721	LL	1	1				
		PHA	720	LL	1	1			YES	126
ROOF	530									
		PHB	201	UL	1	0			YES	351
		PHA	201	UL	1	0			YES	351
BULKHEAD	339									
TOTAL	9,134	9	6,987		8	9	2	85		2,228
TOTAL BOTH BUILDINGS	18,273	18	13,797		16	19	4	170		4,248

- Study rooms qualify as habitable space in compliance with NYC 2014 BC1208

2) Bathroom fixtures and equipment,

Fixtures and Appliances: Subject to Sponsor's right to make substitutions as set forth in the offering plan, the Residential Units will be equipped with the following (or comparable) fixtures and appliances:

i. Master Bathroom (1504 Jefferson PHA)

Toilet: Floor-mount, White, (CAROMA: 989100) or approved equal
Faucet: Three-hole deck mounted, MATTE BLACK, (SUSTAINABLE SOLUTIONS:FLUID - F28006)
Lavatory: DROP IN White, (SIGNATURE: LV1346CE5 -)
Shower set: SHOWER KIT, MATTE BLACK (includes shower head, shower arm, thermos / balancing system) (SUSTAINABLE SOLUTIONS: FLUID - Set)
Shower Drain: CISDCP2NH

ii. Typical Bathroom (with tub)

Toilet: Floor-mount, White, (CAROMA: 989100) or approved equal
Faucet: Three-hole deck mounted, Polished Chrome, (SUSTAINABLE SOLUTIONS: FLUID - F28006)
Lavatory: DROP IN White, (SIGNATURE: LV1346CE5 -)
Tub set: Thermostatic trim (includes diverter), (SIGNATURE: FLUID - Set),
Tub: 60” Alcove bath w integral apron Bathtub, Glossy White, (KOHLER / STERLING Ensemble 71171110)
Tub Drain: Gerber 41-218 series

iii. Typical Bathroom (with shower)

Toilet: Floor-mount, White, (CAROMA: 989100) or approved equal
Faucet: Three-hole deck mounted, Polished Chrome, (SUSTAINABLE SOLUTIONS: FLUID - F28006)
Lavatory: DROP IN White, (SIGNATURE: LV1346CE5 -)
Shower set: SHOWER KIT, CHROME (includes shower head, shower arm, thermos / balancing system) (SUSTAINABLE SOLUTIONS: FLUID - Set)
Shower Drain: CISDCP2NH

iv. Half Bathroom

Toilet: Floor-mount, White, (CAROMA: 989100)
Faucet: Single-hole deck mounted, Polished Chrome, (SUSTAINABLE SOLUTIONS: FLUID - F18003)
Lavatory: DROP IN White, (SIGNATURE: LV1346CE5 -)

3) Kitchen and laundry equipment.

i. Kitchen details, (or approved equivalent per AOR determination);

a. Floors: Infiniti Rigid Vinyl - Golden Hue Terre Legno LVT 557L-03
b. Carpets: No carpet is provided in unit interiors.
c. Ceilings: primed and painted, flat finish.
d. Walls: primed and painted, flat finish.
e. Custom Kitchen Cabinetry:
    a. Core Construction: Particle Board.
    b. Exterior Finish of upper doors panels, upper fixed panels: White Melamine.
    c. Exterior Finish of bottom cabinet doors, drawers and fixed panels White Melamine on MDF.
    d. Interior Finish of Cabinetry: White Melamine.
f. Drawers to have soft close mechanism.
g. Kitchen islands to have similar finishes.
h. Custom Kitchen Countertops and Backsplash: Quartz

ii. Fixtures and Appliances: Subject to Sponsor's right to make substitutions as set forth in the offering plan, the Residential Units will be equipped with the following (or comparable) fixtures and appliances:

a. One, Two and Three bedrooms:

<u>30” Freestanding Refrigerator/Freezer</u>: Blomberg BRFB1822SSN
<u>24” Dishwasher:</u> Blomberg DWT51600
<u>24” Electric Range</u>: Blomberg BERU24202SS
<u>24” Microwave</u>: XOOTR24BS
<u>Kitchen Faucet</u>: Valton 24276
<u>36” Kitchen Sink</u>: Fluid FSN-USR2318
<u>24” Washer</u>: Stackable Bosch WAT28400UC
<u>24” Dryer</u>: Ventless -Condensing, Bosch WTG86403UC

b. Studios:

<u>24” Freestanding Refrigerator/Freezer</u>: Bloomberg BRFB1312SS
<u>18” Dishwasher</u>: GE DWS51502SS
<u>24” Electric Cooktop:</u> Blomberg BERU24202SS
<u>24” Microwave/Hood:</u> XOOTR24BS
<u>Kitchen Faucet</u>: Valton 24276
<u>36” Kitchen Sink</u>: Fluid FSN-USR2318
<u>24” Washer</u>: Stackable Bosch WAT28400UC
<u>24” Dryer</u>: Ventless -Condensing, Bosch WTG86403UC

X. *Finish Schedule for Common Spaces*

FINISH SCHEDULE FOR COMMON SPACES					
LEVEL	**LOCATION**	**FLOOR**	**BASE**	**WALLS**	**CEILING**
BELOW GRADE	ELECTRICAL ROOM	CONCRETE	NA	PAINT	PAINT
	WATER ROOM	CONCRETE	NA	PAINT	PAINT
	REFUSE STORAGE	CONCRETE	NA	PAINT	PAINT
	TELCOM ROOM	CONCRETE	NA	PAINT	PAINT
	RESIDENTIAL STORAGE	CONCRETE	NA	PAINT	PAINT
	CORRIDOR	POLISHED CONCRETE AND CARPET	PAINTED MDF	PAINT / MOLDING	PAINT
	STAIRS	CONCRETE	N/A	PAINT	PAINT
1st - 4TH LEVEL	LOBBY / CORRIDOR	POLISHED CONCRETE AND CARPET	PAINTED MDF	PAINT / MOLDING	PAINT
	REFUSE ROOM	POLISHED CONCRETE	VINYL	PAINT	PAINT

- Benjamin Moore super hide primer or equal. 2 coats of flat paint.

Y. Safety and warning devices

(1) Fire Detection Alarm Systems: Smoke detection and sprinkler fire alarm system is provided as required in accordance with NYC code including monitoring of water flow and tamper switches as required for the sprinkler- fire alarm system, with smoke detection for cellar and sub-cellar mechanical rooms and elevator recall.

(2) Protection type smoke alarms and combination CO detector, hard wired, with battery backup, 120 volt provided in each apartment as required by Code. Maintenance of safety and warning devices is the responsibility of the unit owner.

Z. Additional information required.

1) See attached floor plans for each type of unit indicating room dimensions, total areas, unit boundaries and the relationship of units to each other. Floor plans shall include room or space designations that conform to those on approved documents or applicable building code designations.

2) Slab to slab heights of units:
Exclusive of dropped ceiling areas at kitchens, bathrooms, halls, soffits, mechanical equipment including duct and plumbing elements and structural offsets, boxout structural beams, ceiling heights located in residential units in the building are as follows.

1st - 4th Level: 11'-0"
PH Level: 10'-3"

3) All mechanical equipment called-out on Mechanical Plans M-301, M-302 & specified on M-501. All plumbing equipment called-out on Plumbing plans P-301, P-302 & specified on P-101.

AA. Further Development: There is no further development.

BB. Asbestos: There is no asbestos. This is new construction.

CC. Lead-Based Paint: There is no lead-based paint. This is new construction.

DD. Other disclosures:

There are no existing unsafe conditions that have been brought to the sponsor's attention.
There are no corrosive drywall materials incorporated in the project.

Sponsor reserves the right, in its sole discretion, to replace, including but not limited to, any or all materials, fixture, appliances or other items stated in this report with those of equal or better quality as determined by AOR or EOR of Project as applicable.

Sign_____

Date_____06/06/2022_____

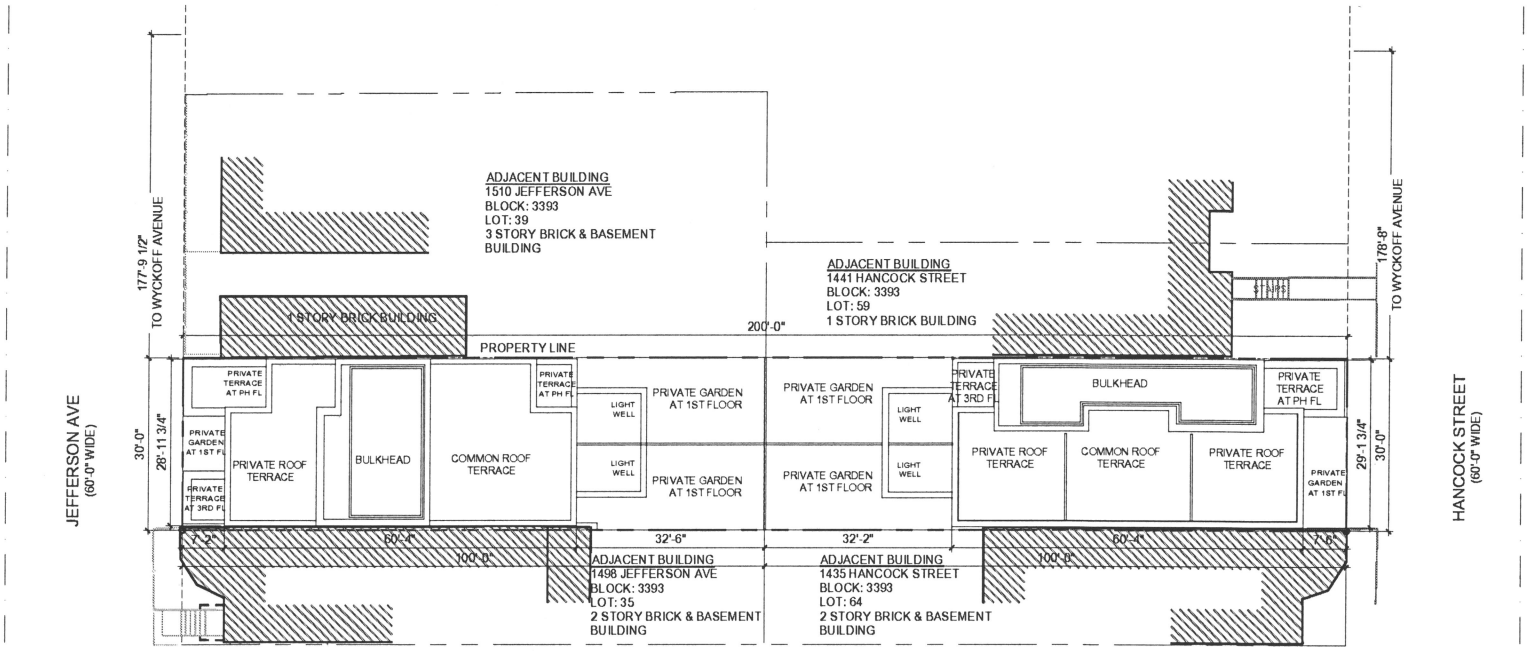
Seal

SCHEDULE G-1

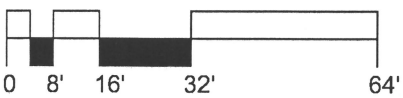
SITE PLAN

1437 HANCOCK AND 1504 JEFFERSON

SITE PLAN



Olivera Grk
505 Greenwich St. 9B
New York, NY 10013
T. (917) 287-3774



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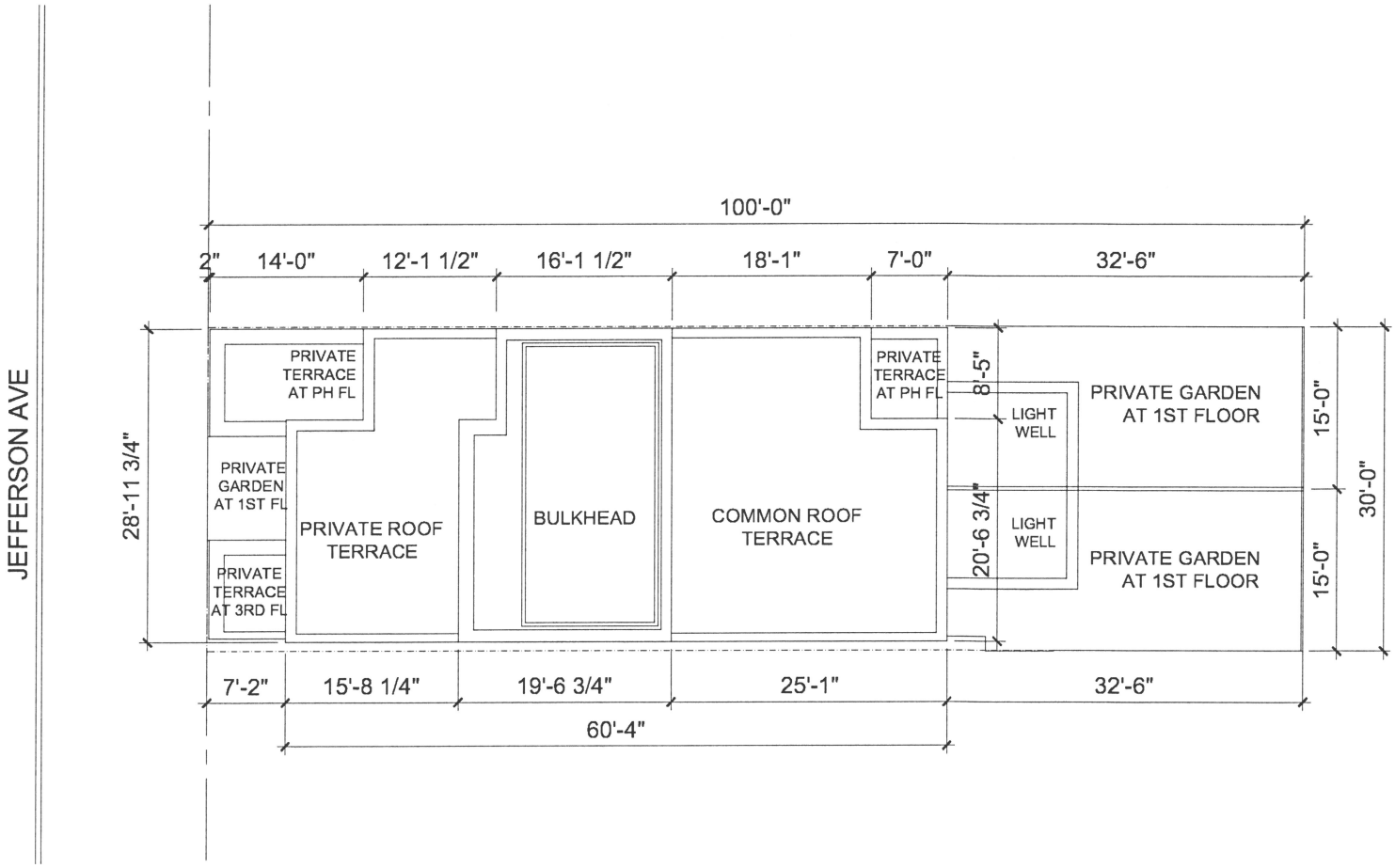
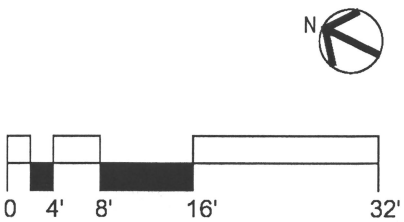
1504 JEFFERSON
PLOT PLAN



Olivera Grk
505 Greenwich St. 9B
New York, NY 10013
T. (917) 287-3774



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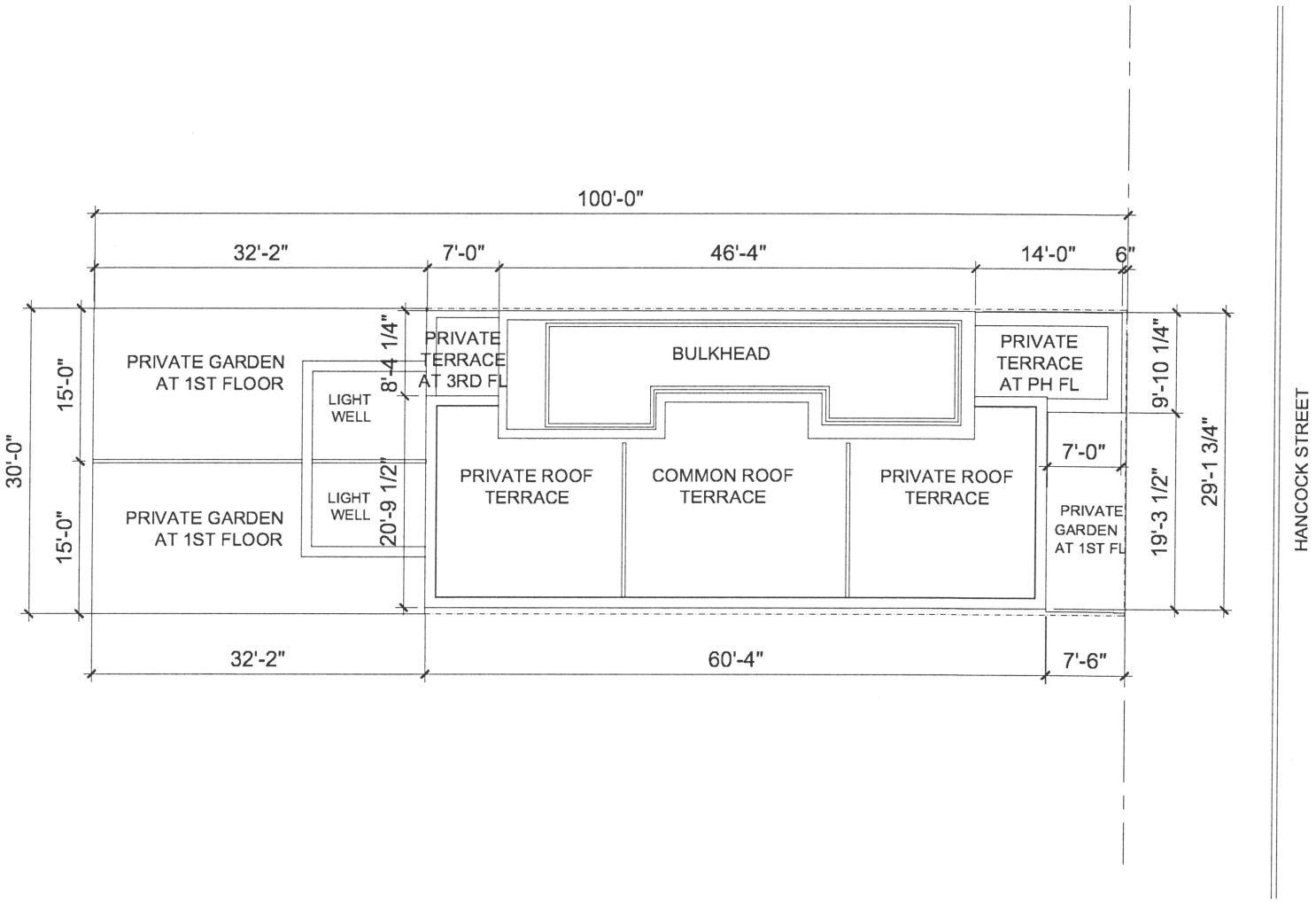
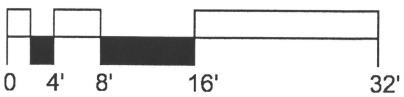
1437 HANCOCK
PLOT PLAN



Olivera Grk
505 Greenwich St. 9B
New York, NY 10013
T. (917) 287-3774



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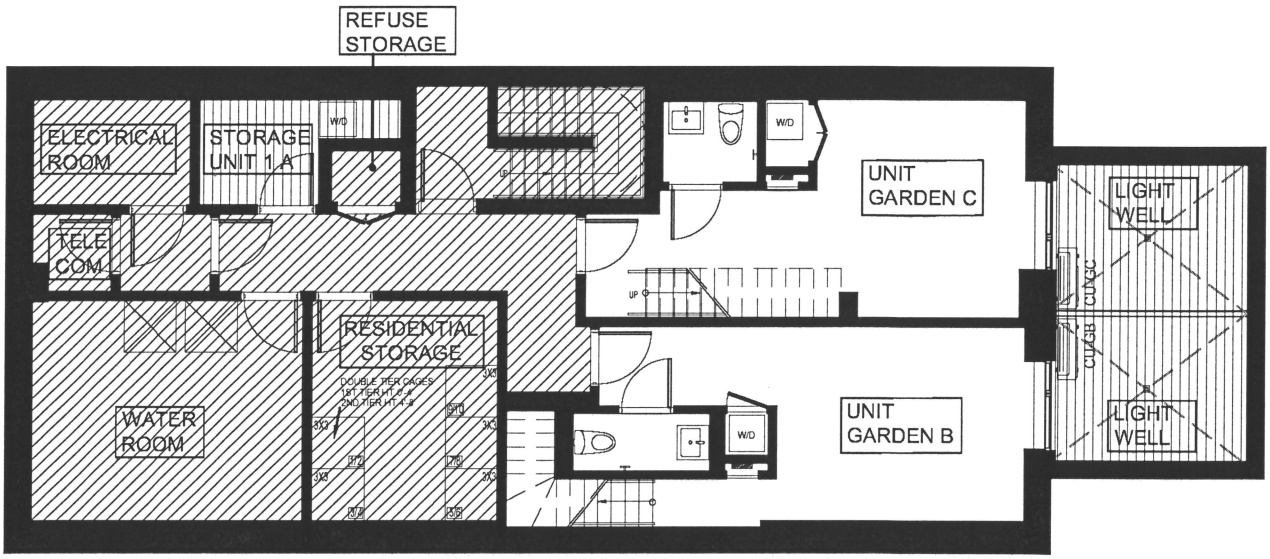
SCHEDULE G-2

FLOOR PLANS/ELEVATION

1504 JEFFERSON

CELLAR PLAN



Olivera Grk
505 Greenwich St. 9B
New York, NY 10013
T. (917) 287-3774

GENERAL COMMON ELEMENT

LIMITED COMMON ELEMENT

UNITS

N

0 2' 4' 8' 16'

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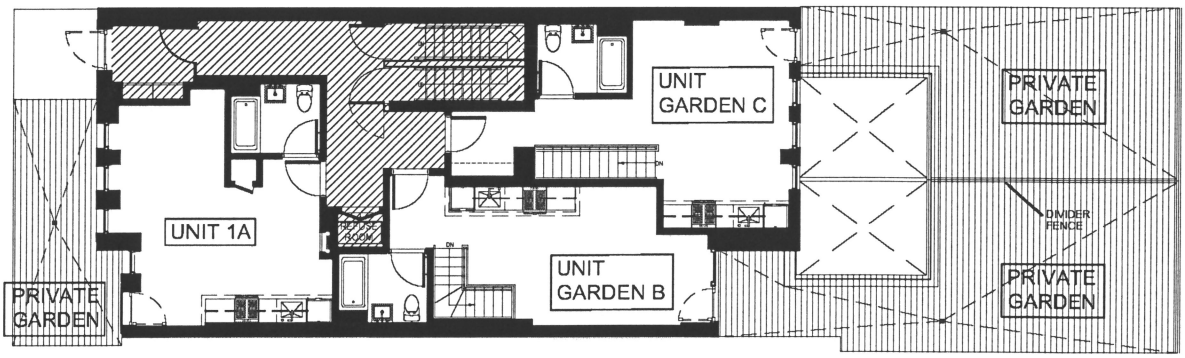
1504 JEFFERSON
1ST FLOOR



Olivera Grk
505 Greenwich St. 9B
New York, NY 10013
T. (917) 287-3774

GENERAL COMMON ELEMENT

LIMITED COMMON ELEMENT

UNITS

N

0 4' 8' 16' 32'

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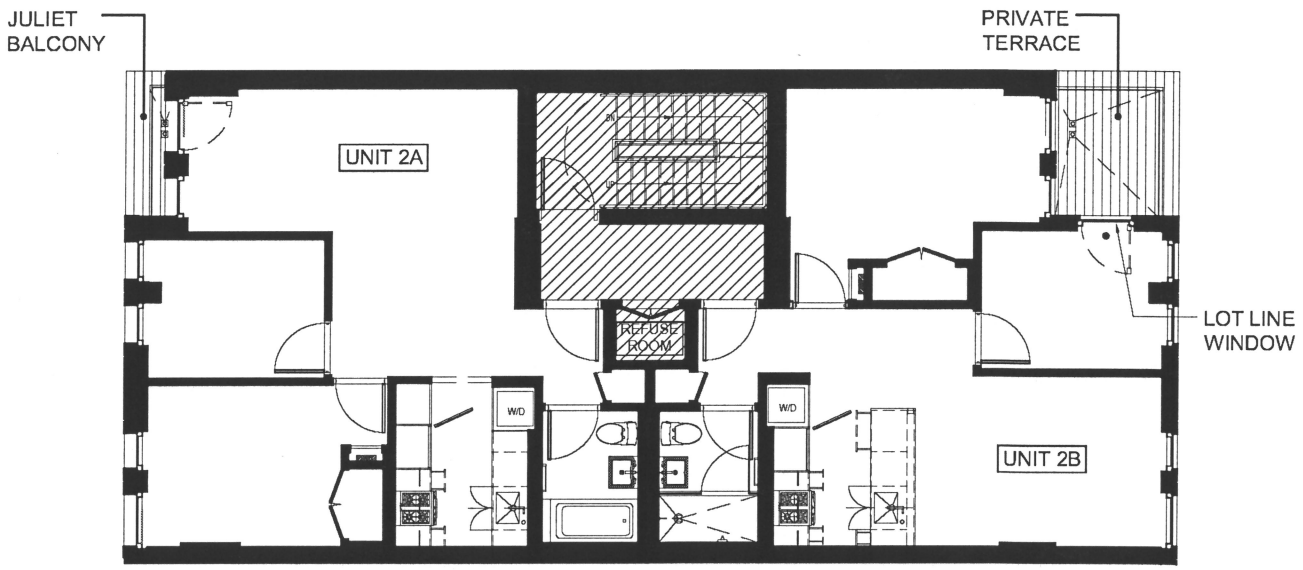
1504 JEFFERSON
2ND FLOOR



Olivera Grk
505 Greenwich St. 9B
New York, NY 10013
T. (917) 287-3774

GENERAL COMMON ELEMENT

LIMITED COMMON ELEMENT

UNITS

N

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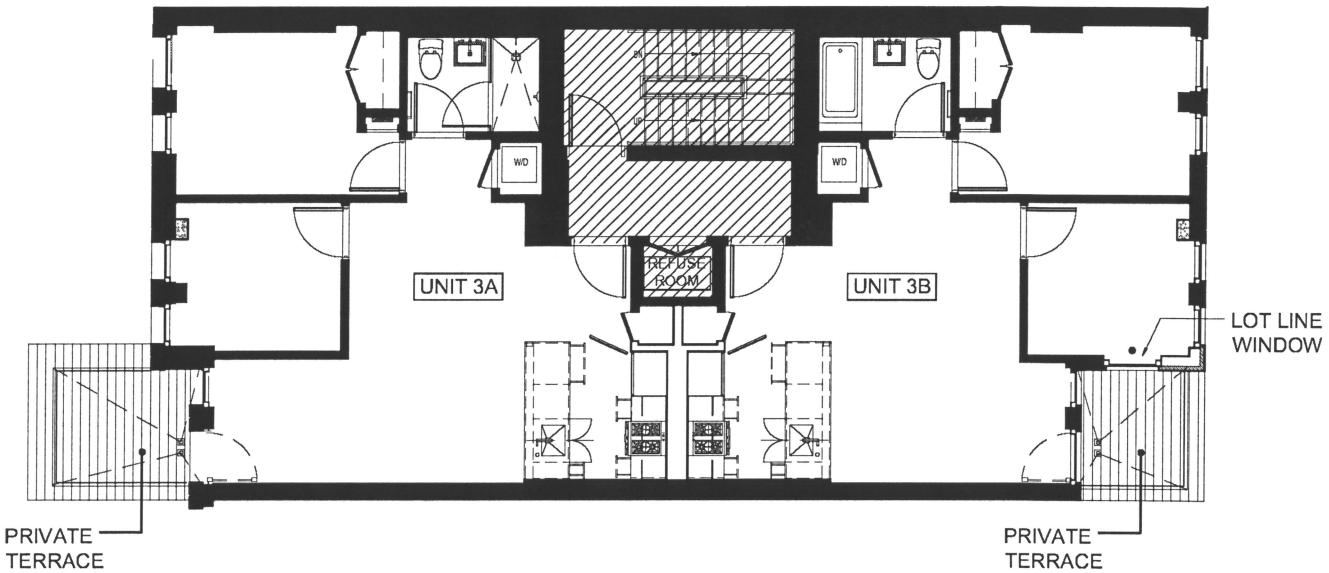
1504 JEFFERSON
3RD FLOOR



Olivera Grk
505 Greenwich St. 9B
New York, NY 10013
T. (917) 287-3774

GENERAL COMMON ELEMENT

LIMITED COMMON ELEMENT

UNITS

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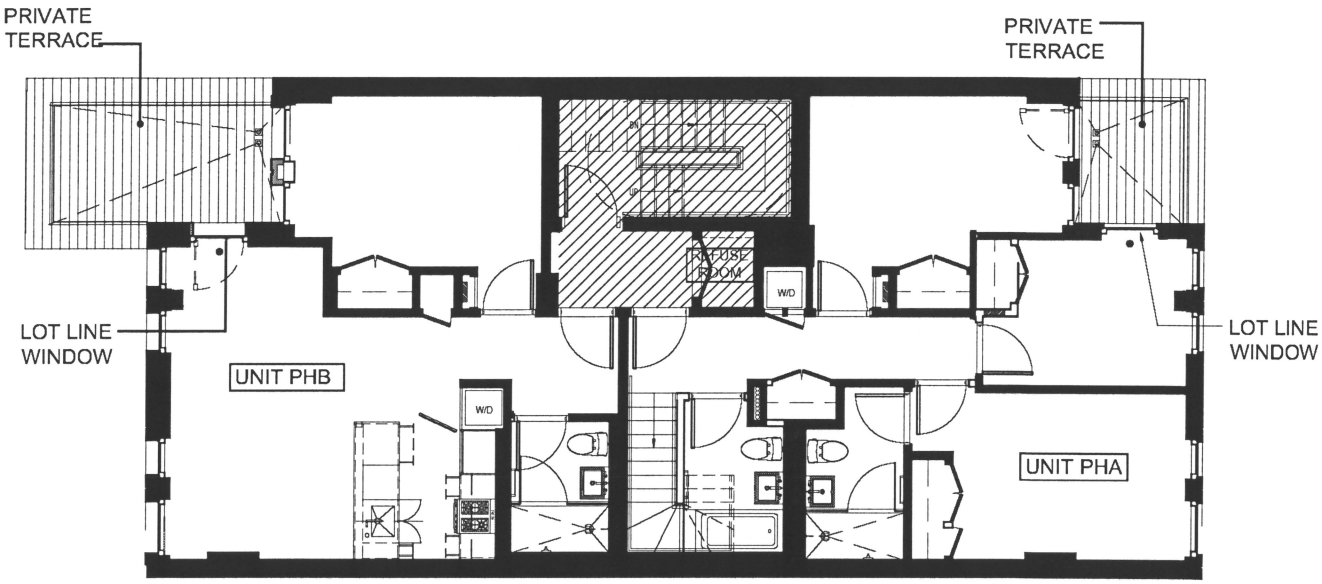
PH FLOOR



Olivera Grk
505 Greenwich St. 9B
New York, NY 10013
T. (917) 287-3774

GENERAL COMMON ELEMENT

LIMITED COMMON ELEMENT

UNITS

N

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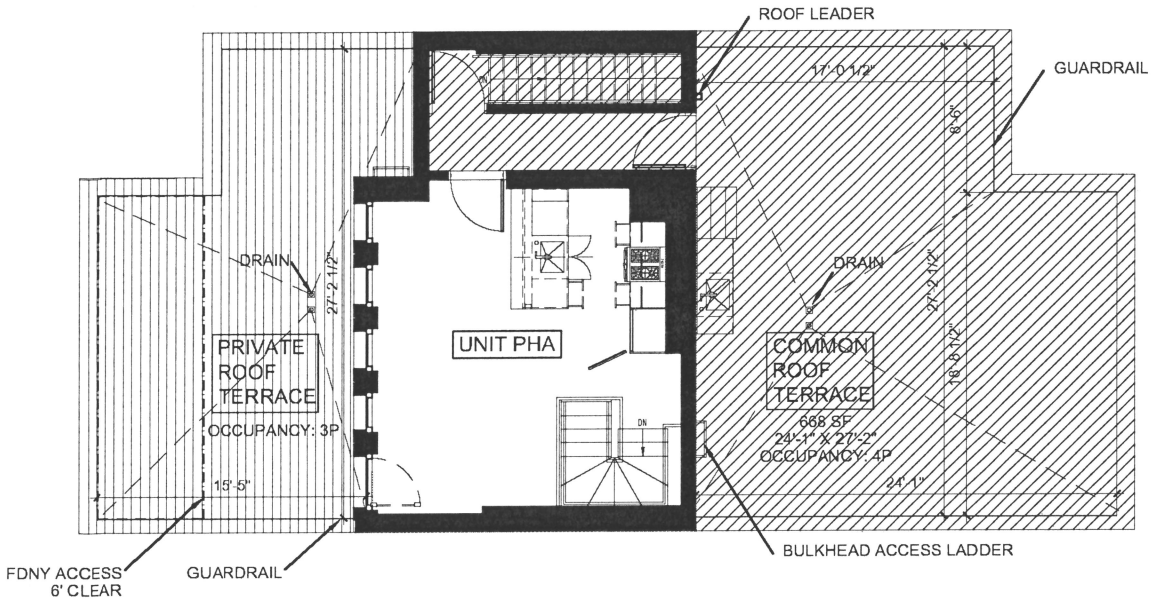
1504 JEFFERSON
ROOF PLAN



Olivera Grk
505 Greenwich St. 9B
New York, NY 10013
T. (917) 287-3774

GENERAL COMMON ELEMENT

LIMITED COMMON ELEMENT

UNITS

N

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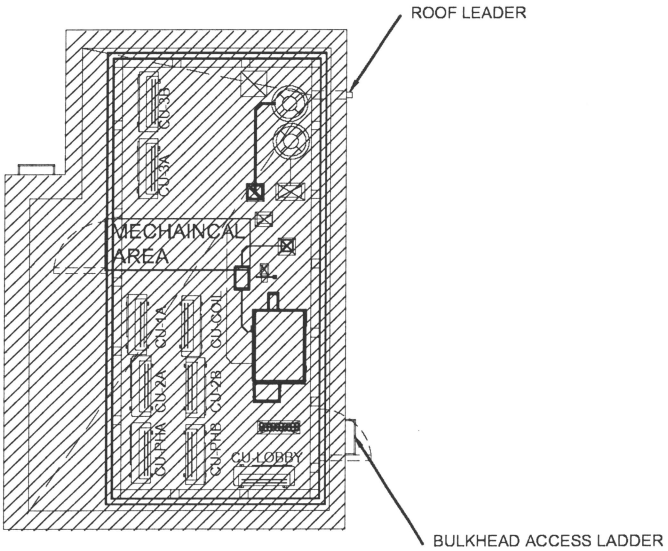
1504 JEFFERSON
BULKHEAD PLAN



REGISTERED ARCHITECT
OLIVERA GRK
041100
STATE OF NEW YORK

N

Olivera Grk
505 Greenwich St. 9B
New York, NY 10013
T. (917) 287-3774

GENERAL COMMON ELEMENT

LIMITED COMMON ELEMENT

UNITS

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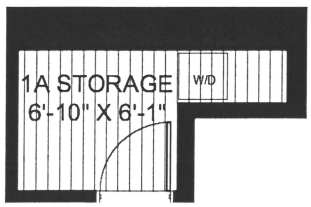
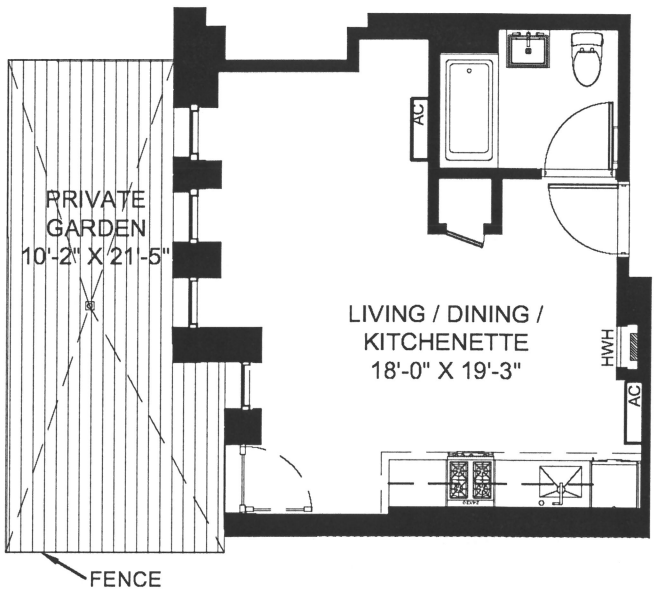
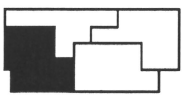
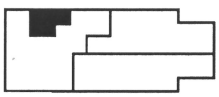






UNIT 1A
FLOOR 1
INDOOR AREA = 422 SF
OUTDOOR AREA = 172 SF



UNIT 1A
CELLAR FLOOR PLAN
STORAGE AREA = 85 SF

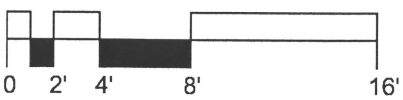
UNIT 1A TOTAL:
STUDIO, 1 BATH; STORAGE
INDOOR AREA = 422 SF
OUTDOOR AREA = 172 SF
STORAGE AREA = 85 SF

Olivera Grk
505 Greenwich St. 9B
New York, NY 10013
T. (917) 287-3774

GENERAL COMMON ELEMENT

LIMITED COMMON ELEMENT

UNITS



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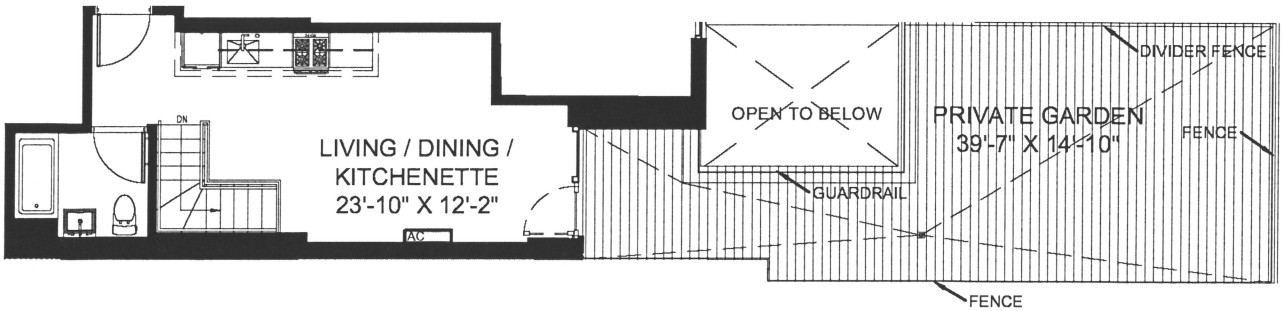
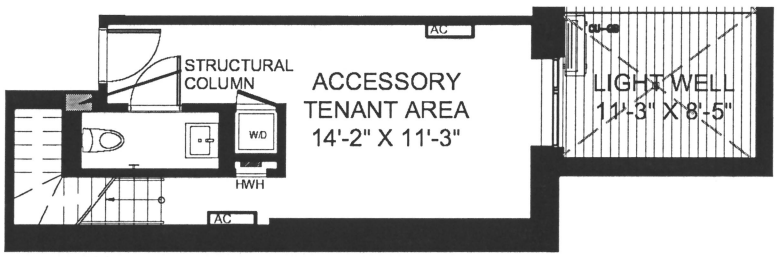
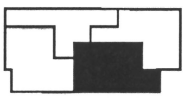
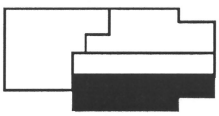




*ACCESSORY SPACE WILL NOT BE USED FOR SLEEPING, COOKING AND/OR LIVING PURPOSES AND WILL NOT BE RENTED INDEPENDANTLY



UNIT GARDEN B
FLOOR 1
INDOOR AREA = 402 SF
OUTDOOR AREA = 444 SF



UNIT GARDEN B
CELLAR FLOOR
INDOOR AREA = 401 SF
OUTDOOR AREA = 92 SF

UNIT GARDEN B TOTAL:
STUDIO, 1.5 BATH
INDOOR AREA = 803 SF
OUTDOOR AREA = 536 SF

Olivera Grk
505 Greenwich St. 9B
New York, NY 10013
T. (917) 287-3774

GENERAL COMMON ELEMENT

LIMITED COMMON ELEMENT

UNITS

N

0 2' 4' 8' 16'

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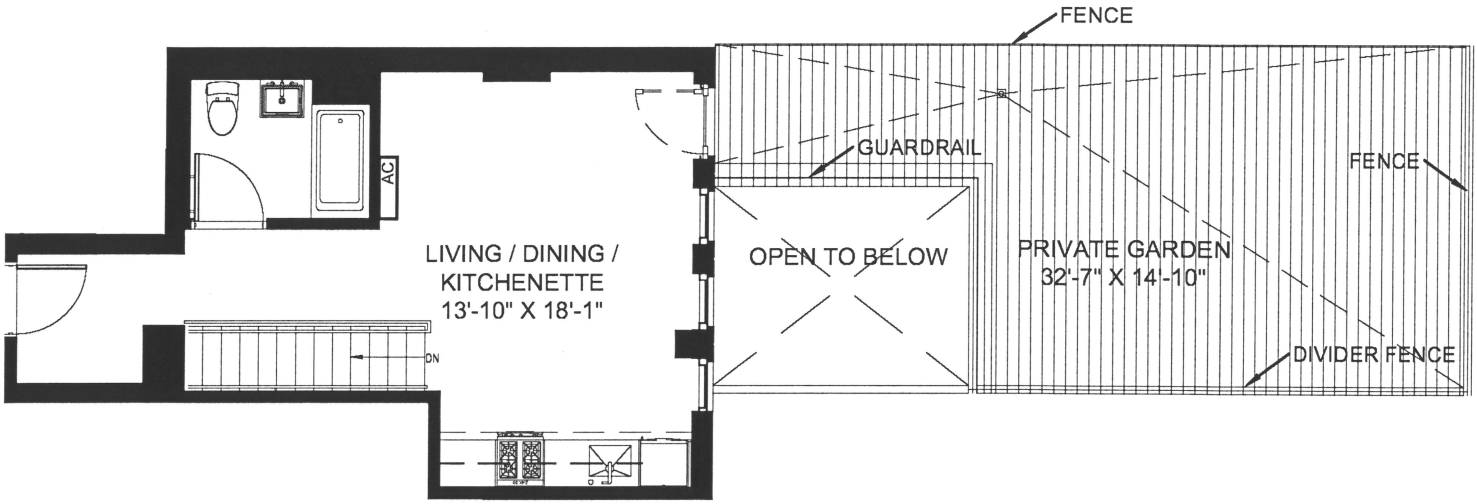
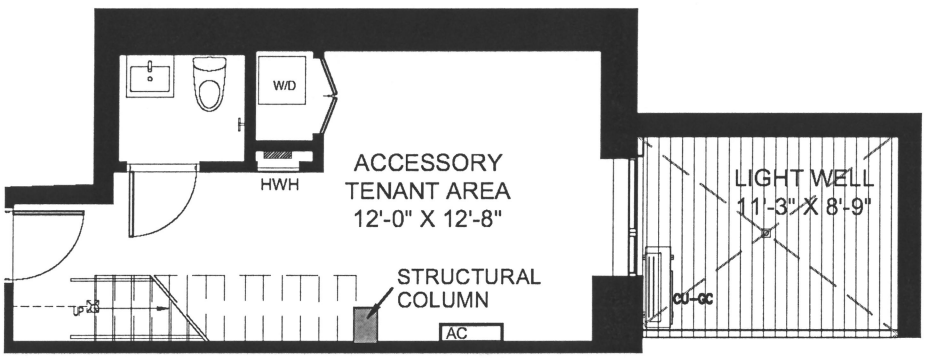
1504 Jefferson Ave / 1437 Hancock St
Brooklyn New York 11237

1504 JEFFERSON
UNIT GARDEN C





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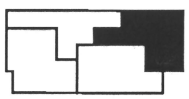
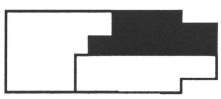


UNIT GARDEN C
FLOOR 1
INDOOR AREA = 459 SF
OUTDOOR AREA = 391 SF



UNIT GARDEN C
CELLAR FLOOR
INDOOR AREA = 368 SF
OUTDOOR AREA = 97 SF

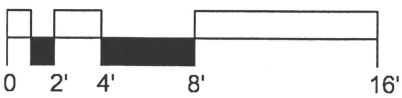
UNIT GARDEN C TOTAL:
STUDIO, 1.5 BATHS
INDOOR AREA = 827 SF
OUTDOOR AREA = 488 SF

Olivera Grk
505 Greenwich St. 9B
New York, NY 10013
T. (917) 287-3774

GENERAL COMMON ELEMENT

LIMITED COMMON ELEMENT

UNITS



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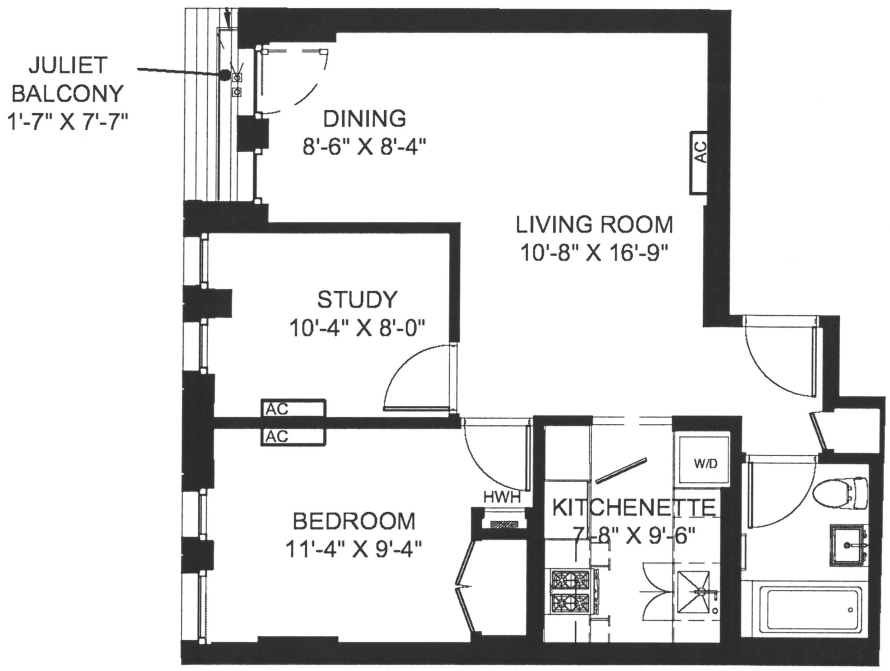
1504 Jefferson Ave / 1437 Hancock St
Brooklyn New York 11237

1504 JEFFERSON
UNIT 2A



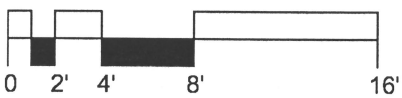
UNIT 2A
1 BEDROOM, STUDY, 1 BATH
INDOOR AREA = 742 SF
OUTDOOR AREA = 19 SF

Olivera Grk
505 Greenwich St. 9B
New York, NY 10013
T. (917) 287-3774

GENERAL COMMON ELEMENT

LIMITED COMMON ELEMENT

UNITS



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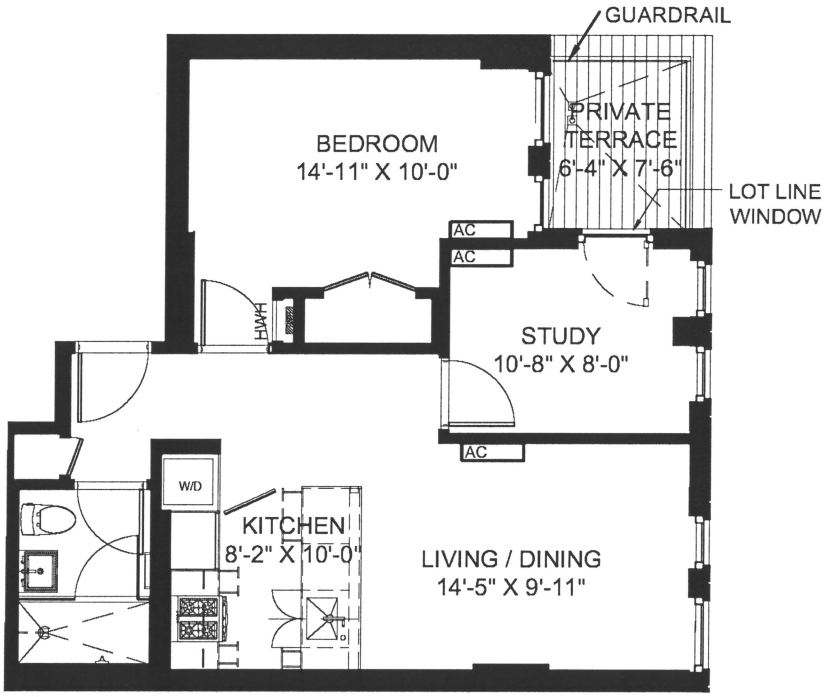


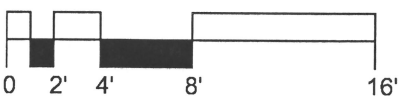
UNIT 2B
1 BEDROOM, STUDY, 1 BATH
INDOOR AREA = 702 SF
OUTDOOR AREA = 59 SF

Olivera Grk
505 Greenwich St. 9B
New York, NY 10013
T. (917) 287-3774

GENERAL COMMON ELEMENT

LIMITED COMMON ELEMENT

UNITS



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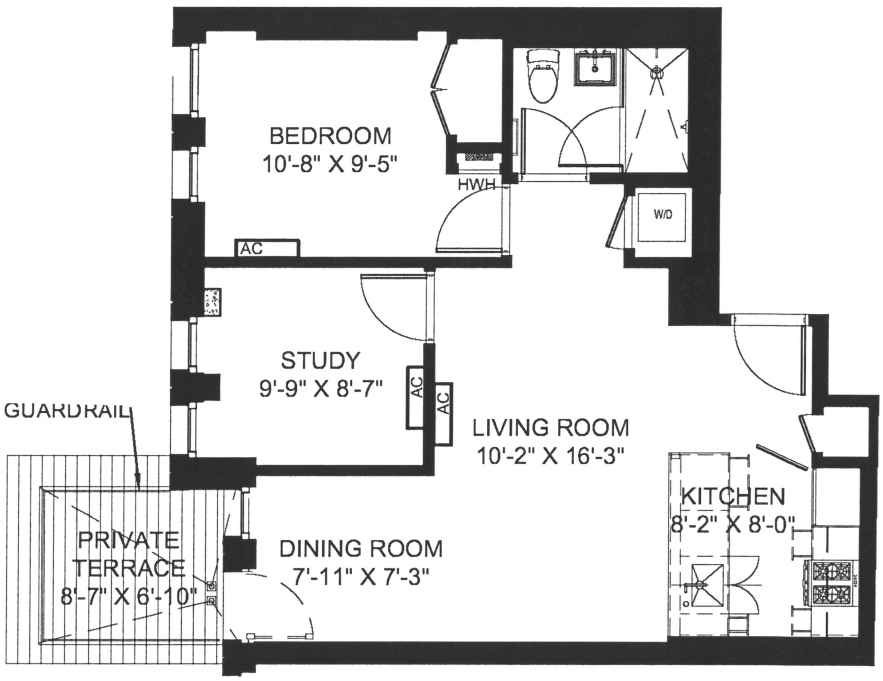
1504 Jefferson Ave / 1437 Hancock St
Brooklyn New York 11237

1504 JEFFERSON
UNIT 3A



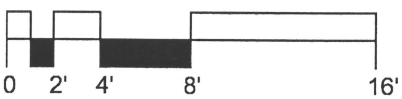
UNIT 3A
1 BEDROOM, STUDY, 1 BATH
INDOOR AREA = 745 SF
OUTDOOR AREA = 81 SF

Olivera Grk
505 Greenwich St. 9B
New York, NY 10013
T. (917) 287-3774

GENERAL COMMON ELEMENT

LIMITED COMMON ELEMENT

UNITS



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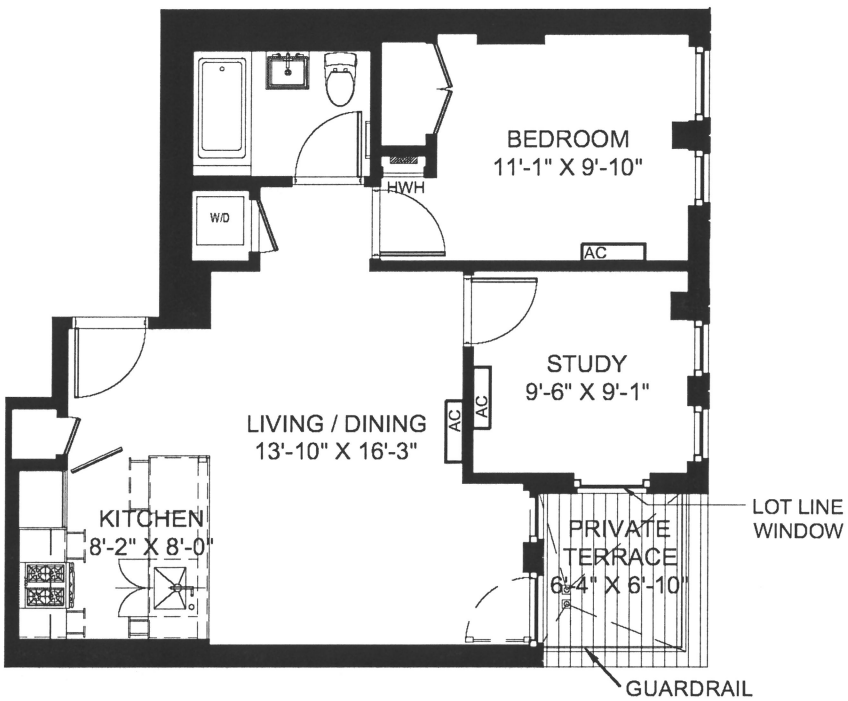


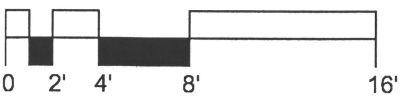
UNIT 3B
1 BEDROOM, STUDY, 1 BATH
INDOOR AREA = 708 SF
OUTDOOR AREA = 53 SF

Olivera Grk
505 Greenwich St. 9B
New York, NY 10013
T. (917) 287-3774

GENERAL COMMON ELEMENT

LIMITED COMMON ELEMENT

UNITS



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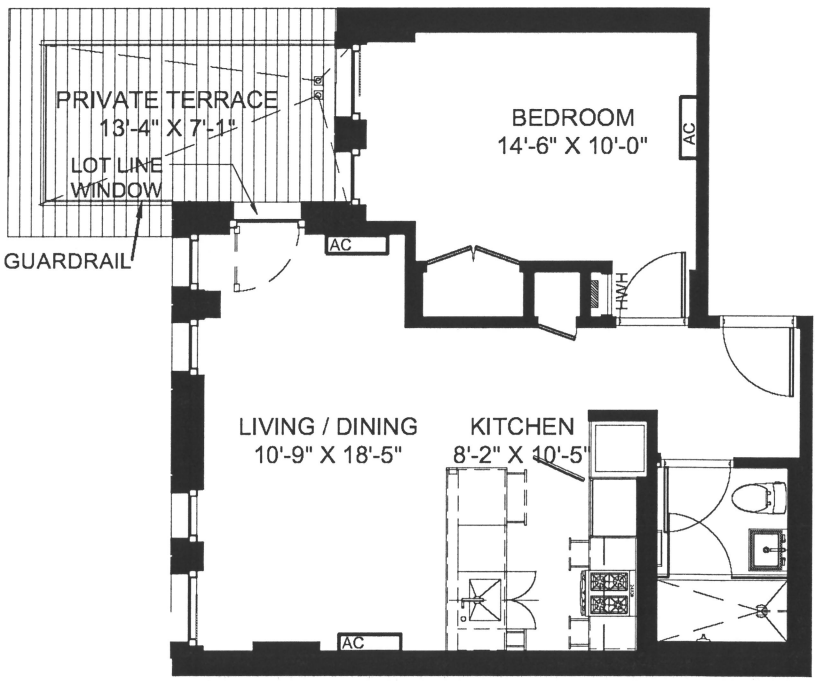
1504 Jefferson Ave / 1437 Hancock St
Brooklyn New York 11237

1504 JEFFERSON
UNIT PHB



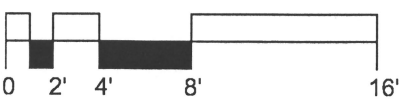
UNIT PHB
1 BEDROOM, 1 BATH
INDOOR AREA = 677 SF
OUTDOOR AREA = 128 SF

Olivera Grk
505 Greenwich St. 9B
New York, NY 10013
T. (917) 287-3774

GENERAL COMMON ELEMENT

LIMITED COMMON ELEMENT

UNITS



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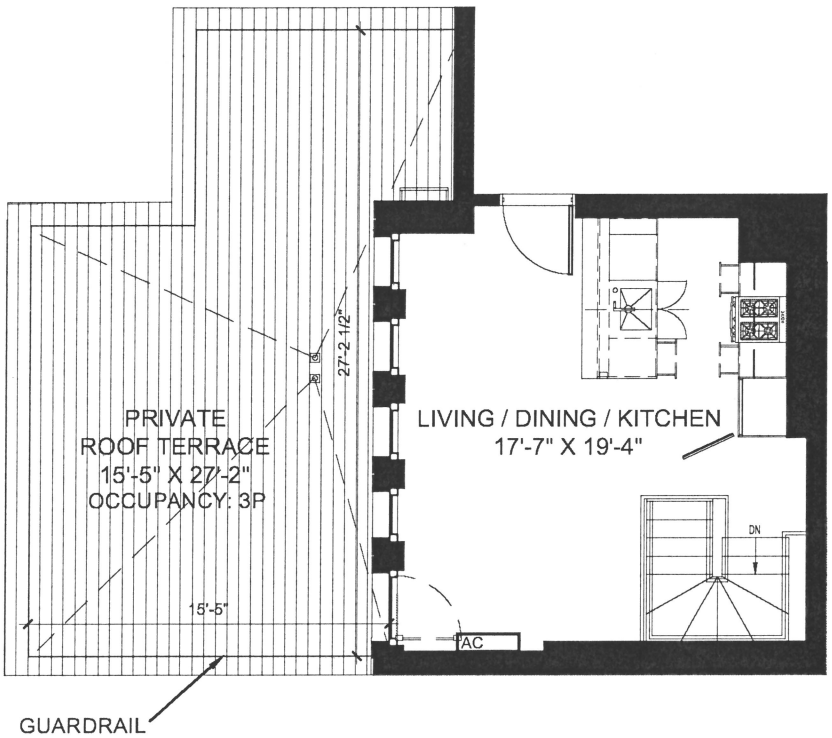
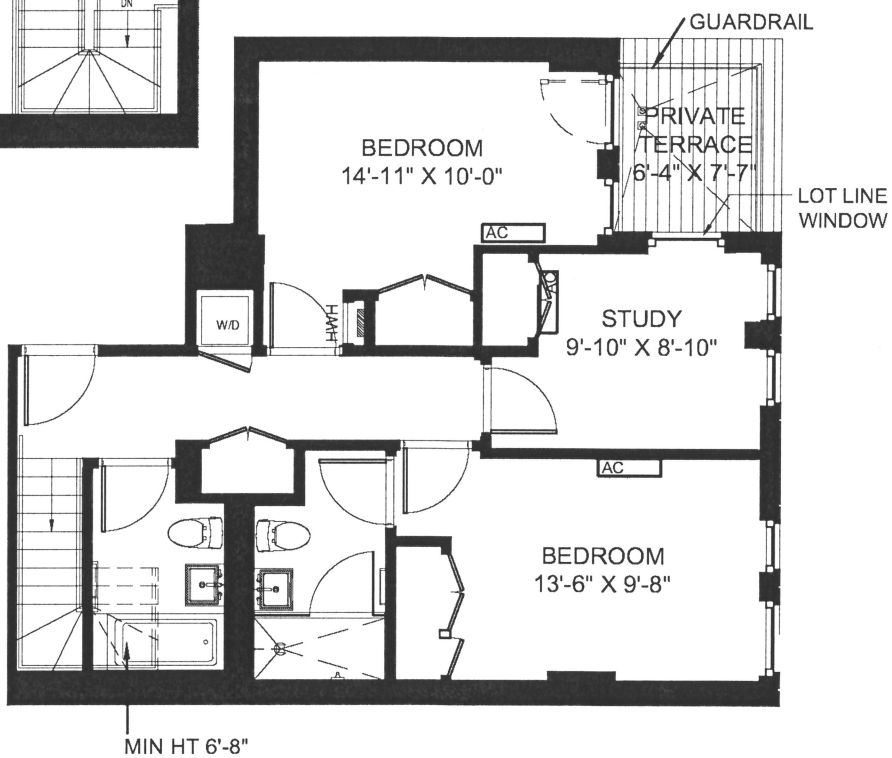
Hancock and Jefferson Condominium

1504 JEFFERSON

UNIT PHA





UNIT PHA
PH FLOOR
INDOOR AREA = 776 SF
OUTDOOR AREA = 59 SF

UNIT PHA
ROOF
INDOOR AREA = 408 SF
OUTDOOR AREA = 425 SF

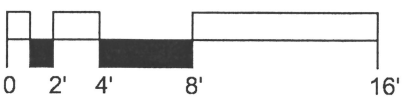
UNIT PHA TOTAL:
2 BEDROOM, STUDY, 2 BATH
INDOOR AREA = 1,184 SF
OUTDOOR AREA = 484 SF

Olivera Grk
505 Greenwich St. 9B
New York, NY 10013
T. (917) 287-3774

GENERAL COMMON ELEMENT

LIMITED COMMON ELEMENT

UNITS



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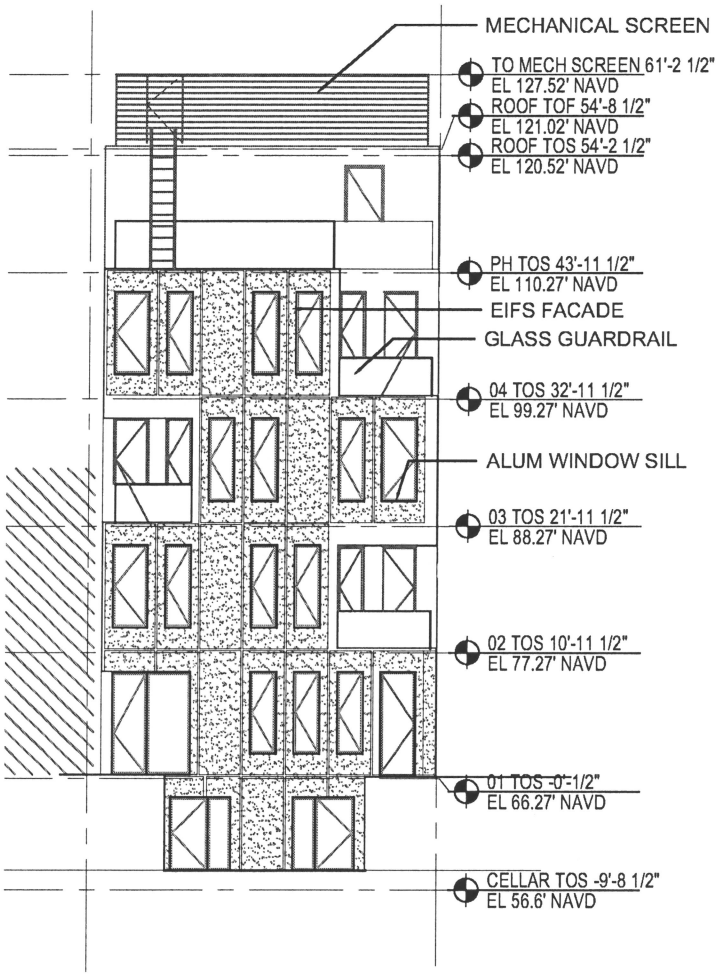
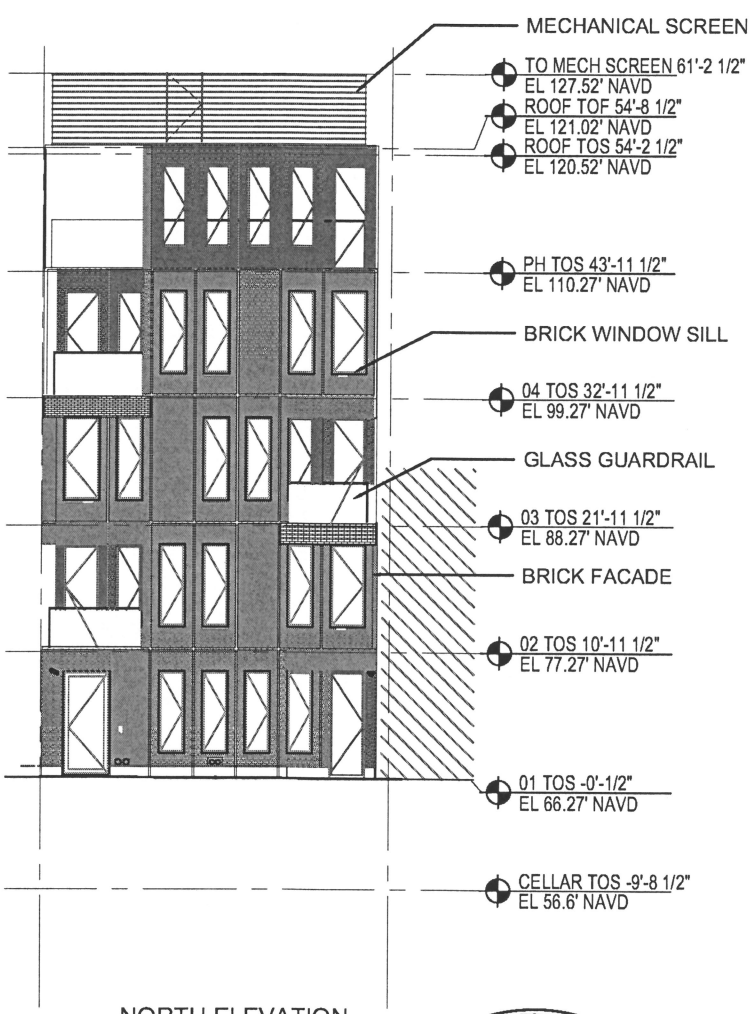
ELEVATION



SOUTH ELEVATION



NORTH ELEVATION

Olivera Grk
505 Greenwich St. 9B
New York, NY 10013
T. (917) 287-3774

GENERAL COMMON ELEMENT

LIMITED COMMON ELEMENT

UNITS

0 4' 8' 16' 32'

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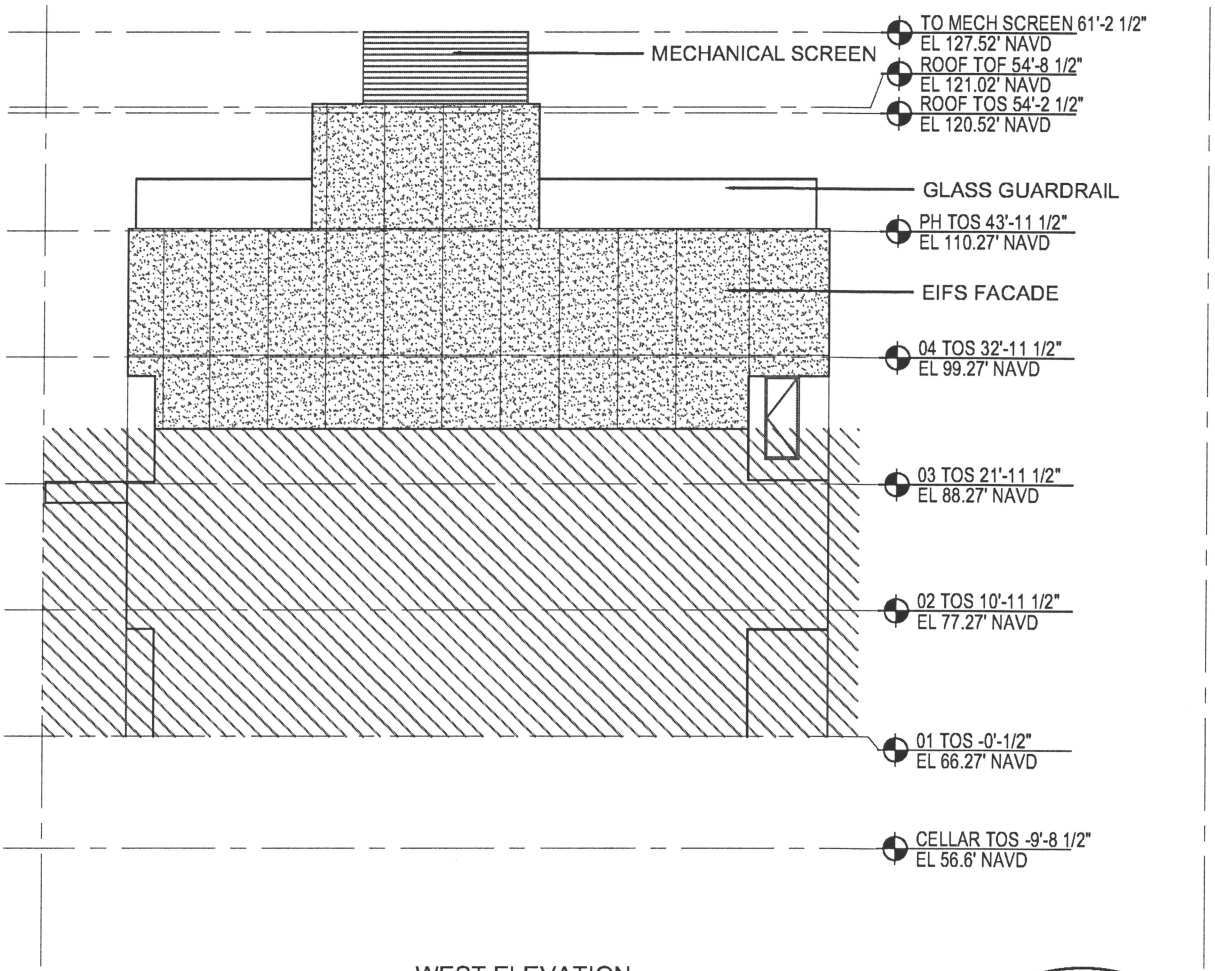
ELEVATION



WEST ELEVATION

Olivera Grk
505 Greenwich St. 9B
New York, NY 10013
T. (917) 287-3774

GENERAL COMMON ELEMENT

LIMITED COMMON ELEMENT

UNITS

0 4' 8' 16' 32'

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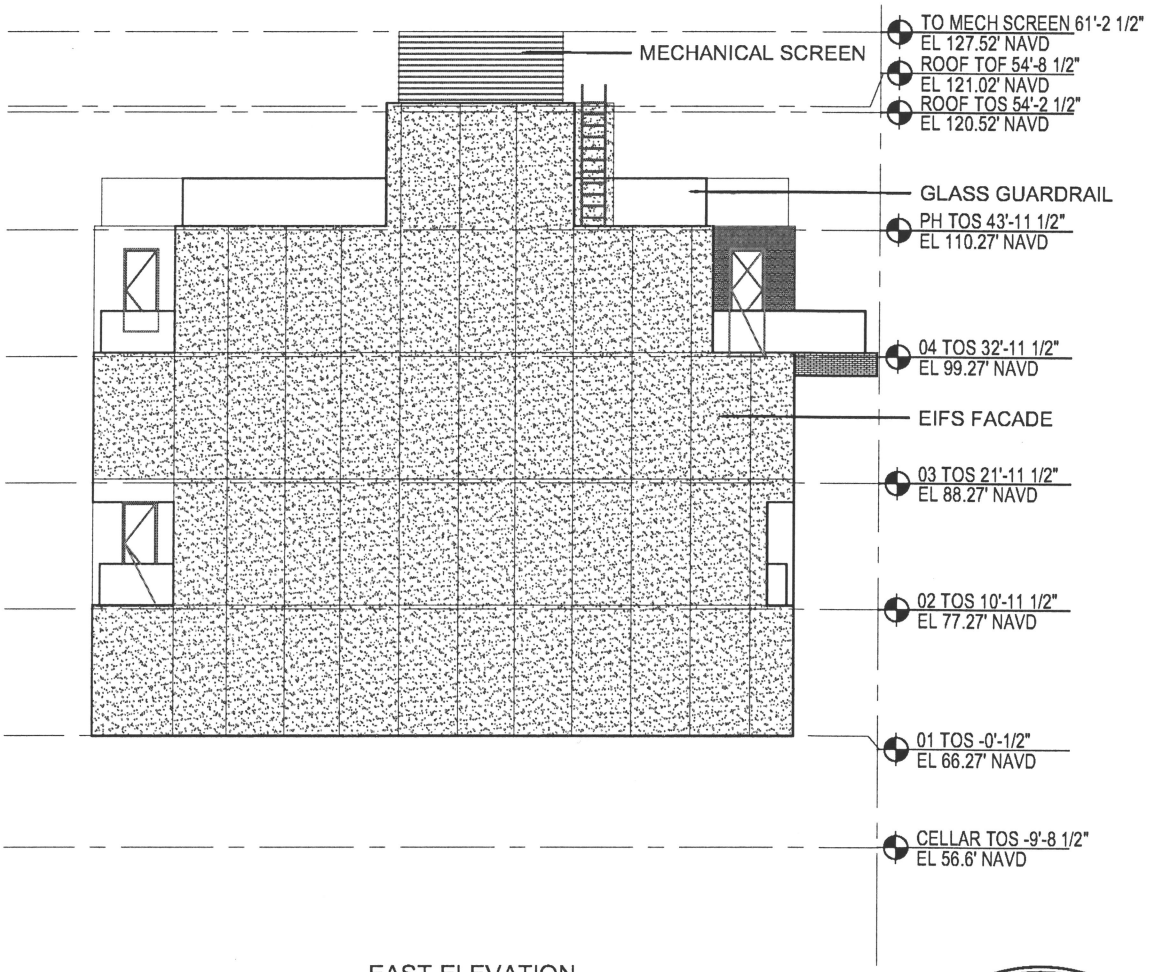
ELEVATION



EAST ELEVATION

Olivera Grk
505 Greenwich St. 9B
New York, NY 10013
T. (917) 287-3774

GENERAL COMMON ELEMENT

LIMITED COMMON ELEMENT

UNITS

0 4' 8' 16' 32'

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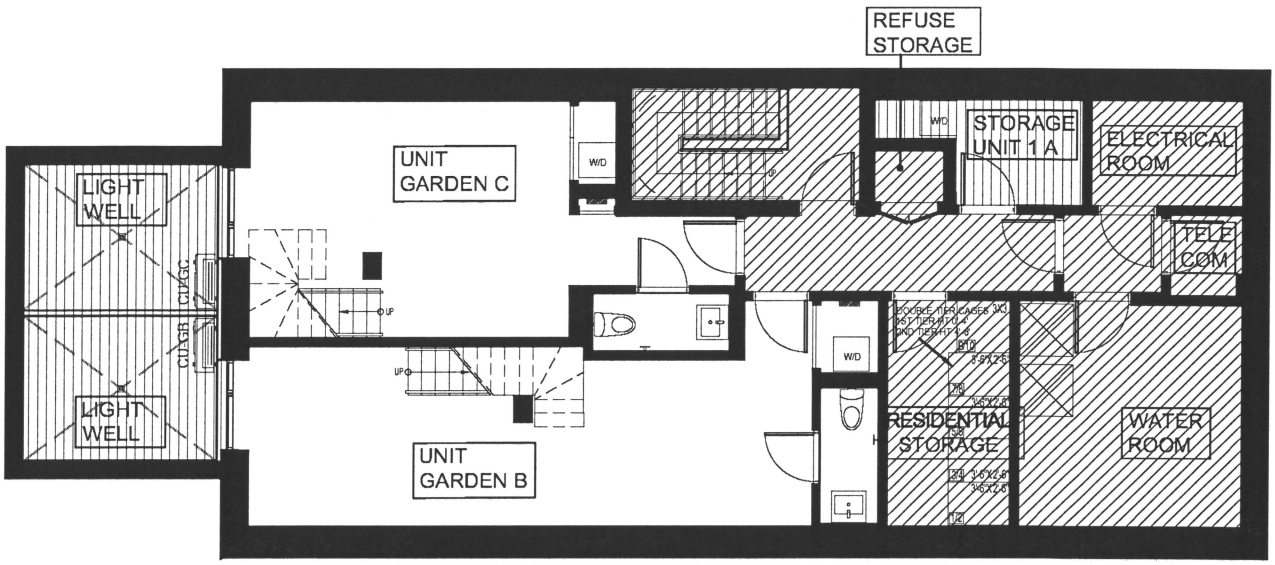
Hancock and Jefferson Condominium

1437 HANCOCK

CELLAR PLAN



Olivera Grk
505 Greenwich St. 9B
New York, NY 10013
T. (917) 287-3774

GENERAL COMMON ELEMENT

LIMITED COMMON ELEMENT

UNITS

N

0 2' 4' 8' 16'

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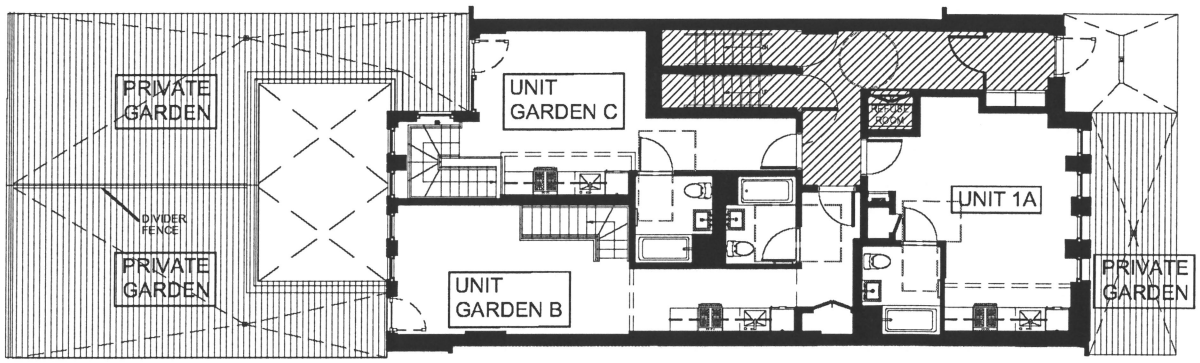
Hancock and Jefferson Condominium

1437 HANCOCK

1ST FLOOR



Olivera Grk
505 Greenwich St. 9B
New York, NY 10013
T. (917) 287-3774

GENERAL COMMON ELEMENT

LIMITED COMMON ELEMENT

UNITS

N

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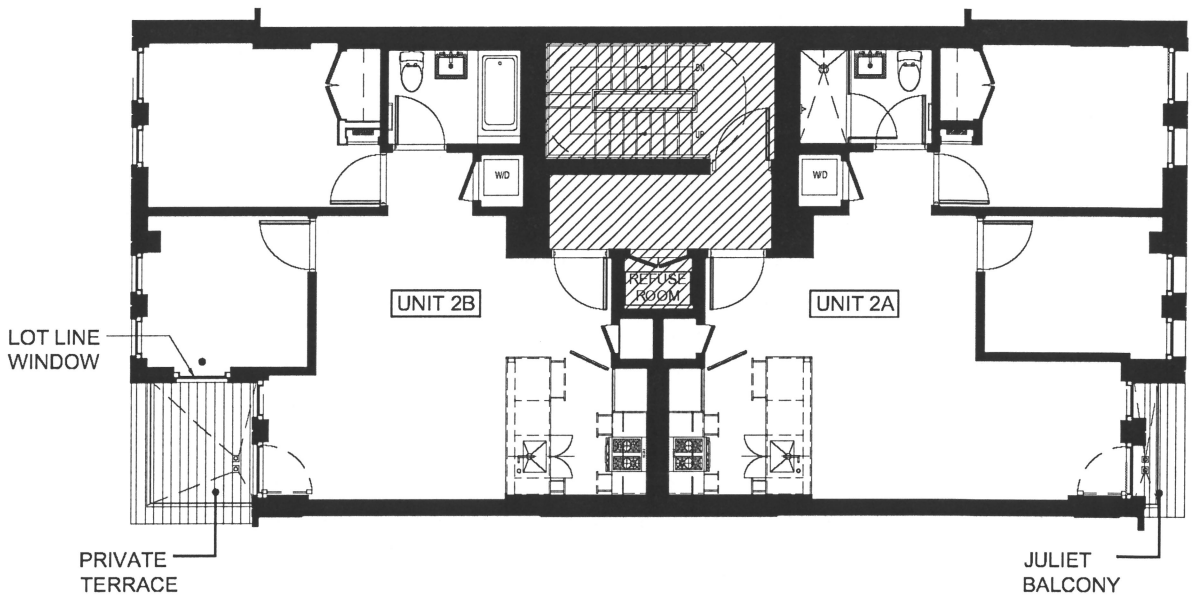
2ND FLOOR



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505 Greenwich St. 9B
New York, NY 10013
T. (917) 287-3774

GENERAL COMMON ELEMENT

LIMITED COMMON ELEMENT

UNITS

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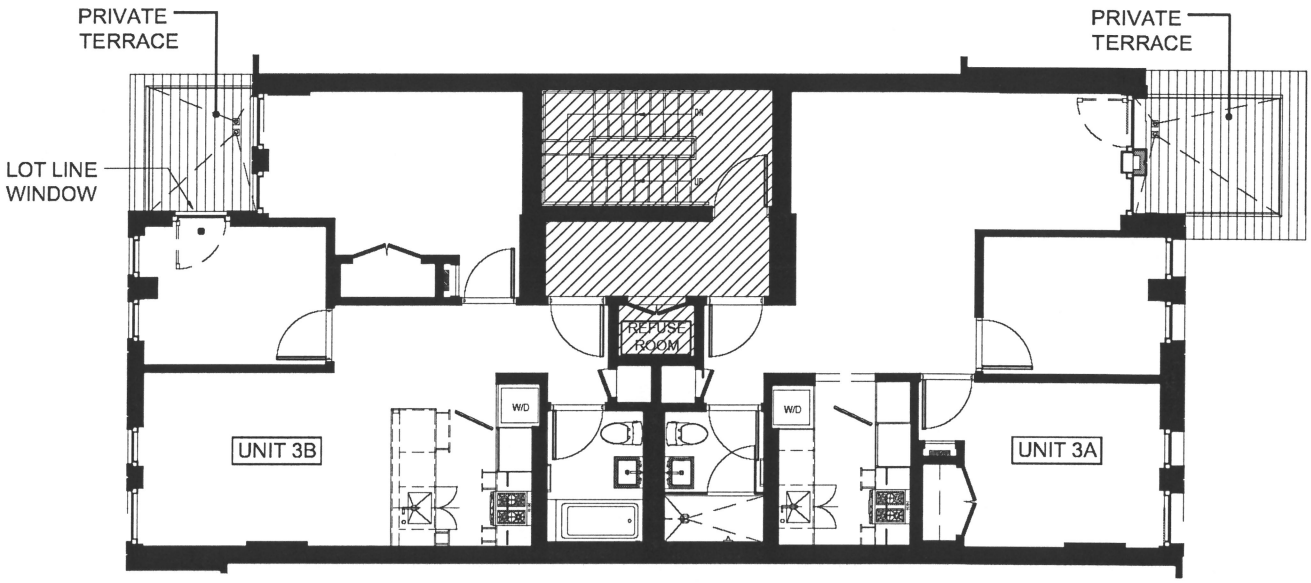
Hancock and Jefferson Condominium

1437 HANCOCK

3RD FLOOR



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505 Greenwich St. 9B
New York, NY 10013
T. (917) 287-3774

GENERAL COMMON ELEMENT

LIMITED COMMON ELEMENT

UNITS

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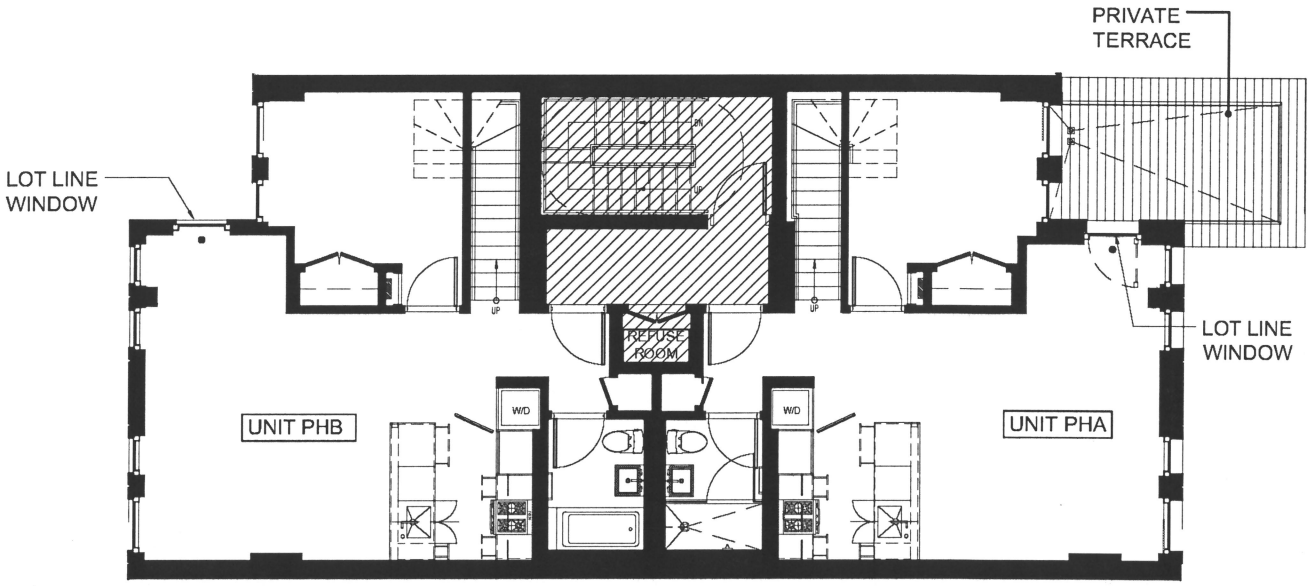
PH FLOOR



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505 Greenwich St. 9B
New York, NY 10013
T. (917) 287-3774

GENERAL COMMON ELEMENT

LIMITED COMMON ELEMENT

UNITS

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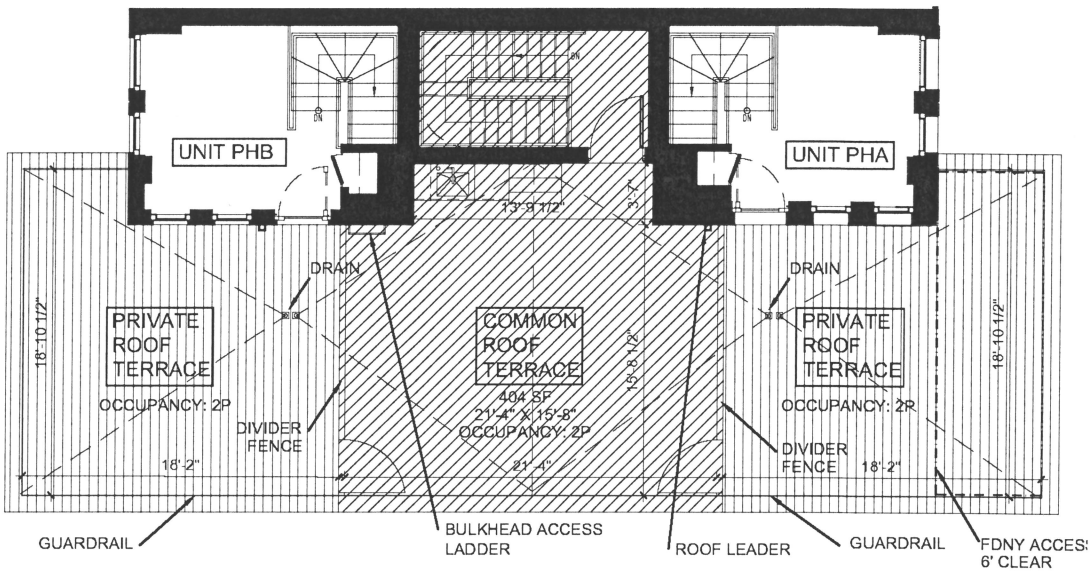
1437 HANCOCK

ROOF PLAN



Olivera Grk
505 Greenwich St. 9B
New York, NY 10013
T. (917) 287-3774

GENERAL COMMON ELEMENT

LIMITED COMMON ELEMENT

UNITS

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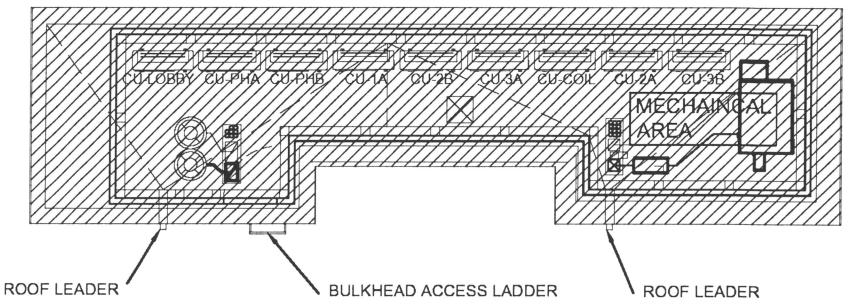
Hancock and Jefferson Condominium

1437 HANCOCK

BULKHEAD PLAN



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GENERAL COMMON ELEMENT

LIMITED COMMON ELEMENT

UNITS

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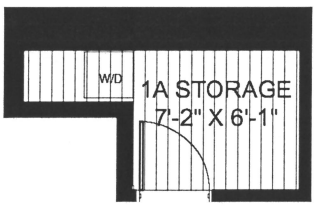
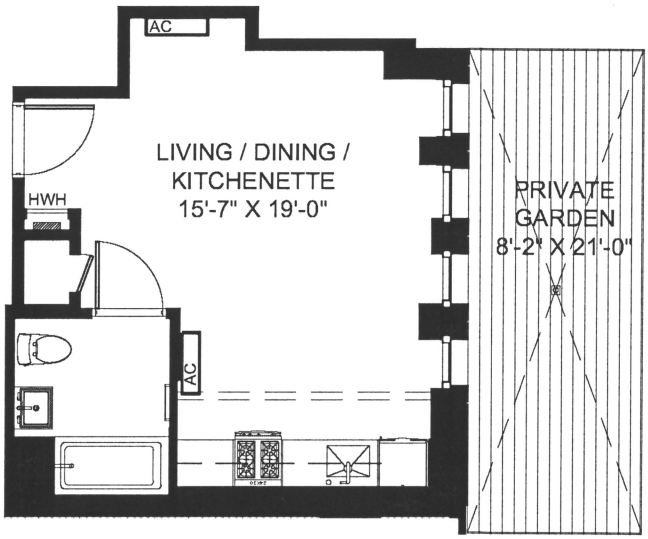
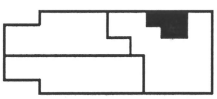




UNIT 1A
FLOOR 1
INDOOR AREA = 404 SF
OUTDOOR AREA = 158 SF



UNIT 1A
CELLAR FLOOR PLAN
STORAGE AREA = 85 SF

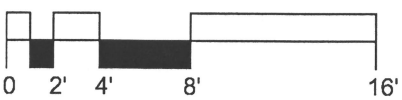
UNIT 1A TOTAL:
STUDIO, 1 BATH; STORAGE
INDOOR AREA = 404 SF
OUTDOOR AREA = 158 SF
STORAGE AREA = 85 SF

Olivera Grk
505 Greenwich St. 9B
New York, NY 10013
T. (917) 287-3774

GENERAL COMMON ELEMENT

LIMITED COMMON ELEMENT

UNITS



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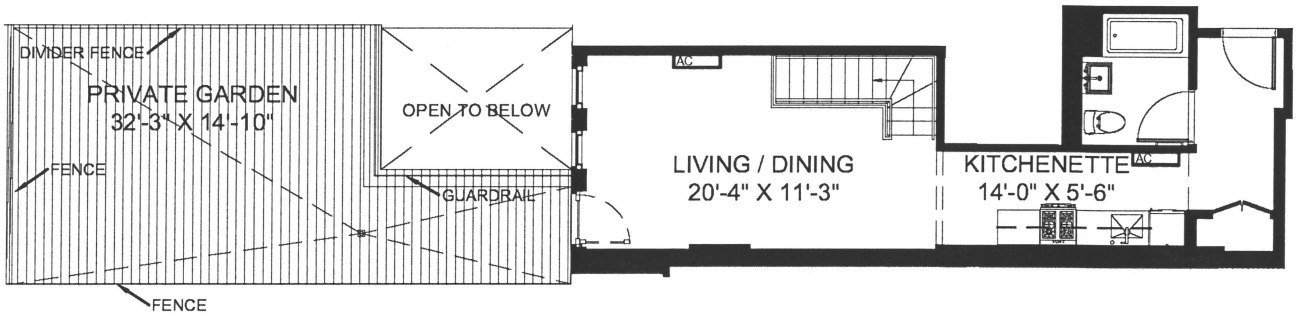
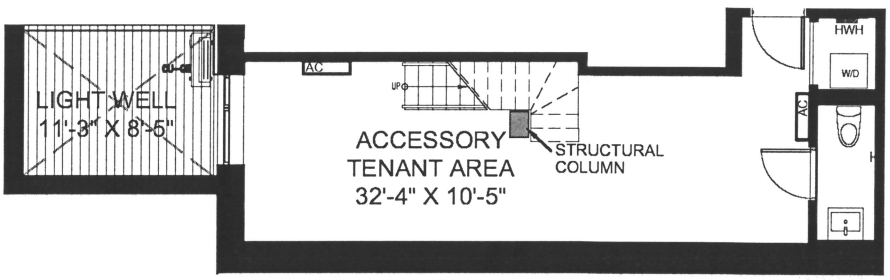
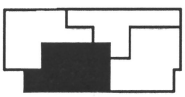
1504 Jefferson Ave / 1437 Hancock St
Brooklyn New York 11237

1437 HANCOCK
UNIT GARDEN B





*ACCESSORY SPACE WILL NOT BE USED FOR SLEEPING, COOKING AND/OR LIVING PURPOSES AND WILL NOT BE RENTED INDEPENDANTLY



UNIT GARDEN B
FLOOR 1
INDOOR AREA = 496 SF
OUTDOOR AREA = 391 SF

UNIT GARDEN B
CELLAR FLOOR
INDOOR AREA = 493 SF
OUTDOOR AREA = 92 SF

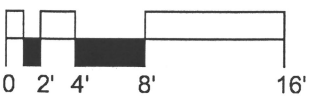
UNIT GARDEN B TOTAL:
STUDIO, 1.5 BATH
INDOOR AREA = 989 SF
OUTDOOR AREA = 483 SF

Olivera Grk
505 Greenwich St. 9B
New York, NY 10013
T. (917) 287-3774

GENERAL COMMON ELEMENT

LIMITED COMMON ELEMENT

UNITS



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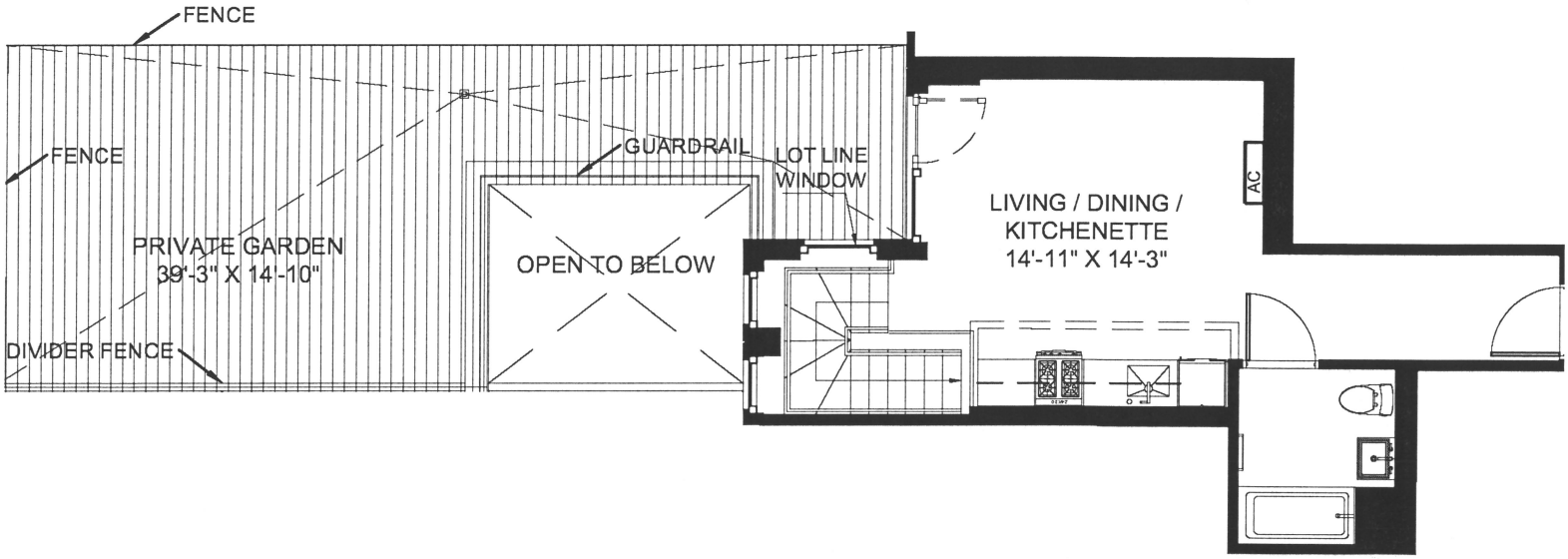
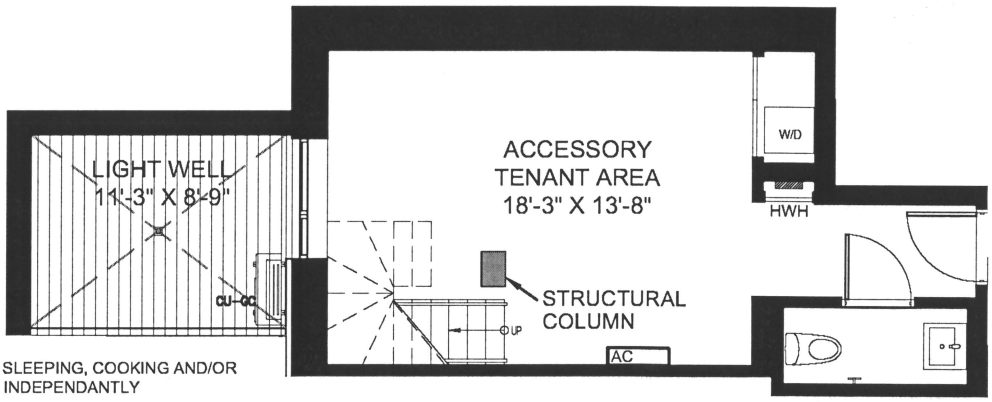
1504 Jefferson Ave / 1437 Hancock St
Brooklyn New York 11237

1437 HANCOCK
UNIT GARDEN C





*ACCESSORY SPACE WILL NOT BE USED FOR SLEEPING, COOKING AND/OR LIVING PURPOSES AND WILL NOT BE RENTED INDEPENDANTLY

UNIT GARDEN C
FLOOR 1
INDOOR AREA = 428 SF
OUTDOOR AREA = 444 SF

UNIT GARDEN C
CELLAR FLOOR
INDOOR AREA = 425 SF
OUTDOOR AREA = 97 SF

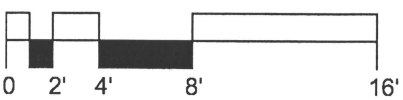
UNIT GARDEN C TOTAL:
STUDIO, 1.5 BATH
INDOOR AREA = 853 SF
OUTDOOR AREA = 541 SF

Olivera Grk
505 Greenwich St. 9B
New York, NY 10013
T. (917) 287-3774

GENERAL COMMON ELEMENT

LIMITED COMMON ELEMENT

UNITS



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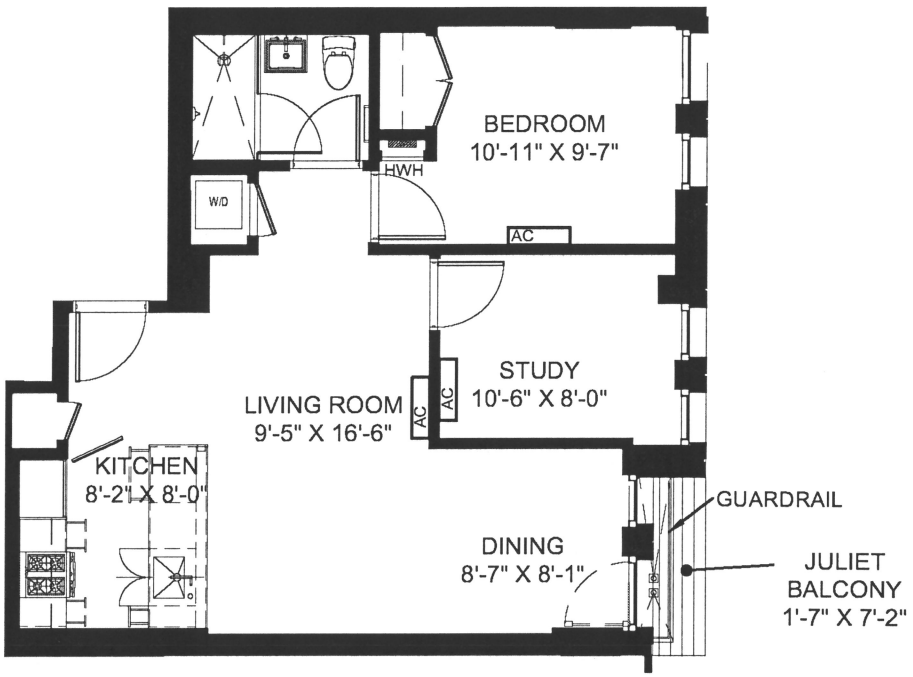


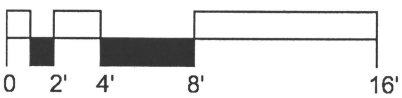
UNIT 2A
1 BEDROOM, STUDY, 1 BATH
INDOOR AREA = 745 SF
OUTDOOR AREA = 18 SF

Olivera Grk
505 Greenwich St. 9B
New York, NY 10013
T. (917) 287-3774

GENERAL COMMON ELEMENT

LIMITED COMMON ELEMENT

UNITS



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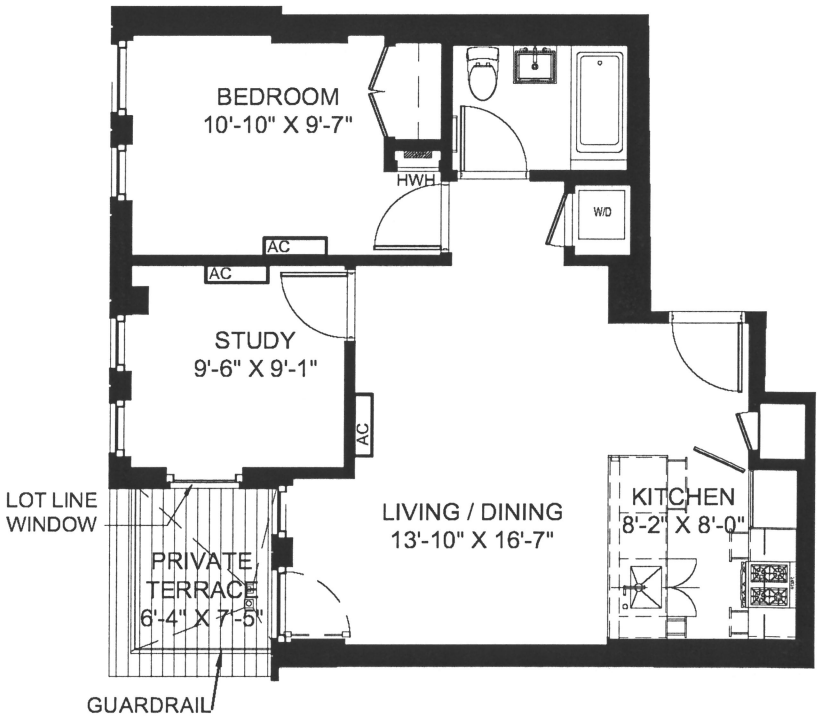
1504 Jefferson Ave / 1437 Hancock St
Brooklyn New York 11237

1437 HANCOCK
UNIT 2B



UNIT 2B
1 BEDROOM, STUDY, 1 BATH
INDOOR AREA = 706 SF
OUTDOOR AREA = 57 SF

N

Olivera Grk
505 Greenwich St. 9B
New York, NY 10013
T. (917) 287-3774

GENERAL COMMON ELEMENT

LIMITED COMMON ELEMENT

UNITS

0 2' 4' 8' 16'

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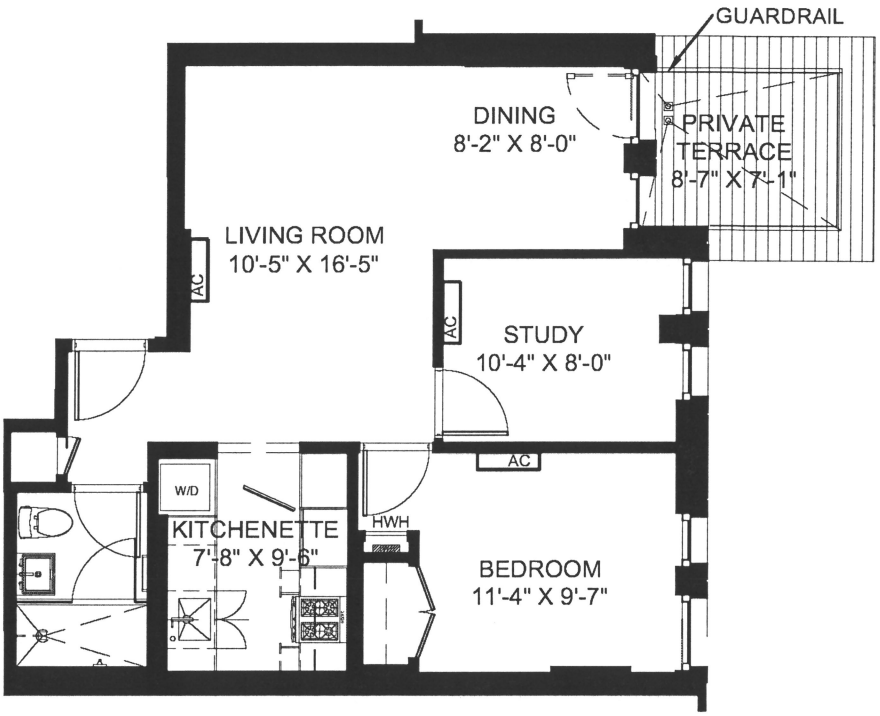
1504 Jefferson Ave / 1437 Hancock St
Brooklyn New York 11237

1437 HANCOCK
UNIT 3A



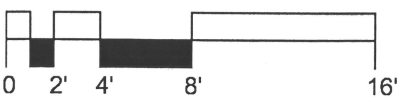
UNIT 3A
1 BEDROOM, STUDY, 1 BATH
INDOOR AREA = 743 SF
OUTDOOR AREA = 87 SF

Olivera Grk
505 Greenwich St. 9B
New York, NY 10013
T. (917) 287-3774

GENERAL COMMON ELEMENT

LIMITED COMMON ELEMENT

UNITS



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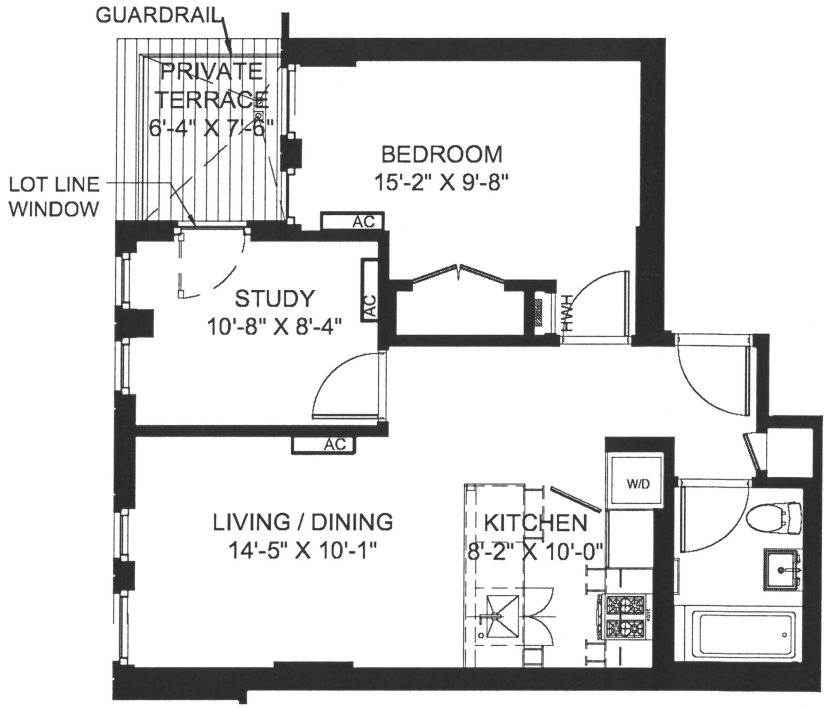
1504 Jefferson Ave / 1437 Hancock St
Brooklyn New York 11237

1437 HANCOCK
UNIT 3B



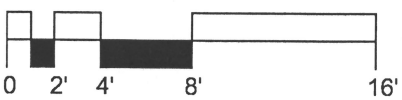
UNIT 3B
1 BEDROOM, STUDY, 1 BATH
INDOOR AREA = 704 SF
OUTDOOR AREA = 56 SF

Olivera Grk
505 Greenwich St. 9B
New York, NY 10013
T. (917) 287-3774

GENERAL COMMON ELEMENT

LIMITED COMMON ELEMENT

UNITS



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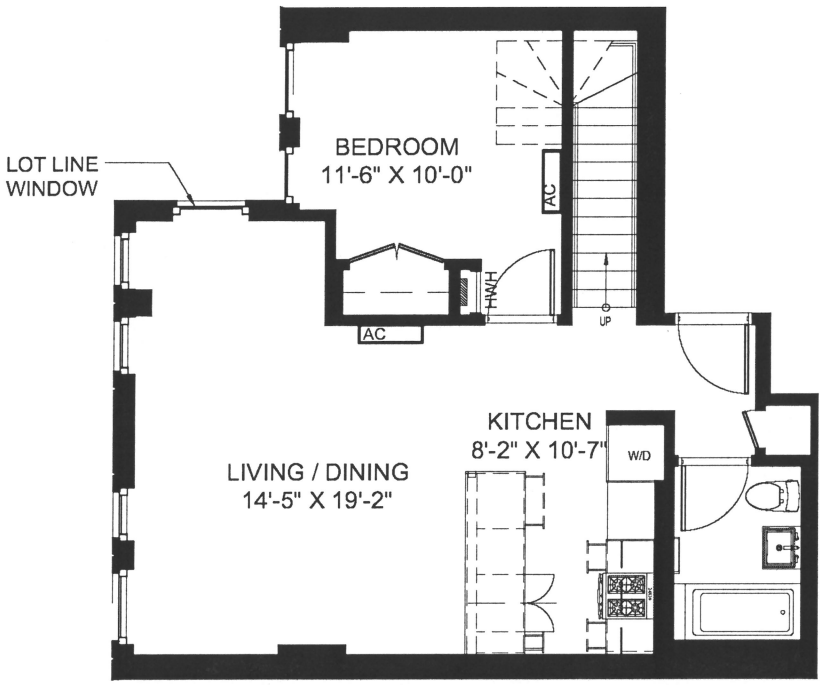
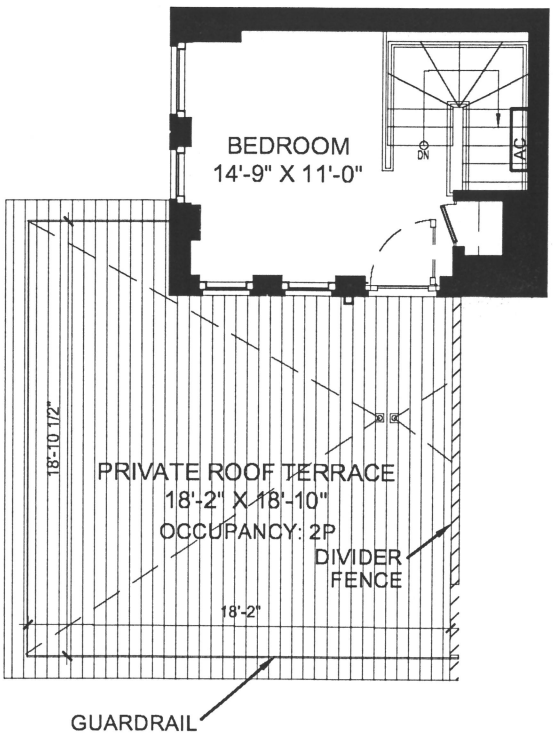
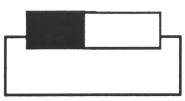
1504 Jefferson Ave / 1437 Hancock St
Brooklyn New York 11237

1437 HANCOCK
UNIT PHB





UNIT PHB
PH FLOOR
INDOOR AREA = 721 SF



UNIT PHB
ROOF
INDOOR AREA = 201 SF
OUTDOOR AREA = 351 SF

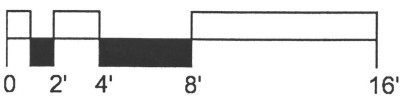
UNIT PHB TOTAL:
2 BEDROOM, 1 BATH
INDOOR AREA = 922 SF
OUTDOOR AREA = 351 SF

Olivera Grk
505 Greenwich St. 9B
New York, NY 10013
T. (917) 287-3774

GENERAL COMMON ELEMENT

LIMITED COMMON ELEMENT

UNITS



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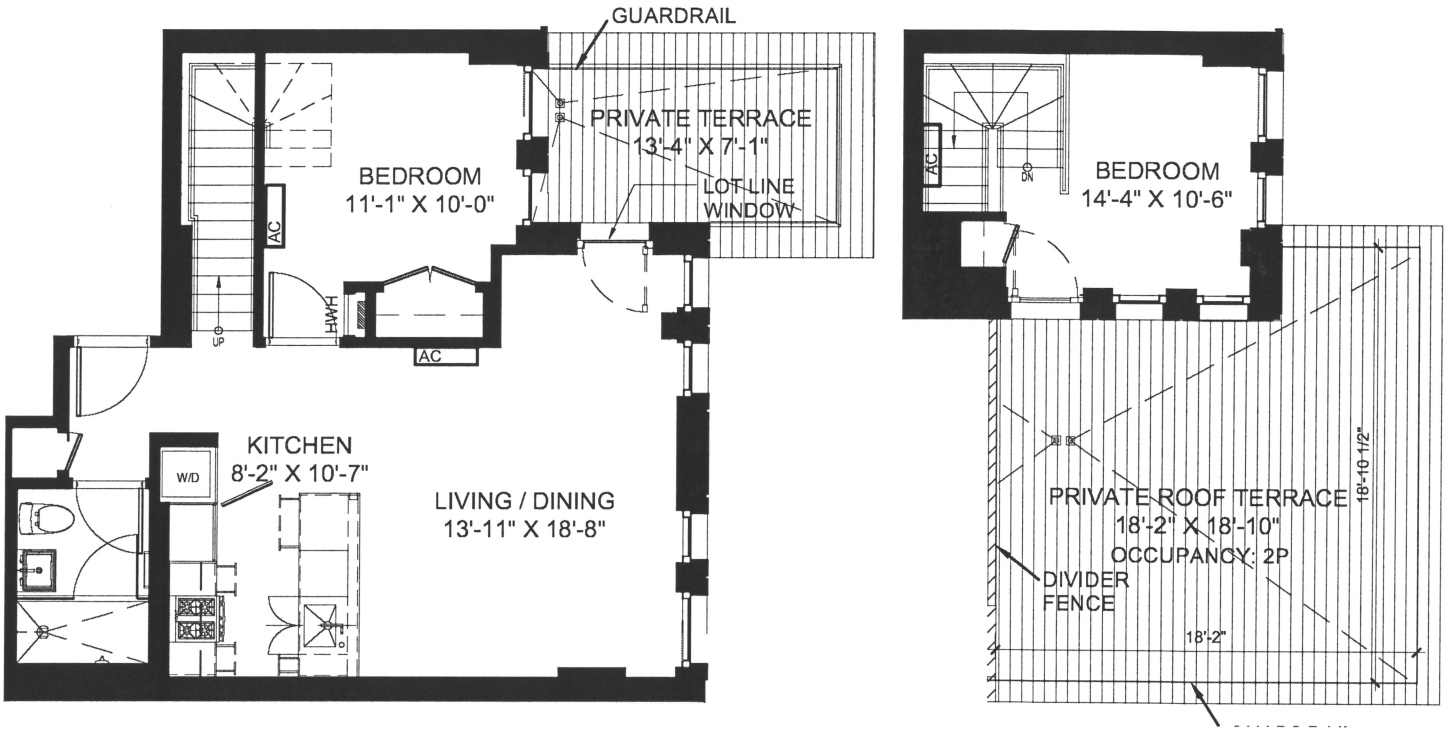
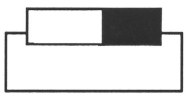


UNIT PHA
PH FLOOR
INDOOR AREA = 720 SF
OUTDOOR AREA = 126 SF



UNIT PHA
ROOF
INDOOR AREA = 201 SF
OUTDOOR AREA = 351 SF

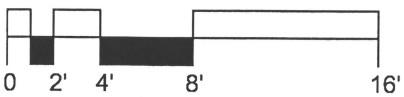
UNIT PHA TOTAL:
2 BEDROOM, 1 BATH
INDOOR AREA = 921 SF
OUTDOOR AREA = 477 SF

Olivera Grk
505 Greenwich St. 9B
New York, NY 10013
T. (917) 287-3774

GENERAL COMMON ELEMENT

LIMITED COMMON ELEMENT

UNITS



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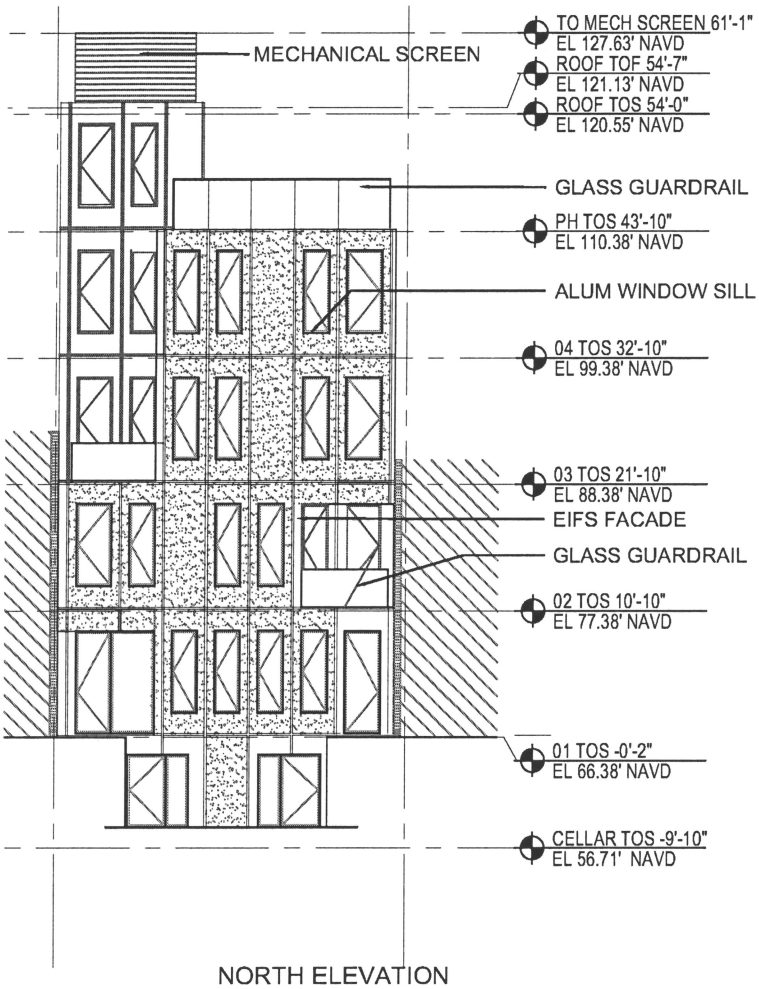
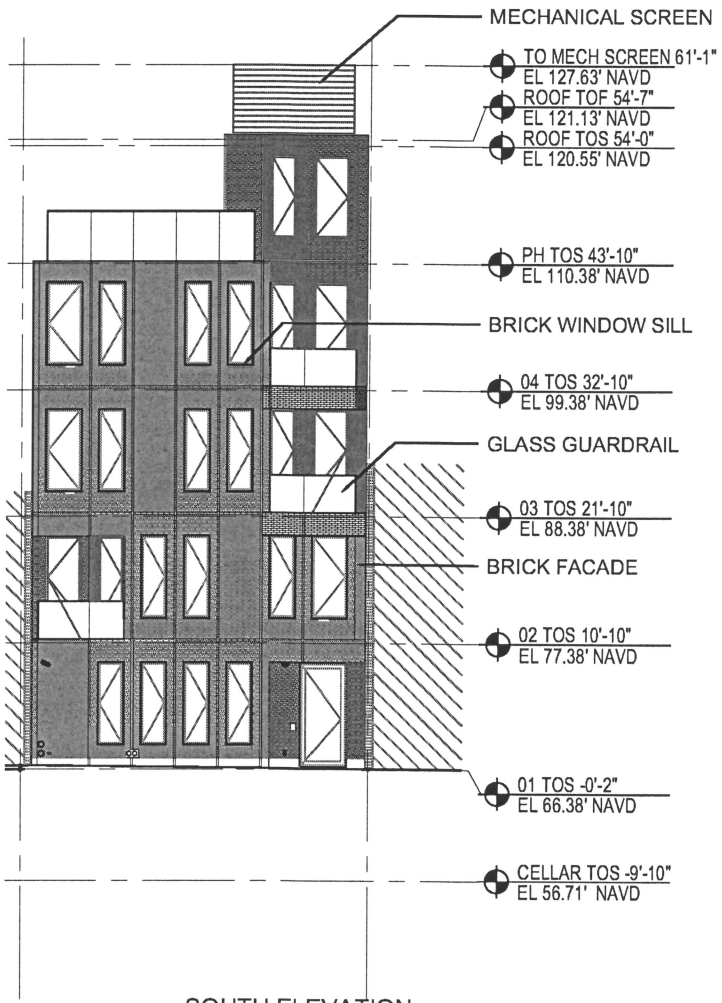
1437 HANCOCK
ELEVATION



NORTH ELEVATION



SOUTH ELEVATION

Olivera Grk
505 Greenwich St. 9B
New York, NY 10013
T. (917) 287-3774

GENERAL COMMON ELEMENT

LIMITED COMMON ELEMENT

UNITS

0 4' 8' 16' 32'

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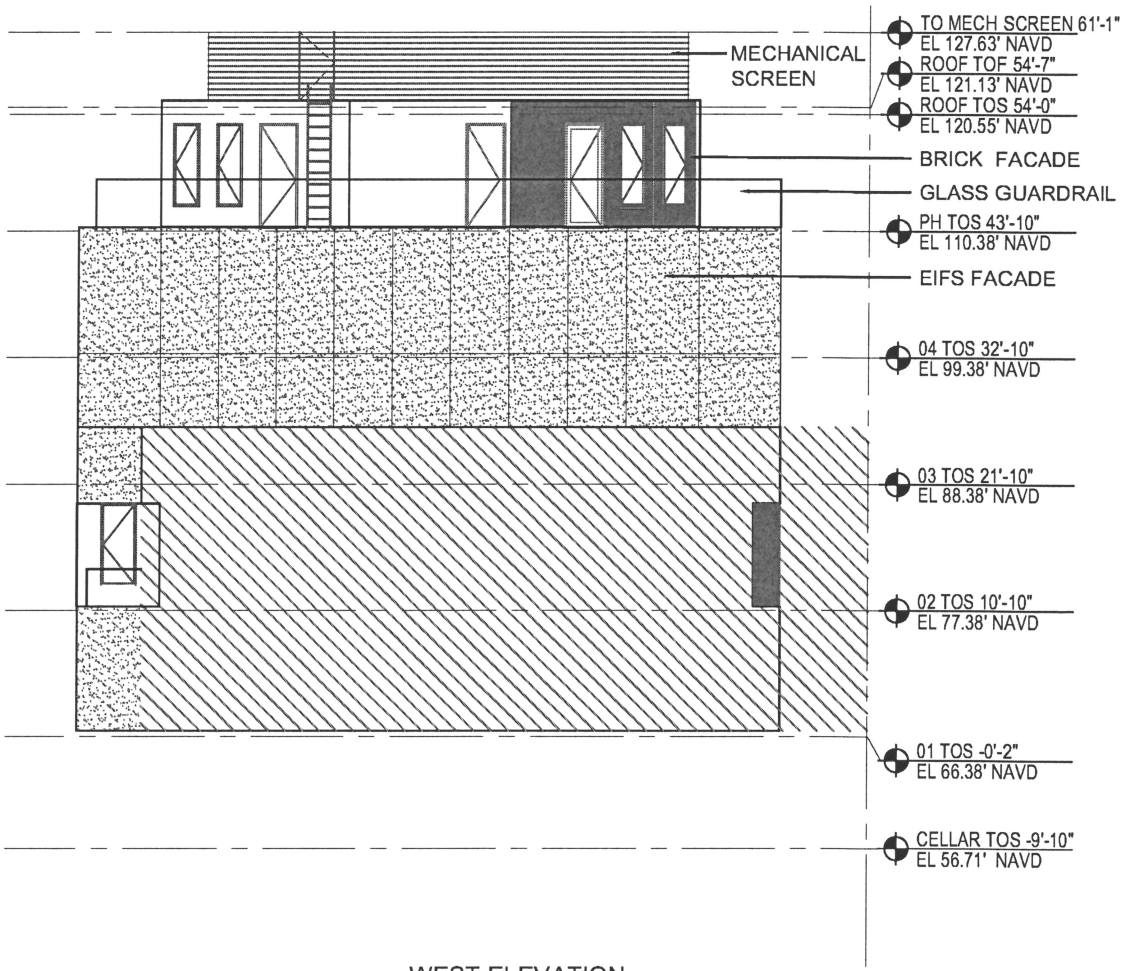
1437 HANCOCK
ELEVATION



WEST ELEVATION

Olivera Grk
505 Greenwich St. 9B
New York, NY 10013
T. (917) 287-3774

GENERAL COMMON ELEMENT

LIMITED COMMON ELEMENT

UNITS

0 4' 8' 16' 32'

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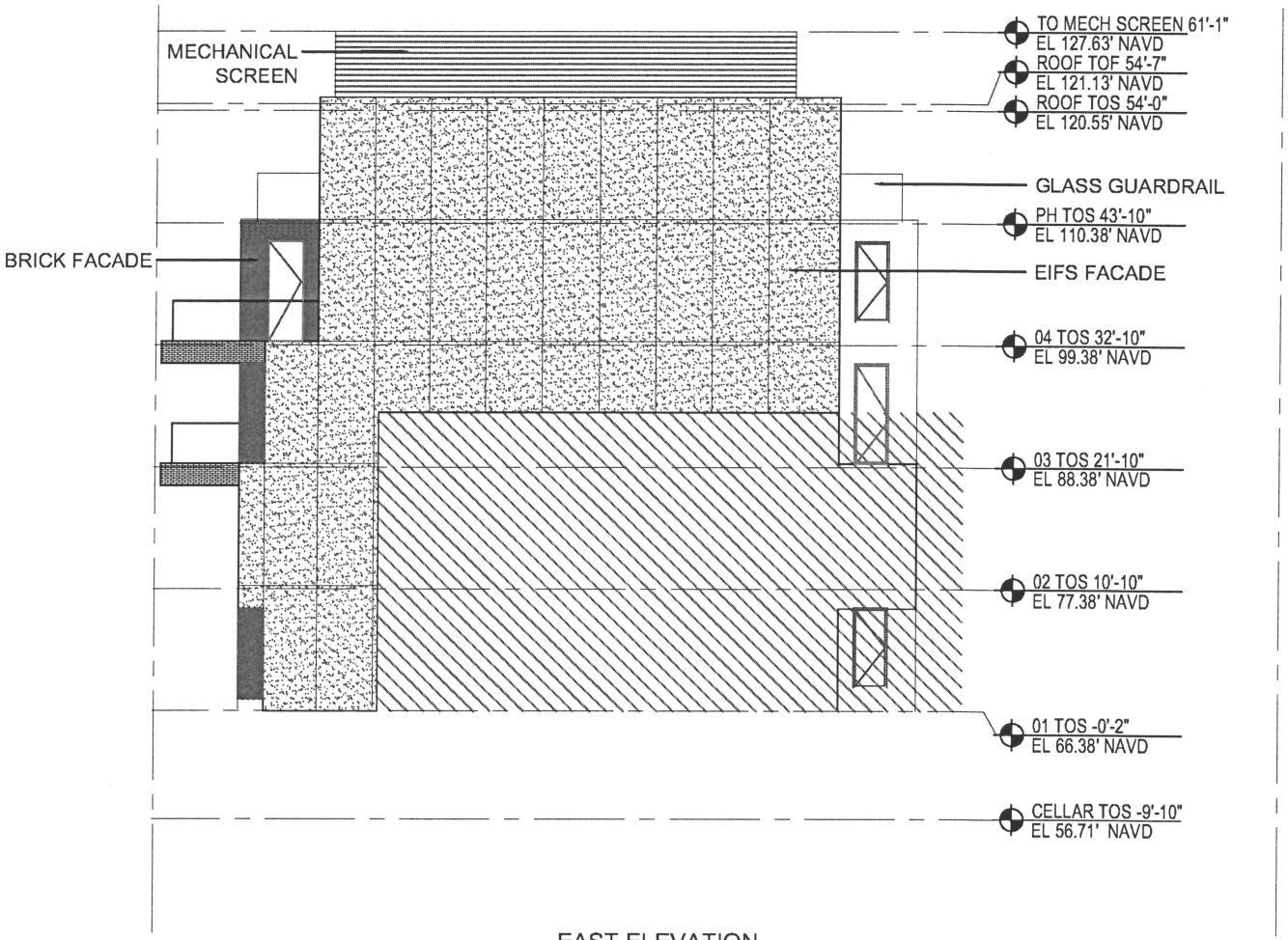
1437 HANCOCK
ELEVATION



EAST ELEVATION

Olivera Grk
505 Greenwich St. 9B
New York, NY 10013
T. (917) 287-3774

GENERAL COMMON ELEMENT

LIMITED COMMON ELEMENT

UNITS

0 4' 8' 16' 32'

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SCHEDULE H

FEE TITLE DESCRIPTION

FEE TITLE DESCRIPTION

A “Residential Unit” as hereinafter referred to shall be measured as follows:

The approximate square foot area of each Residential Unit is measured horizontally on each of one or more floors from the outermost extent of exterior walls of a Building to the midpoint of the interior walls and partitions separating one Residential Unit from another Residential Unit, or the midpoint of the interior walls and partitions separating a Residential Unit from, egress stairs and other mechanical equipment spaces or any Common Elements excluding Common Corridors, to the opposite outermost extent of exterior walls of a Building, as the case may be.

Columns, mechanical pipes, shafts, shaft ways, chases, chase ways, conduits, and private convenience stairways in all Residential Units are not deducted from measurement of each Residential Unit.

When a Residential Unit shares a wall with a common corridor, the area shall be measured to the finished face of the corridor wall on the corridor side of the wall.

Area on the Common Corridor side of Residential Unit Entry Doors shall be included in the Residential Unit Area up to the outermost extents of the architectural millwork frame of the door.

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

Terraces, exterior to a Building envelope and complying with parapet and fencing height restrictions set forth in the NYC Zoning resolution, are not subject to inclusion in floor area calculations. Terrace areas are not included in the Residential Unit Floor Areas.

SCHEDULE I

DECLARATION OF CONDOMINIUM

DECLARATION OF CONDOMINIUM

HANCOCK AND JEFFERSON CONDOMINIUM
CONDO

ESTABLISHING A PLAN OF CONDOMINIUM OWNERSHIPOF PREMISES
LOCATED AT 1504 JEFFERSON AVENUE AND 1437 HANCOCK STREET
NEW YORK, NEW YORK
BOROUGH OF KINGS AND
COUNTY, CITY AND STATE OF NEW YORK,
PURSUANT TO ARTICLE 9-B OF THE REAL PROPERTY
LAW OF THE STATE OF NEW YORK.

SPONSOR: 1504 Jeff LLC
53 Broadway
Brooklyn, New York 11249

DATE OF DECLARATION: _____, 202_

BLOCK:

FKA TAX LOT:

NKA LOTS:

CERTILMAN BALIN ADLER & HYMAN, LLP
Attorneys for the Sponsor
Attn: Richard Herzbach, Esq.
90 Merrick Avenue, 9th Floor
East Meadow, NY 11554

TABLE OF CONTENTS

		Page
ARTICLE I.	SUBMISSION OF PROPERTY.	1
ARTICLE II.	DESCRIPTION OF PROPERTY.	1
ARTICLE III.	DEFINITIONS.	1
ARTICLE IV.	CONDOMINIUM/MEASUREMENT OF RESIDENTIAL UNIT.	5
ARTICLE V.	COMMON ELEMENTS.	7
ARTICLE VI.	EASEMENTS.	11
ARTICLE VII.	SERVICE OF PROCESS:	15
ARTICLE VIII.	PERCENTAGE OF COMMON INTEREST.	15
ARTICLE IX.	ADMINISTRATION.	16
ARTICLE X.	AMENDMENTS AND WITHDRAWAL.	16
ARTICLE XI.	SUBJECT TO DECLARATION, BY-LAWS, ETC.	20
ARTICLE XII.	COMMON CHARGES.	20
ARTICLE XIII.	RESIDENTIAL UNITS ACQUIRED BY THE BOARD.	22
ARTICLE XIV.	POWER OF ATTORNEY.	22
ARTICLE XV.	ENCROACHMENTS.	23
ARTICLE XVI.	RESIDENTIAL UNIT OWNERSHIP.	23
ARTICLE XVII.	USE OF RESIDENTIAL UNITS.	23
ARTICLE XVIII.	CONVEYANCE OF A RESIDENTIAL UNIT.	23
ARTICLE XIX.	STORAGE SPACES	24
ARTICLE XX.	COVENANT OF FURTHER ASSURANCES.	25
ARTICLE XXI.	RULES AND REGULATIONS.	26
ARTICLE XXII.	FIRST LIEN HOLDER'S RIGHTS.	27
ARTICLE XXIII.	SPECIAL RIGHTS OF SPONSOR.	28
ARTICLE XXIV.	INVALIDITY	29
ARTICLE XXV.	WAIVER	30
ARTICLE XXVI.	CAPTIONS	30
ARTICLE XXVII.	CERTAIN REFERENCES	30
ARTICLE XXVIII.	SEVERABILITY	30
ARTICLE XXIX.	SUCCESSORS AND ASSIGNS	31
SCHEDULE A	Legal Description	
SCHEDULE B		
SCHEDULE C	By-Laws of Condominium	

PLAN OF CONDOMINIUM UNIT OWNERSHIP

DECLARATION OF HANCOCK AND JEFFERSON CONDOMINIUM
PURSUANT TO ARTICLE 9-B OF THE REAL
PROPERTY LAW OF THE STATE OF NEW YORK

In the Borough of Brooklyn, Kings County, City and State of New York on this ___ day of _____, 202_, 1504 Jeff LLC, a New York limited liability company organized and existing under the laws of the State of New York, with an office situated in Brooklyn, New York, hereinafter referred to as the "Declarant" or "Sponsor" unless otherwise specified and represented in this Declaration by David Marom, who is fully empowered and qualified to execute this Declaration on behalf of both companies does hereby state:

ARTICLE I. SUBMISSION OF PROPERTY.

By this Declaration 1504 Jeff LLC the owner of the property described herein as of the date of the Declaration submit the property described in this Declaration, including the land and the Buildings and all other improvements erected and to be erected thereon, all easements, rights and appurtenances belonging thereto and all other property, real, personal or mixed, intended for use in connection therewith, to the provisions of Article 9-B of the Real Property Law of the State of New York.

ARTICLE II. DESCRIPTION OF PROPERTY.

The Sponsor owns all that certain plot, piece or parcel of land, with the Buildings and improvements thereon erected, situate, lying and being in the Borough of Brooklyn, Kings County, City and State of New York, and more particularly bounded and described on Schedule A annexed hereto and made a part hereto. The property will consist of two (2) buildings each containing nine (9) Residential Units for a total of eighteen (18) Residential Units and the Common Elements located in each Building. Each Building will contain four (4) stories, cellar, roof and bulkhead. The Building will also contain accessory Storage Spaces and a Storage Space Area ("Storage Space Area") located in the cellar of each Building. The architect who prepared and certified the Plans is: Olivera Grk AIA with offices located at 505 Greenwich Street, 9B, New York, New York 10013.

ARTICLE III. DEFINITIONS.

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

1. "Annual Meeting" – The meeting of the Residential Unit Owners of the Condominium held on a yearly basis or such other convenient date as the

Board of Managers may designate subsequent to the First Annual Meeting.

2. "Board of Managers" - The governing body of the Condominium responsible for its affairs.

3. "Board Member" or "Member" – Each individual representative elected, designated or appointed to the Board of Managers.

4. "Buildings" - The two (2) buildings comprising the Condominium, one (1) building located at 1504 Jefferson Avenue and one (1) building located at 1437 Hancock Street both in Brooklyn, New York. Each Building includes nine (9) Residential Units and the Common Elements therein.

5. "By-Laws" - The document governing the operation, use and occupancy of the Condominium, a copy of which is annexed to the Declaration of Condominium as Schedule C.

6. "Common Charges" - Each Residential Unit Owner's proportionate share of Common Expenses of the Condominium.

7. "Common Elements" - All portions of the Condominium, other than the Residential Units. The Common Elements are divided as follows:

   a. General Common Elements, which are Common Elements shared by all Residential Unit Owners.

   b. Limited Common Elements which are Common Elements appurtenant to a particular Residential Unit or Residential Units, the use of which is restricted to the Residential Unit Owner or Residential Unit Owners of such Residential Unit or Residential Units. Limited Common Elements may also be referred to as an Irrevocably Restricted Common Element.

8. "Common Expenses" - (a) Expenses incurred by all Residential Unit Owners for the purpose of paying costs of the Condominium in connection with the repair, maintenance, replacement, restoration or operation of, and any alteration, addition or improvement to the General Common Elements and to any Limited Common Element that have been delegated to the Condominium as a Common Expense; (b) costs, expenses and amounts (including reasonable legal fees and disbursements, court costs and all other litigation expenses) paid, payable or incurred to perform, observe, enforce, uphold, protect, defend, maintain and collect sums payable under a right, remedy obligation, requirement, agreement or indemnity given in or pursuant to the terms of this Declaration, the By-Laws, and any Rules and Regulations governing the Condominium; and (c) all sums designated common expenses by or pursuant to the provisions of the Condominium Act, the Declaration or the By-Laws.

9. “Condominium” – Hancock and Jefferson Condominium which includes the Residential Unit Owners, the Residential Units and the Common Elements and as the term Condominium is used in Article 9-B of the Real Property Law of the State of New York.

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

11. “Condominium Documents” - The Declaration of Condominium, the By-Laws, the As-Built Floor Plans of the Residential Units and the Condominium Unit Designation Map (as provided in the Condominium Act) as the same may be amended from time to time.

12. “Condominium Property” or “Property” – The overall area of the Condominium.

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

14. “Excess Development Rights” – Development rights that may become available under any Zoning Resolution applicable to this Property.

15. “First Annual Meeting” – The date of the first annual meeting of the Unit Owners.

16. “First Board of Managers” – The initial Board Members of the Board of Managers appointed by the Sponsor.

17. “Grantee” – The person to whom an interest in real property is conveyed.

18. “Grantor” – The person conveying an interest in real property.

19. “Institutional Mortgage” - A first mortgage granted by a bank, savings and loan association, life insurance company, pension fund, trust company or other institutional lender or a mortgage granted by the Sponsor, its successor, designee or assignee to a purchaser of a Residential Unit or in which the Sponsor, its successor, designee or assignee participates with one of the above.

20. “Licensor” – The Board of Managers of the Condominium who has entered into a License Agreement with a Residential Unit Owner in the Condominium for a Storage Space.

21. “Licensee” – A Residential Unit Owner in the Condominium who has entered into a License Agreement with the Board of Managers as the Licensor for a Storage Space.

22. “License Agreement” – The agreement entitling the Licensee the exclusive right to use a Storage Space during the term of the agreement.

23. “License Fee” – The monthly fee charged for the costs associated with the Storage Spaces to be paid by each Residential Unit Owner who has entered into a License Agreement for a Storage Space. The License Fee is in addition to the Common Charges and any Special Assessments for the Residential Unit.

24. “Officer” – One (1) of the officers of the Condominium chosen by the Board of Managers as provided for in Article IV of the By-Laws of the Condominium including the President, Vice President, Secretary and Treasurer.

25. “Percentage of Common Interest” - The proportionate, undivided interest each Residential Unit Owner has in the Common Elements.

26. “Property” – The overall land area of the Condominium described in Schedule A of the Declaration.

27. “Residential Lobby” – The lobby located on the ground level of each Building for use by the Residential Unit Owners, residents of the Buildings (including family and permitted occupants of a Residential Unit Owner and their tenants), guests, employees, agents, independent contractors, licensees, or invitees of a Residential Unit Owner.

28. “Residential Unit” – One (1) of the eighteen (18) Residential Units designated as a Residential Unit in Schedule B of the Declaration for residential use.

    As used herein the term “Residential Unit” is equivalent to the term “Unit” in Article 9-B of the Real Property Law of the State of New York.

29. “Residential Unit Owner” – A Residential Unit Owner includes all the Residential Unit Owners in the Condominium.

30. “Roof Terrace” - The terrace located on the roof of each Building for use by the Residential Unit Owners and residents of the Buildings (including family and permitted occupants of the Residential Unit Owner and their tenants).

31. “Rules and Regulations” – The Rules and Regulations contained in Article VIII of the By-Laws as the same may be amended, altered, waived or added to by the Board of Managers.

32. "Special Assessment" – A Common Expense of the Condominium that is not included in the monthly Common Charges applicable to a Residential Unit.

33. "Special Meeting" – A special meeting of the Residential Unit Owners called pursuant to Article II, Section 10 of the By-Laws.

34. "Sponsor" – 1504 Jeff LLC a New York limited liability company and its successors, assigns and designees.

35. "Sponsor Control Period" – The period of time the Sponsor has the right to retain control of the Members of the Board of Managers of the Condominium.

36. "Storage Space Area" – The area of each Building located in the cellar that contains the Storage Spaces.

37. "Storage Space Purchase Price" – The total fee charged to an initial Purchaser of a Residential Unit who enters into a License Agreement for a Storage Space, which Storage Space Purchase Price is to be paid to the Sponsor.

38. "Storage Space" – One (1) of the storage spaces located in the cellar of each Building that will be offered for exclusive use to Residential Unit Owners pursuant to a License Agreement.

39. "Unsold or Untitled Residential Unit" – Any Residential Unit in which title is retained by the Sponsor and any of its successors, assigns or designees until such time as the same has been sold and title conveyed to a third party. It shall not include a Residential Unit which is used for personal occupancy of the Sponsor, any of its principals or any of its successors or assigns or designees.

ARTICLE IV. CONDOMINIUM/MEASUREMENT OF RESIDENTIAL UNIT.

A. **Condominium** - The Sponsor is converting and constructing on the described parcel a Condominium development known as Hancock and Jefferson Condominium, according to the plans filed simultaneously with the recording of this Declaration in the New York City Register's Office which Plans set forth a description of the Buildings stating the number of stories and number of Units. The architect who prepared and certified the Plans is: Olivera Grk AIA with offices located at 505 Greenwich Street, 9B, New York, New York 10013.

The Condominium will consist of eighteen (18) Residential Units located in two (2) Buildings each Building containing nine (9) Residential Units and the Common Elements located in each Building. The Condominium will also include accessory Storage Spaces located in the Storage Space Areas in the cellar of each Building.

The basic structural system of each Building was constructed using cast-in-place reinforced concrete flat plate slab. Slabs are supported by concrete columns and shear walls. Shear walls extend throughout the height of the Building. The below grade cellar level is surrounded by cast-in-place concrete foundation walls. Each of the Residential Units has access to each other Residential Unit or to any other portion of the Condominium or to a street upon which the Condominium abuts by means of a walk hallway, or lobby. For the purposes of describing the location of the Buildings, approximate area, type and number of rooms of each Residential Unit and the Common Elements to which each Residential Unit has immediate access, each Residential Unit is described as shown on Schedule B annexed hereto. Each Residential Unit will be owned by one or more Residential Unit Owners, each Residential Unit Owner obtaining fee ownership, together with an undivided Percentage of Interest in the Common Elements of the Condominium, as listed hereinafter in this Declaration and referred to as the "Common Elements," all of the above in accordance with Article 9-B of the Real Property Law of the State of New York. The designation of the number of rooms, interior partitions and kitchen and bathroom facilities may be changed by mutual consent of the Sponsor and the Residential Unit Owner at the time of construction of the Residential Unit.

The aforesaid Condominium has a lot area of approximately 6000 square feet.

B. Measurement of Residential Units:

1. The approximate square foot area of each Residential Unit is measured horizontally on each of one or more floors from the outermost extent of exterior walls of a Building to the midpoint of the interior walls and partitions separating one Residential Unit from another Residential Unit, or the midpoint of the interior walls and partitions separating a Residential Unit from, egress stairs and other mechanical equipment spaces or any Common Elements excluding Common Corridors, to the opposite outermost extent of exterior walls of a Building, as the case may be.

2. Columns, mechanical pipes, shafts, shaft ways, chases, chase ways, conduits, and private convenience stairways in all Residential Units are not deducted from measurement of each Residential Unit.

3. When a Residential Unit shares a wall with a common corridor, the area shall be measured to the finished face of the corridor wall on the corridor side of the wall.

4. Area on the Common Corridor side of Residential Unit Entry Doors shall be included in the Residential Unit Area up to the outermost extents of the architectural millwork frame of the door.

5. Measured vertically, each Residential Unit will consist of the volume from the top of the floor slab (located under the finished flooring and sub-floor materials) to the underside of the floor slab above.

6. Terraces, exterior to a Building envelope and complying with parapet and fencing height restrictions set forth in the NYC Zoning resolution, are not subject to inclusion in floor area calculations. Terrace areas are not included in the Residential Unit Floor Areas.

ARTICLE V. COMMON ELEMENTS.

The Common Elements will consist of the entire Property, including all parts of the Condominium and improvements thereon, other than the Residential Units, and will consist of the following:

A. General Common Elements – General Common Elements are those shared by all Residential Unit Owners and include all portions of the Condominium except for the individual Residential Units and the Limited Common Elements (irrevocably restricted in use to specified Residential Units or Residential Unit Owners) and include without limitation the following:

1. The land on which the Condominium is erected and all other land within the boundaries of the Property;

2. All portions of the roof, including gutters and leaders, parapets, copings, railings bulkheads, rooftop antenna that are not restricted in use to a specific Residential Unit or Residential Units and intended for the common use and service of the Condominium and its residents;

3. The exterior façade and walls of a Building;

4. All structural elements, foundations, foundation walls, footings, columns, girders, beams, supports, interior load-bearing walls, floor slabs (but not flooring material);

5. Stairs, stairways, common hallways, which are not located wholly within a Residential Unit and entrances and exits to and from the

Condominium other than entrances to the individual Residential Units and which are intended for the common use and service of the Condominium and its residents;

6. All improved and unimproved areas of the Condominium located outside the boundaries of the Residential Units, including sidewalks, fences and landscaped areas intended for common use and service of the Condominium and its residents;

7. All central and appurtenant installations for services such as power, light, telephone, television, cable, hot and cold water and heat (including all boilers, pipes, ducts, wires, chutes, cables and conduits used in connection therewith located in the Common Elements) and all other mechanical equipment spaces intended for the common use and service of the Condominium and its residents;

8. The refuse recyclable rooms;

9. All drainage systems, sewer equipment, sewers and/or storm sewer systems, sewer ejector pump, pipes, building drains, drywells, or detention tanks or facilities (including vent lines, ejectors, interceptors, filters and valves) downspouts, and roof drainage systems intended for the common use and service of the Condominium and its residents;

10. All applicable mechanical rooms, ventilation system, refuse rooms, compactor, utility meters, storage areas, if applicable, that are intended for the common use and that service of the Condominium and its residents;

11. Any heating, cooling, ventilation or other mechanical system located in the Common Elements intended for the common use and service of the Condominium and its residents;

12. All electrical risers, feeders, lines and equipment, including incoming services, main switchgear and distribution panelboards, conduits, wires, meters, and transformers for the common use and service of the Condominium and its residents;

13. The fire protection system including standpipes/combined standpipe sprinkler risers, fire hose valve, sprinkler heads and Siamese connections for the common use and service of the Condominium and its residents;

14. All telephone and cable rooms, meter rooms, mechanic rooms, equipment rooms, machine rooms, and any other mechanical rooms or areas intended for the common use and service of the Condominium and its residents;

15. All tanks, pumps, motors, fans, compressors, and control equipment intended for the common use and service of the Condominium and its residents;

16. Any sprinkler system located in the Common Elements and intended for the common use and service of the Condominium and its residents;

17. Any plantings and landscaping intended for the common use of the Condominium and its residents;

18. Any pedestrian walkways and ramps intended for the common use and service of the Condominium and its residents;

19. Any fences, retaining walls and gates located on the Property for the common use of the Condominium and its residents;

20. All flues and vent caps for the common use and service of the Condominium and its residents;

21. All lighting and lighting fixtures intended for the common use and service of the Condominium and its residents;

22. The Roof Terrace located in the Condominium for the common use by Residential Unit Owners and residents of the Condominium;

23. Any general storage area if applicable, located for the common use and service of the Condominium and its residents;

24. The mailboxes located in the lobby of a Building;

25. The Residential Lobby located on the ground level of a Building;

26. Any general storage area located in the Building;

27. The Storage Spaces and Storage Area subject to the rights of the Board of Managers to enter into a License Agreement with a Residential Unit Owner for the use of a Storage Space subject to the provisions of Article XIX of the Declaration and Article XII of the By-Laws;

28. Any intercom system intended for the common use and service of the Condominium and its residents; and

29. All other parts of the Condominium, the Buildings and all apparatus and installations existing in each Building or Property for common use and service of the Condominium or necessary or convenient to the existence, maintenance or safety of the Condominium.

B. Irrevocably Restricted Areas/Limited Common Elements - Certain portions of the Common Elements are irrevocably restricted in use to specified Residential Units or Residential Unit Owners subject to the right of the Board of Managers of the Condominium to enter upon any restricted area for maintenance, repair or improvement of a Residential Unit or the Common Elements and subject to the Rules and Regulations of the Board of Managers (see By-Laws, Article VIII). Said irrevocably restricted Common Elements are also referred to as a Limited Common Element. Any portion of the Common Elements which is not restricted in use may be used by any Residential Unit Owner. Following are descriptions of the irrevocably restricted Limited Common Elements:

1. Any balcony or terrace (including any drains or railings located thereon) appurtenant to a Residential Unit shall be a Limited Common Element for the exclusive use of the Residential Unit Owner of the applicable Residential Unit;

2. Any private gardens and any pavers thereon appurtenant to a Residential Unit;

3. The private roof terraces and appurtenant Juliet balcony to a Residential Unit;

4. The Storage Space for Residential Unit 1A located at 1504 Jefferson Avenue and Residential Unit 1A located at 1437 Hancock Street;

5. The lightwell appurtenant to Residential Units Garden B and Garden C in the Building located at 1504 Jefferson Avenue and the Residential Units Garden B and Garden C in the Building located at 1437 Hancock Street.

6. Any hot water tank, boiler, air conditioning condenser, fireplace, heat pumps and any other heating, cooling or other mechanical system servicing an individual Residential Unit that is located in or on the Common Elements; and

7. All apparatus, installations, systems equipment and facilities in the Common Elements (including pipes, wire ducts, vents, cables, conduits and lines) which will serve or benefit a Residential Unit exclusively.

C. Provisions Applicable to All Common Elements

1. The Common Elements shall remain undivided and no Residential Unit Owner shall bring any action for partition or division unless otherwise provided by law.

2. The Common Elements are not subject to partition nor are they severable from the Residential Units except in accordance with the Real Property Law.

3. The Percentage of Common Interest in the Common Elements established herein shall not be changed except with the consent of all of the Residential Unit Owners affected expressed in a duly recorded amendment to this Declaration.

4. The Percentage of Common Interest in the Common Elements shall not be separated from the Residential Units to which it appertains and shall be deemed conveyed or encumbered with the Residential Units even though such interest is not expressly mentioned or described in the conveyance or other instrument.

ARTICLE VI. EASEMENTS.

Every Residential Unit Owner shall have an easement in common with the owners of other Residential Units to maintain and use all pipes, sewers and/or drainage lines, wires, conduits and public utility lines located in other Residential Units and servicing such Residential Unit Owner's Residential Unit. Each Residential Unit shall be subject to an easement in favor of the Residential Unit Owners of other Residential Units to maintain and use the pipes, sewers and/or drainage lines, wires, conduits and public utility lines servicing such other Residential Units located in such Residential Unit.

The Board of Managers shall have a right of access to each Residential Unit for maintenance, repair or improvements to any pipes, sewers and/or drainage lines, wires, conduits and public utility lines located in any Residential Unit and servicing any other Residential Unit or causing damage or in imminent danger of causing damage to any other Residential Unit or any Common Element, no matter how classified. The cost of such repairs shall be a Common Expense unless the damage is the result of the negligence of a Residential Unit Owner or tenant, occupant, employee or other person a Residential Unit Owner may be responsible for, in which case the cost of such repairs shall be the responsibility of the Residential Unit Owner who is responsible or whose tenant, occupant, employee or other person the Residential Unit Owner is responsible for causing such damage.

The Board of Managers shall have an easement for access to all Common Elements for maintenance, repair or improvement whether such Common Elements are restricted or not.

The Board of Managers and their agents, employees and contractors shall have an easement for access through all the Common Elements, no matter how classified, and the Residential Units to install, utilize, operate, maintain, repair, alter, rebuild, restore and replace any Common Elements, no matter how classified, contained therein or elsewhere in the Condominium or to remedy any condition which would result in damage to any Residential Unit or any other Common Element no matter how

classified, or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof or for the purpose of carrying out any of its obligations under the By-Laws or the Declaration of Condominium or for the health and safety of the Condominium and its residents. Such right of access to a Residential Unit shall be exercised in such a manner as is required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Condominium or its Property, or the Residential Units, or for the safety of Condominium residents or other persons or required to avoid the suspension of any necessary service to the Condominium.

Each respective utility and cable company shall have a right of access to the Common Elements and each Residential Unit for maintenance, repair or improvements to any pipes, sewers and/or drainage lines, wires, conduits, and public utility lines located in the Common Elements and any Residential Unit. Any utility or cable company and its employees and agents shall have the right of access to any Residential Unit or the Common Elements in furtherance of such easements, provided such right of access shall be exercised in such a manner as shall not unreasonably interfere with the use of any Residential Unit for its permitted purposes by its owner, tenants or occupants.

The Board of Managers shall have the right to grant such additional electric, water, sewer, drainage, cable or other utility easements or relocate any existing utility easement in any portion of the Condominium as the Board of Managers shall deem necessary or desirable for the proper operation and maintenance of the Condominium, or any portion thereof, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of any Residential Unit for its permitted purposes. Any utility company and its employees and agents shall have the right of access to any Residential Unit or the Common Elements in furtherance of such easements, provided such right of access shall be exercised in such a manner as shall not unreasonably interfere with the use of any Residential Unit for its permitted purposes by its owner, tenants or occupants.

The Board of Managers shall have the right to grant easements in any portion of the Condominium as the Board of Managers shall deem necessary or desirable for the purpose of installation, maintenance and repair of a satellite dish, cable service or other data or internet services and all ancillary wires, conduits, utility lines and any other services required for a satellite dish, cable service or other data or internet services for the use of the Residential Unit Owners in the Condominium.

The Board of Managers shall have an easement through the Residential Units for access, installation, maintenance, repair and replacement of any flues, vents, air-conditioning, heating, ventilating, water and other mechanical lines and fixtures and any other machinery, pipes, wires, conduits, equipment or meters servicing any portion of the Condominium.

The Sponsor shall have the right (without any obligation to obtain the consent of the Board of Managers or any other Residential Unit Owner or other party except as

required by law) to grant such additional electric, cable, water, sewer, drainage or other utility easements or relocate any existing utility easements in any portion of the Property as Sponsor shall deem necessary or desirable for the proper operation and maintenance of the Condominium or any portion thereof, or for the general health or welfare of the Residential Unit Owners, tenants, and residents of the applicable Residential Units.

The Sponsor, its successors, assigns, and purchasers of undeveloped or unsold Residential Units, reserves the easements, licenses, rights and privileges of a right-of-way in, through, over, under and across all of the Property and the Buildings comprising the Condominium for the purpose of completing construction, sale and rental of Residential Units and facilities in the Condominium and towards this end, reserves the right to grant and reserve easements and rights-of-way in, through, under, over and across all of the Property and each Building comprising the Condominium for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, cable television and other utilities and for any other materials or services necessary for the completion of the work. The Sponsor, its successors, assigns, and purchasers of undeveloped or unsold Residential Units, also reserve the right to connect with and make use of the utility lines, wires, pipes, conduits, cable television, sewers and drainage lines which may from time to time be in or on the Property and a Building comprising the Condominium. The Sponsor, its successors and assigns, and purchasers of undeveloped or unsold Residential Units, shall have an easement to erect and maintain general sales, leasing, business or administration offices and/or model Residential Units, to erect, maintain, repair and replace from time to time one or more free-standing and other selling, directional and informational signs in/or on the Property and the A Building comprising the Condominium as it deems necessary for the purposes of advertising the sale or lease of Residential Units, and for the purpose of showing the Residential Units to prospective Purchasers or lessees and for access to Residential Units and Common Elements consistent with the purposes of the Declaration, as the same may be amended, and Sponsor's rights and obligations thereunder, including, without limitation the right to develop, renovate, maintain, repair, refurbish, offer, sell and lease Residential Units, together with their Percentage of Common Interest in the Common Elements. The Sponsor, its successors and assigns reserve the right to continue to use the Common Elements and any facilities, sales offices, model Residential Units and signs located on the Common Elements, in its efforts to sell and/or lease Residential Units constructed in the Condominium and to complete construction or renovation of the Condominium. This paragraph shall not be amended without the consent of the Sponsor.

Sponsor shall have and each Residential Unit Owner shall be deemed to grant a right of access to and through their Residential Unit to Sponsor or its designee, assignee or successor and any contractors, subcontractors, agents, and employees of the foregoing for the purposes of the repair and completion of any installation, construction, modification, alteration, renovation, maintenance, repair, restoration, replacement, or change being performed or to be performed by or on behalf of Sponsor with respect to the Common Elements and/or the Residential Units.

Each Residential Unit Owner grants an easement of ingress and egress in, over and through any hallway that may be part of their Residential Unit to any other Residential Unit Owner, tenant, resident or other persons needing ingress or egress to their respective Residential Unit that may be necessary for said purpose.

The Board of Managers will have and each Residential Unit will be subject to, an easement (a) to install, utilize, operate, maintain, repair, alter, rebuild, restore and replace the General Common Elements and Limited Common Elements that are the obligation of the Condominium to repair, maintain and replace, located in, over, under, through or upon any Residential Unit, or any other Common Elements or elsewhere in the Condominium and (b) to maintain any encroachment on any Residential Unit or Common Elements resulting from the repair, alteration, rebuilding, restoration or replacement of the General Common Elements or Limited Common Elements.

Each Residential Unit will have an easement of support from all structural members (including, but not limited to, columns, footings, bracings, piles, plates, foundations, slabs, and exterior walls) supporting or serving a Building and any replacement thereof and additions thereto and an easement of necessity, and each Residential Unit will be subject to an easement of support and necessity in favor of all other Residential Units and the Common Elements.

Each Residential Unit will have an easement for lateral and vertical support among all adjoining Residential Units and Common Elements.

Any easements granted to Sponsor, the Board of Managers, any Residential Unit or any Residential Unit Owner under this Declaration and the By-Laws may be exercised by such Sponsor's, Board of Managers' or Residential Unit Owner's employees, agents, contractors, suppliers, customers, guests, invitees, licensees, servants, tenants, subtenants, members, and visitors, as the case may be, to the extent necessary to effectuate the purpose for the easement or as otherwise authorized by the Sponsor, the Residential Unit Owner or Board of Managers.

Each Residential Unit Owner will have a right and easement to use its Residential Unit and Limited Common Elements appurtenant to such Residential Unit or Residential Units, and the General Common Elements subject to and in accordance with the terms and conditions of this Declaration and By-Laws.

All Residential Unit Owners, residents, guests, tenants and anyone else needing access to a Residential Unit shall have an easement of ingress and egress, in, through and over the Property of the Condominium, including the Common Elements regardless of how classified for access to their Residential Unit.

The Board of Managers on behalf of the Condominium will have an easement and unlimited access to any Common Element, no matter how classified, for the purpose of making inspections, repairs or rebuilding of the Condominium.

All emergency vehicles and personnel, including, but not limited to, police, fire and medical vehicles and personnel shall be granted an easement of ingress and egress over, upon and through all areas of the Property. This Paragraph may not be amended by the Residential Unit Owners in the Condominium.

Except as may otherwise be set forth in this Declaration, any easement created or granted hereunder shall be perpetual and irrevocable for so long as the Condominium shall remain in existence.

ARTICLE VII. SERVICE OF PROCESS:

The Board of Managers on behalf of the Condominium designates the Secretary of State of New York as its agent for service. Service of process on the Residential Unit Owners in any action with relation to the Common Elements shall be made upon the Secretary of State as the agent of the Board of Managers of the Condominium. The post office address to which the Secretary of State shall mail a copy of any process against this Condominium served upon the Secretary of State as agent for service of this Condominium during the period the Sponsor controls the Board of Managers is: 1504 Jeff LLC with an address at 53 Broadway, Brooklyn, New York 11249. Once the Sponsor no longer controls the Board of Managers, the Board of Managers must notify the Secretary of State that the post office address to which the Secretary of State shall mail a copy of any process against this Condominium served upon the Board of Managers as agent of this Condominium is: Board of Managers, 1504 Jefferson, Brooklyn, New York 11237 or such other address as the Board of Managers of the Condominium selects.

ARTICLE VIII. PERCENTAGE OF COMMON INTEREST.

Each Residential Unit Owner shall have such Percentage of Common Interest in the Common Elements as is set forth in Schedule B attached hereto and shall be responsible for its pro rata share of the Common Expenses of the Condominium based upon such Percentage of Common Interest except as otherwise described in the Declaration or By-Laws. Each Residential Unit Owner shall have one vote for each Residential Unit owned by a Residential Unit Owner for all voting purposes at any meeting of the Residential Unit Owners. The Percentage of Common Interest of each Residential Unit in the Common Elements has been based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Residential Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Residential Unit. Said method of determining the Percentage of Common Interest in a condominium complies with and is pursuant to Section 339-i(1)(iv) of the Real Property Law of the State of New York.

ARTICLE IX. ADMINISTRATION.

The administration of the Condominium, and parcel of land described herein shall be in accordance with the provisions of this Declaration and with the provisions of the By-Laws which are made a part of this Declaration and are attached hereto as Schedule C.

ARTICLE X. AMENDMENTS AND WITHDRAWAL.

1. The dedication of the Property to Condominium ownership herein shall not be revoked or the Property withdrawn from Condominium ownership unless eighty (80%) percent of the Residential Unit Owners in number and in common interest and the first mortgagees, if any, of each of these same Residential Units agree to such revocation or removal of the Property from the Plan by duly recorded instruments.

2. The provisions of this Declaration may be modified or amended by an instrument executed by the Board of Managers upon a vote of sixty-six and two-thirds (66⅔%) percent of the Residential Unit Owners in number held at a duly called meeting of the Residential Unit Owners, provided however, that:

   a. No amendment altering a Residential Unit Owner's Percentage of Common Interest shall be made without the consent of all Residential Unit Owners affected.

   b. No amendment shall be passed which shall affect, impair, or prejudice the validity, interest, rights and priorities of mortgagees.

   c. No amendment, modification, addition or deletion of, to or from this Declaration, the By-Laws or any Rules and Regulations shall be effective in any way against Sponsor or its successors, assigns or designees or against any Unsold Residential Unit, as long as the Sponsor, its successors, assigns, or designees owns an Unsold Residential Unit in the Condominium unless the Sponsor, its successors, assigns or designees has given its prior written consent thereto. This provision is not subject to amendment.

   d. The Declaration may not be altered, amended, or repealed in such a manner as would adversely affect the Sponsor, its successors, assigns or designees without the written consent of the Sponsor, its successors, assigns or designees.

   e. The Board of Managers and the Sponsor, as long as the Sponsor owns an Unsold Residential Unit in the Condominium, shall have the right to amend the Declaration without the vote or consent of the Board of Managers, as it applies to Sponsor, the Residential

Unit Owners or the holders of any Residential Unit mortgages and to execute and record in the New York City Registrar's Office, such amendment as may be required to reflect (i) changes in the Declaration (including Schedule B), As-Built Floor Plans and Condominium or Unit Designation Map that are corrective in nature or (ii) to resolve or clarify any inconsistency or which is patently a mistake or a scrivener's error, or (iii) technical corrections; or (iv) to comply with any federal, state or city law or regulation that may affect the Condominium. In connection therewith, each Residential Unit Owner upon becoming a Residential Unit Owner shall be deemed to grant an irrevocable power of attorney, coupled with an interest to the Board of Managers of the Condominium and to the Sponsor to amend this Declaration of Condominium for said purposes.

f. A Purchaser or Residential Unit Owner who purchases or owns two (2) adjoining Residential Units and is desirous of consolidating the two (2) Residential Units into one (1) Residential Unit may do so subject to obtaining all approvals required by the New York City Department of Buildings, New York City Department of Finance and any other required municipal approvals and obtaining whatever insurance and/or surety is required by the Board of Managers to do whatever work is necessary to consolidate the two (2) Residential Units. The Board of Managers shall be required to cooperate with the Purchaser in amending Schedule B to the Declaration to reflect the consolidation and to change the appurtenant Percentage of Common Interest so long as the new Percentage of Common Interest equals the Percentage of Common Interest of the Residential Units that were consolidated, and the Board of Managers shall have the right to amend said Schedule B without the vote or approval of the Residential Unit Owners. All approvals, revisions, amendments to Schedule B of the Declaration and any other requirements including any legal, engineering, architectural or otherwise necessary to consolidate the Residential Units shall be at the Purchaser's or Residential Unit Owner's sole cost and expense.

g. In addition, in the case of material changes, approval must be obtained from first mortgage holders representing at least fifty-one (51%) percent of the votes of Residential Units that are subject to first mortgages. A change to any of the following would be considered as material: voting rights; assessments, assessment liens, or subordination of assessment liens; reserves for maintenance, repair and replacement of Common Elements; responsibility for maintenance and repairs; reallocation of interests in the General Common Elements or Limited Common Elements, or rights to their use; boundaries of any Residential Unit; convertibility of Residential Units into Common Elements or vice versa;

expansion or contraction of the project, or the addition, annexation or withdrawal of property to or from the project; insurance or fidelity bonds; revisions to the leasing provisions of Residential Units contained in Article XI of the By-Laws ; imposition of any restrictions on a Residential Unit Owner's right to sell or transfer the Residential Unit Owner's Unit; a decision by the Condominium to establish self-management when professional management had been required previously by an eligible mortgage holder; restoration or repair of the project (after a hazard damage or partial condemnation) in a manner other than that specified in the documents; any action to terminate the legal status of the project after substantial destruction or condemnation occurs; or any provisions that expressly benefit mortgage holders, insurers or guarantors. An addition or amendment to the Declaration shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only. Any eligible mortgage holder who received a written request by certified or registered mail, return receipt requested, to approve amendments who does not deliver to the Condominium a negative written response within sixty (60) days of the receipt of the request shall be deemed to have approved such amendment. In order to comply with this provision of the Declaration all Residential Unit Owners are required to provide the Board of Managers with their current mortgage holder when requested by the Board of Managers and whenever a Residential Unit Owner obtains a new mortgage.

There shall be a presumption for a period of sixty (60) days subsequent to the recording of the amendment that the vote of the Residential Unit Owners was made at a duly called meeting and that the requisite voting percentage was obtained. After the sixty (60) day period such presumption will be deemed conclusive.

3. The Sponsor, its successors, assigns and purchasers of undeveloped or unsold Residential Units shall have the right without vote or consent of the Residential Unit Owners, the Board of Managers or the holders of Residential Unit mortgages to execute or (on its request) to require the Board of Managers to execute and record in the Register's Office of the City of New York, and elsewhere, if required by law, an amendment or amendments to this Declaration (together with such other documents, plan and maps as may be required to effectuate the same) to reflect (i) the certification by a registered architect or professional engineer, certifying that the floor plans and/or amended As-Built Floor Plans, Condominium or Unit Designation Map filed as part of an amended Declaration are an accurate copy of portions of the plans of a Building and fully and fairly depict the layout, location, designation and approximate dimensions of the Residential Units as built, or (ii) utility easements, or (iii) technical corrections to the Declaration and By-Laws to conform to other documents including but not limited to the Offering Plan or as-built plans (iv) to amend

Schedule B of this Declaration to conform the model type, square footage and type and number of rooms and any other required information for a specified Residential Unit, so long as the appurtenant Percentage of Common Interest does not change for said Residential Unit subject to (v), (vii) and (viii) hereof or (v) to amend Schedule B prior to the first closing, to effect a change in the Percentage of Common Interest of all or specific Residential Units and revise Schedule B accordingly or (vi) to amend Schedule B of this Declaration to assign or revise a Limited Common Element appurtenant to a Residential Unit or (vii) to amend Schedule B of this Declaration to consolidate or subdivide Residential Units subject to all necessary approvals by the Building Department of the City of New York, or other municipality or administrative agency, to revise the square footage and type and number of rooms and any other required information for a specified Residential Unit and to change the appurtenant Percentage of Common Interest so long as the new Percentage of Common Interest equals the Percentage of Common Interest of the Residential Units that were consolidated or subdivided, or (vi) to effectuate permissible changes in unsold Residential Units including the Percentage of Common Interest of one (1) or more of the Unsold Residential Units as long as it does not change the Percentage of Common Interest of a sold Residential Unit and to amend Schedule B accordingly, or (ix) to amend Schedule B to make technical corrections to said Schedule including, but not limited to, square footage of Residential Units, assign or revise Limited Common Elements appurtenant to a Residential Unit or to revise the number and description of rooms contained in a Residential Unit or (x) to make changes or revisions to comply with the requests, guidelines and/or requirements of any major participant in the secondary market for mortgages, including but not limited to, the Federal National Mortgage Association ("Fannie Mae"), the Federal Home Loan Mortgage Corporation ("Freddie Mac"), the Federal Housing Association ("FHA") of the Housing and Urban Development ("HUD"), the Veterans Administration ("VA") and/or any State or Local Funding Agencies, or (xi) to make corrections that are patent errors, inconsistencies, scrivener's errors and technical errors, or (xii) to comply with any federal, state or city law or regulation that may affect the Condominium; or (xiii) the carrying out of other provisions of the Offering Plan of the Condominium. In connection therewith, each Residential Unit Owner upon becoming a Residential Unit Owner shall be deemed to grant an irrevocable power of attorney, coupled with an interest, to the Sponsor, its successors, assigns and purchasers of undeveloped or unsold Residential Units to amend the Declaration of Condominium for said purposes.

4. Any amendment to this Declaration shall not take effect until it is recorded in the New York City Register's Office.

Regardless of any other provision of this Declaration, no action for partition or division of the Common Elements shall be brought nor shall this plan of condominium

ownership be terminated where such partition, division or termination will result in a violation of the then existing local zoning and building laws and codes.

ARTICLE XI. SUBJECT TO DECLARATION, BY-LAWS, ETC.

All present or future Residential Unit Owners, tenants, future tenants, or any other person that might use the facilities of the Condominium in any manner, are subject to the provisions of this Declaration, the By-Laws and Rules and Regulations of the Condominium and the mere acquisition or rental of any of the Residential Units of the Condominium or the mere act of occupancy of any of said Residential Units shall signify that the provisions of this Declaration and the By-Laws and Rules and Regulations of the Condominium are accepted and ratified and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Residential Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance or lease thereof.

ARTICLE XII. COMMON CHARGES.

Common Expenses of the Condominium shall be determined by the Board of Managers of the Condominium. The Common Expenses of the Condominium shall be assessed to and paid by the Residential Unit Owners of the Residential Units based upon each Residential Unit's Percentage of Common Interest as reflected in Schedule B of this Declaration. The assessments paid by the Residential Unit Owners towards the Common Expenses of the Condominium shall be referred to as "Common Charges". All sums assessed as Common Charges by the Board of Managers of the Condominium but unpaid together with the maximum interest permitted in New York thereon, chargeable to any Residential Unit Owner shall constitute a lien on the Residential Unit Owner's Unit prior to all other liens except: (a) tax or assessment liens on the Residential Unit by the taxing subdivisions of any governmental authority, including but not limited to State and City taxing agencies; and (b) all sums unpaid on any first mortgage of record encumbering any Residential Unit. Such lien may be foreclosed when past due in accordance with the laws of the State of New York, by the Condominium, in like manner as a mortgage on real property, and the Condominium shall also have the right to recover all costs incurred including reasonable attorneys' fees and costs of collection (but such right shall not be a lien against the Residential Unit). In the event the proceeds of the foreclosure sale are not sufficient to pay such unpaid Common Charges, the unpaid balance shall be charged to all Residential Unit Owners as a Common Expense. Each Residential Unit Owner shall be personally liable for all unpaid Common Charges and any Special Assessments.

Notwithstanding the above, pursuant to Section 339-m of the Condominium Act, Common Charges, no matter how classified, may be adjusted based on allocations in accordance with sub-metering, contract allocations and usage (both projected and actual) for the Common Expenses based on special or exclusive use or availability or exclusive control of Residential Units or Common Elements by particular Residential

Unit Owners. In the event of any dispute as to the allocation of Common Charges such dispute shall be submitted for arbitration pursuant to the provisions of Article XIII of the By-Laws of the Condominium.

In addition, each Residential Unit Owner who has entered into a License Agreement for a Storage Space will be required to pay a monthly License Fee to the Condominium to cover the costs associated with the Storage Spaces and Storage Space Area as determined by the Board of Managers and who shall have the right to increase or decrease said amounts as required by the costs of said services. Said License Fees associated with the Storage Spaces and Storage Space Areas shall be in addition to the Common Charges and any Special Assessments charged to any Residential Unit Owner. Any dispute regarding the allocation or amount of the License Fees shall be decided by Arbitration pursuant to the terms of Article XIII of the By-Laws of the Condominium. The Board of Managers shall have the same rights of collection and enforcement of the License Fees as they have for Common Charges and Special Assessments.

In addition to the Board of Manager's right to bring an action to foreclose a lien of a Residential Unit in the event of a default in the payment of Common Charges by any Residential Unit Owner, the Board of Managers, at its sole option, may declare the Common Charge assessment on said Residential Unit Owner's Unit for the balance of the fiscal year immediately due and payable. Prior to making any such declaration following a default the Board of Managers shall send notice to the delinquent Residential Unit Owner and the mortgagee, if any, of such Residential Unit giving the Residential Unit Owner a five (5) day grace period in which to make the late payment.

In addition to the Board's right to bring an action to foreclose a lien on a Residential Unit Owner's Residential Unit, the Board (on behalf of the Residential Unit Owners) shall have the right to bring suit to recover a money judgment for unpaid Common Charges at the option of the Board, without foreclosing or waiving the lien securing such charges. In such an event, the Condominium shall be entitled to recover all costs of suit including reasonable attorneys' fees.

Every Residential Unit Owner shall pay the Common Charges assessed against the Residential Unit Owner when due as determined by the Board of Managers and no Residential Unit Owner may be exempt from liability for the payment of the Common Charges assessed against the Residential Unit Owner by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of a Residential Unit. However, no Residential Unit Owner shall be liable for the payment of any Common Charges accruing subsequent to a sale, transfer or other conveyance by the Residential Unit Owner of such Residential Unit made in accordance with Section 339-x of the Real Property Law or in accordance with the provisions of this Declaration and the By-Laws.

Notwithstanding any other provision in this Declaration or the By-Laws any mortgagee of an Institutional Mortgage as defined herein who obtains title to a Residential Unit pursuant to the remedies in the mortgage or through foreclosure will not

be liable for more than six (6) months of the Residential Unit's unpaid Common Charges accrued before acquisition of the title to the Residential Unit by the mortgagee unless otherwise required by law. If the Condominium's lien priority includes costs of collecting unpaid Common Charges, the mortgagee of the Institutional Mortgage will be liable for any fees or costs related to the collection of unpaid Common Charges. The unpaid balance of such Common Charges and/or Special Assessments that may be waived will be charged to all other Residential Unit Owners as a Common Expense. Upon acquisition of title the Institutional Mortgagee shall be responsible for all Common Charges, Special Assessments and/or any other costs and expenses of the Condominium thereafter due and payable.

ARTICLE XIII. RESIDENTIAL UNITS ACQUIRED BY THE BOARD.

In the event any Residential Unit Owner shall convey their Residential Unit to the Board of Managers in accordance with Section 339-x of the Real Property Law or in the event the Board of Managers shall purchase any Residential Unit at a foreclosure sale in accordance with Article IX of the By-Laws, title to such Residential Unit or the rights to the lease of such Residential Unit shall be held by the Board of Managers or its designee on behalf of all of the other Residential Unit Owners.

ARTICLE XIV. POWER OF ATTORNEY.

1. In order to carry out the provisions of Article XIII of the Declaration and Article XI of the By-Laws, each Residential Unit Owner shall, upon becoming such, grant an irrevocable power of attorney, coupled with an interest to the Board of Managers and their successors to acquire title or lease any such Residential Unit acquired by the Board of Managers under whatever terms the Board of Managers may in its sole discretion deem proper and to sell, lease, sublease, mortgage, vote or otherwise deal with such Residential Unit under such terms as the Board of Managers in its sole discretion shall deem proper.

2. Each Residential Unit Owner shall upon becoming a Residential Unit Owner shall further grant an irrevocable power of attorney, coupled with an interest to the Board of Managers to nominate, designate, constitute and appoint the Members of the Board of Managers of the Condominium and their successors, jointly, their true and lawful attorneys-in-fact, coupled with an interest, with power of substitution, in their name and on their behalf, the right to act in their behalf to take any and all action necessary against any tenant(s) that may be residing in a Residential Unit Owner's Unit including but not limited to, the right to seek an eviction in a court of law for failure to adhere to any of the provisions of the Declaration of Condominium, By-Laws and/or Rules and Regulations of the Condominium.

3. Each Residential Unit Owner shall, upon becoming such, shall be deemed to have granted an irrevocable power of attorney, coupled with an interest to the Board of Managers, the Sponsor and their successors, designees and/or assigns to amend the Declaration and the By-Laws for the purposes set forth in Article X, Section 2e and Section Article X, Section 3 of the Declaration and Article X, Sections (c) and (e) of the By-Laws for the purposes set forth therein.

ARTICLE XV. ENCROACHMENTS.

The Residential Unit Owners agree that if any portion of a Residential Unit or the Common Elements (whether restricted in use to an individual Residential Unit Owner or not) encroaches upon another or shall hereinafter encroach upon another as a result of original construction or settling of a Building, a valid easement for the encroachment and the maintenance of the same, so long as it stands, shall and does exist. In the event a Building is partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings and is rebuilt, the Residential Unit Owners agree that encroachments of any portion of the Residential Unit or the Common Elements as afore described due to construction, shall be permitted, and that a valid easement for said encroachment and the maintenance thereof shall exist so long as a Building or reconstructed Building shall stand.

ARTICLE XVI. RESIDENTIAL UNIT OWNERSHIP.

Upon the Closing of Title to a Residential Unit, a Purchaser shall automatically become a Residential Unit Owner in the Condominium and shall remain such until such time as the Residential Unit Owner ceases to own the Residential Unit for any reason.

ARTICLE XVII. USE OF RESIDENTIAL UNITS.

1. Residential Units shall be restricted to Residential Occupancy in accordance with the applicable zoning regulations of the municipality having jurisdiction over the Condominium.

2. Storage Spaces that are subject to a License Agreement pursuant to Article XIX of this Declaration shall be used for the storage of normal household items.

ARTICLE XVIII. CONVEYANCE OF A RESIDENTIAL UNIT.

In any conveyance of a Residential Unit, either by voluntary instrument, operation of law or judicial proceeding in accordance with this Declaration or the By-Laws, the Grantee of the Residential Unit shall be jointly and severally liable with the Grantor for any unpaid Common Charges and any Special Assessments against the latter

assessed and due up to the time of the grant or conveyance without prejudice to the Grantee's right to recover from the Grantor the amounts paid by the Grantee therefore. Any such Grantee shall be entitled to a statement from the Board of Managers setting forth the amount of the unpaid Common Charge against the Grantor and such Grantee shall not be liable for, nor shall the Residential Unit conveyed be subject to a lien for any unpaid Common Charge against the Grantor in excess of the amount set forth in such statement. Grantee as used herein shall not include the holder of an Institutional Mortgage as provided in Article XII of this Declaration.

ARTICLE XIX. STORAGE SPACES

Section 1. General

The Storage Spaces will be subject to a License Agreement between a Residential Unit Owner as the Licensee and the Board of Managers as the Licensor. The Board of Mangers shall be required to keep a list of all Storage Spaces and the Residential Units that are subject to a License Agreement or subject to a rental. All Residential Unit Owners subject to this Declaration shall be required to advise the Board of Managers of the Condominium of any assignment or rental of any Storage Space pursuant to a License Agreement within ten (10) days of such assignment or rental.

Section 2. Use

Storage Spaces may only be utilized for storage of normal household items and pursuant to the provisions of the Declaration of Condominium and By-Laws of the Condominium and any Rules and Regulations regarding the Storage Spaces.

Section 3. Repair and Maintenance

All repairs and maintenance of the Storage Spaces and Storage Space Area shall be the responsibility of the Condominium as a Common Expense, subject to the provisions of this Section 3. Each Residential Unit Owner who has entered into a License Agreement for a Storage Space will be required to pay a monthly License Fee to the Condominium to cover the costs associated with the Storage Spaces and Storage Space Area as determined by the Board of Managers and who shall have the right to increase or decrease said amount as required by the costs of said services. Said License Fees associated with the Storage Spaces and Storage Space Area shall be in addition to the Common Charges and any Special Assessments charged to any Residential Unit Owner. Any dispute regarding the allocation or amount of the License Fees shall be decided by Arbitration pursuant to the terms of Article XIII of the By-Laws of the Condominium. The Board of Managers shall have the same rights of collection and enforcement of the License Fees as they have for Common Charges and Special Assessments as provided for in this Article XIX or elsewhere in the Declaration or By-Laws.

Section 4. License Agreement

The Sponsor shall be authorized to execute all initial License Agreements for a Storage Space subject to this Declaration of Condominium for any Storage Space entered into with a Residential Unit Owner and to receive the proceeds of such License Agreement ("Storage Space Purchase Price"). A designated member of the Board of the Managers of the Condominium shall be authorized and required to execute the License Agreement on behalf of the Condominium as the Licensor of the License Agreement.

Section 5. Rules and Regulations

The License Agreement for a Storage Space may only be assigned and rented to another Residential Unit Owner in the Condominium ("Assignee or "Tenant"). The Board of Managers of the Condominium shall have the right to promulgate rules and regulations regarding the assignment or rental of the Storage Spaces. In no event shall the Board of Managers have the right to prohibit the right of a Residential Unit Owner or the Sponsor to assign or rent a Storage Space to a purchaser of the Residential Unit Owner or another Residential Unit Owner in the Condominium. The Board of Managers shall have the right to approve the form of a License Agreement or promulgate a standard form for use by all Residential Unit Owners. Notwithstanding, as long as the Sponsor retains an Unsold Residential Unit in the Condominium the Sponsor shall have the right to utilize any form of License Agreement without interference with the Board of Managers.

Residential Unit Owners must comply with all applicable laws regarding the Storage Spaces, which may be subject to periodic inspection by the police and fire departments of the City of New York and other governmental agencies having jurisdiction thereover. In addition, the Storage Spaces may not be completed until after the Closing of Title of a Residential Unit and the fact that a Storage Space may not be available for use at the time of Closing will not constitute a basis for Residential Unit Owner to fail to Close Title to a Residential Unit.

Section 6. Sponsor

In the event there are Storage Spaces that have not been Licensed to a Residential Unit Owner after the Sponsor has conveyed all of the Residential Units to bona fide Purchasers, the Sponsor shall have the right but not the obligation to enter into a License Agreement for a Storage Space with a Licensee who does not reside in the Building. In such an event the Sponsor shall be obligated to pay the then applicable License Fee to the Condominium for such Storage Spaces.

ARTICLE XX. COVENANT OF FURTHER ASSURANCES.

If any Residential Unit Owner or any other party subject to the terms of this Declaration fails to execute, acknowledge or deliver any instrument, or fails or refuses,

within a reasonable period of time to be determined by the Board of Managers after request thereof, to take any action which the Residential Unit Owner or such other party is required to take pursuant to this Declaration, then the Board of Managers is hereby authorized as attorney-in-fact for such Residential Unit Owner or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Residential Unit Owner, or other party and such document or action shall be binding on such Residential Unit Owner or other party.

If any Residential Unit Owner or the Board of Managers or any other party who is subject to the terms of this Declaration fails or refuses to execute, acknowledge or deliver any instrument, or fails or refuses within a reasonable period of time to be determined by the Board of Managers after request therefor, to take any action that the Board of Managers, any Residential Unit Owner, or other party is required to take pursuant to this Declaration at the request of Sponsor or Sponsor's designee, then Sponsor or Sponsor's designee, as the case may be, is hereby authorized as attorney-in-fact for the Board of Managers, such Residential Unit Owner, or other party, which power shall be deemed to be coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of the Board of Managers, such Residential Unit Owner, or other party, and such document or action shall be binding on the Board of Managers, such Residential Unit Owner, or other party, as the case may be.

Each Residential Unit Owner will have the affirmative duty to maintain its respective Residential Unit in such a manner so as to reasonably prevent and avoid inflicting harm to other Residential Units, the Common Elements (no matter how classified) or a Building. In addition to any other remedies and/or rights the Board of Managers may have in this Declaration, the By-Laws and/or the Rules and Regulations of the Condominium, in the event any Residential Unit Owner causes or permits any condition, or fails to take any action to prevent a condition, that has a deleterious effect on another Residential Unit, any Common Element (no matter how classified) or a Building, the Condominium Board will give written notice to such Residential Unit Owner including a request that the Residential Unit Owner take specific steps to ameliorate such a condition ("Remedy Notice"). If the Residential Unit Owner fails to remedy the condition within a reasonable period of time as provided in such Remedy Notice, the Board of Managers may, upon additional notice to the Residential Unit Owner within a reasonable period of time to be determined by the Board of Managers, enter into the Residential Unit and effect a reasonable remedy, at the Residential Unit Owner's sole cost and expense.

ARTICLE XXI. RULES AND REGULATIONS.

The use of the Residential Unit by a Residential Unit Owner, immediate family members residing in a Residential Unit, tenants, licensees, guests, employees, contractors or other occupants of a Residential Unit shall be subject to the provisions of this Declaration, the By-Laws and the Rules and Regulations of the Board of Managers contained in Article VIII of the By-Laws as the Rules and Regulations may be added to,

amended, rescinded, repealed, modified, altered or waived pursuant to the provisions of Article VIII of the By-Laws.

ARTICLE XXII. FIRST LIEN HOLDER'S RIGHTS.

1. Notices of Action. A holder, insurer or guarantor of a first mortgage shall be required to receive timely written notice of:

   a. Any proposed amendment of the Condominium instruments effecting a change in (i) the boundaries of any Residential Unit or the exclusive easement rights appertaining thereto, (ii) the interest in the general or limited Common Elements appertaining to any Residential Unit or the liability for common expenses appertaining thereto, (iii) the number of votes in the Condominium appertaining to any Residential Unit or (iv) the purposes to which any Residential Unit or the Common Elements are restricted;

   b. Any proposed termination of the Condominium regime;

   c. Any condemnation loss or any casualty loss which affects a material portion of the Condominium or which affects any Residential Unit on which there is a first mortgage held, insured or guaranteed by such eligible holder;

   d. Any delinquency in the payment of assessments or charges owed by a Residential Unit Owner of a Residential Unit subject to the mortgage of such eligible holder, insurer or guarantor, which such delinquency has continued for a period of sixty (60) days;

   e. Any lapse, cancellation or material modification of any insurance policy maintained by the Condominium; and

   f. Any proposed action that requires the consent of a specified percentage of mortgagees.

2. Other Provisions for First Lien Holders. To the extent permitted under applicable law, the following protections for the benefit of first mortgage holders will be legally binding with respect to the Condominium:

   a. Any restoration or repair of the Condominium after a partial condemnation or damage due to an insurable hazard shall be substantially in accordance with the Declaration and the original plans and specifications unless the approval of the eligible holders of first mortgages on Residential Units to which at least fifty-one percent (51%) of the votes of Residential Units eligible to vote that are subject to mortgages held by such eligible holders are allocated, is obtained;

b. Any election to terminate the Condominium regime after substantial destruction or a substantial taking in condemnation of the Property must require the approval of the eligible holders of first mortgages on Residential Units to which at least fifty-one percent (51%) of the votes of Residential Units eligible to vote that are subject to mortgages held by such eligible holders are allocated; and

c. Unless the formula for reallocation of interests in the Common Elements after a partial condemnation or partial destruction of the Condominium project is fixed in advance by the Declaration or by applicable law, no reallocation of interests in the Common Elements resulting from a partial condemnation or partial destruction of the Condominium project may be effected without the approval of the eligible holders of first mortgages on Residential Units to which at least eighty (80%) percent of the votes of Residential Units eligible to vote that are subject to mortgages held by such eligible holders are allocated.

As used in this section, the term "eligible holder, insurer or guarantor" shall mean a holder, insurer or guarantor of a first mortgage on a Residential Unit in a Condominium which has requested notice in accordance with the provisions of (a) above.

ARTICLE XXIII. SPECIAL RIGHTS OF SPONSOR.

Notwithstanding anything to the contrary contained herein, Sponsor, its successors, assignees and/or designees shall have, in addition to any rights granted elsewhere contained in the Declaration, By-Laws and/or Rules and Regulations, shall have the right, without requiring the consent of either the Condominium or Board of Managers, and without charge or limitation, the following rights:

1. The right to have its employees, contractors, subcontractors and sales agents present on the properties and improvements of the Condominium.

2. The right to erect and maintain signs and other promotional materials (including, without limitation, “For Sale”, and “For Rent” signs), in connection with the promotion, sale, leasing, management, or operation of the Residential Units or any other property, development or community the Sponsor, its successors, assigns or designees so prescribe for the life of the Condominium.

3. The right to use any one or more Residential Units as:

   a. model Residential Units,

   b. offices for the promotion, sale, rental, management and/or operation of any unsold Residential Units,

c. offices in connection with any installation, construction, modification, alteration, renovation, maintenance, repair, restoration, replacement, or change being performed, or to be performed, by, or on behalf of, Sponsor with respect to the Common Elements and/or the Residential Units; or any unsold Residential Units; and/or

d. for any other purpose.

4. The right to use any office in the Condominium for its exclusive use until such time as Sponsor no longer owns any Residential Units in the Condominium.

5. The right to do and cause to be done all of the things that are necessary, desirable or appropriate (including, without limitation, the use of the Common Elements, including recreation facilities, the Roof Terraces, the Residential Units and any unsold Residential Units) for the purpose of:

a. the promotion, sale, rental, management and/or operation of any unsold Residential Units,

b. the performance and completion of installation, construction, modification, alteration, renovation, maintenance, repair, restoration, replacement, or change being performed, or to be performed, by, or on behalf of, Sponsor with respect to the Common Elements and/or

c. the exercise performance and discharge of Sponsor's other rights and obligations under this Declaration, the By-Laws or the Rules and Regulations.

6. The right to make any other changes required by the Building Department City of New York or any other agency of the City of New York or other municipal or administrative agency.

In no event, however, shall Sponsor or such designee be entitled to use any portion of the Common Elements in such a manner as will unreasonably interfere with the use of the same or of any Residential Unit for its permitted purposes.

The provisions of this Article XXIII cannot be amended without the written consent of the Sponsor, or its designees, successors or assigns.

ARTICLE XXIV. INVALIDITY

Invalidation of any of the covenants, limitations, or provisions of the Declaration by judgment or court order shall in no wise affect any of the remaining part or parts hereof, and the same shall continue in full force and effect.

ARTICLE XXV. WAIVER

No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

ARTICLE XXVI. CAPTIONS

The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of this Declaration or the intent of any provision hereof.

ARTICLE XXVII. CERTAIN REFERENCES

A reference in this Declaration to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural and vice versa, unless the context otherwise requires.

The terms “herein”, “hereof”, or “hereunder” or similar terms in this Declaration refer to this entire Declaration and not to the particular provision in which the terms are used, unless the context otherwise requires.

Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of this Declaration or the By-Laws.

ARTICLE XXVIII. SEVERABILITY

If any provision of this Declaration or the application thereof to any person, entity or circumstance, is determined to be invalid or unenforceable to any extent, the remainder of this Declaration, and the application of such provision to persons, entities or circumstances other than those as to which it is specifically determined to be invalid or unenforceable, shall not be affected thereby, and each provision of this Declaration shall be valid and enforced to the fullest extent permitted by law, provided that under all circumstances, the provisions hereof are required to be interpreted and applied so that there will be no adverse effect on Declarant or any other person governed by or otherwise affected by this Declaration in any material respect as a result of any invalidity or unenforceability referred to above in this Article XXVIII.

ARTICLE XXIX. SUCCESSORS AND ASSIGNS

Except as set forth in the Declaration or in the By-Laws to the contrary, the rights and/or obligations of Sponsor, its successor, assignee or its designee as set forth herein shall inure to the benefit of and be binding upon any successor, assignee or designee of Sponsor with the consent of Sponsor or its successor, assignee or designee, any transferee of some or all of the Unsold Residential Units then owned by Sponsor or its successor, assignee or designee, as the case may be. Subject to the foregoing, Sponsor, its successor, assignee and its designee shall have the right, at any time, in their sole discretion, to assign or otherwise transfer their respective interests herein, whether by sale, merger, consolidation, lease, assignment or otherwise.

1504 JEFF LLC

By: _____
Member

STATE OF NEW YORK)
) ss.:
COUNTY OF)

On the day of in the year 20__, before me, the undersigned a Notary public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that (s)he executed the same in his/her capacity, and that by his/her signature on the instrument the person or the entity upon behalf of which the person acted executed the instrument.

_____
NOTARY PUBLIC

STATE OF NEW YORK)
) ss.:
COUNTY OF)

On the day of in the year 20__, before me, the undersigned a Notary public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that (s)he executed the same in his/her capacity, and that by his/her signature on the instrument the person or the entity upon behalf of which the person acted executed the instrument.

_____
NOTARY PUBLIC

SCHEDULE "A" TO THE DECLARATION OF
Hancock and Jefferson Condominium

1504 JEFFERSON AVENUE AND 1437 HANCOCK STREET, BROOKLYN, NEW YORK
CONDOMINIUM NO.
BLOCK
FORMER TAX LOT
NOW KNOWN AS LOTS

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND, SITUATE, LYING AND BEING IN THE BOROUGH OF MANHATTAN, COUNTY OF NEW YORK, CITY AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

SCHEDULE J

CONDOMINIUM BY-LAWS

BY-LAWS

OF

HANCOCK AND JEFFERSON CONDOMINIUM

CERTILMAN BALIN ADLER & HYMAN, LLP
Attorneys for the Sponsor
Attn: Richard Herzbach, Esq.
90 Merrick Avenue, 9th Floor
East Meadow, New York 11554

SCHEDULE C TO THE DECLARATION OF CONDOMINIUM

BY-LAWS OF
HANCOCK AND JEFFERSON CONDOMINIUM

TABLE OF CONTENTS

Page

ARTICLE I. PLAN OF CONDOMINIUM OWNERSHIP 1
Section 1. Condominium Residential Unit Ownership. 1
Section 2. By-Laws Applicability. 1
Section 3. Personal Application. 1
Section 4. Definitions. 1

ARTICLE II. CONDOMINIUM, VOTING, QUORUM, PROXIES AND WAIVERS..... 1
Section 1. Condominium Unit Owners. 1
Section 2. Voting. 2
Section 3. Quorum. 2
Section 4. Vote Required to Transact Business. 2
Section 5. Right to Vote. 2
Section 6. Proxies. 3
Section 7. Waiver and Consent. 3
Section 8. Place of Meetings. 3
Section 9. Annual Meetings/Control of Board of Managers by Declarant. 4
Section 10. Special Meetings. 4
Section 11. Notice of Meetings. 5
Section 12. Order of Business. 5

ARTICLE III. BOARD OF MANAGERS 6
Section 1. Number and Term. 6
Section 2. Vacancy and Replacement. 7
Section 3. Removal. 8
Section 4. Resignation. 8
Section 5. Suspension. 8
Section 6. First Board of Managers. 8
Section 7. Powers. 9
Section 8. Repairs and Maintenance. 13
Section 9. Compensation. 19
Section 10. Meetings. 19
Section 11. Annual Statement. 20
Section 12. Fidelity Bonds. 20
Section 13. Management Agent. 21
Section 14. Liability of the Board of Managers, Officers and Residential Unit Owners. 21
Section 15. Annual Reports Required By Section 727 of the Business Corporation Law. 22

ARTICLE IV. OFFICERS 23
Section 1. Elective Officers..... 23
Section 2. Election..... 23
Section 3. Appointive Officers. 23
Section 4. Term. 23
Section 5. The President. 23
Section 6. The Vice-President. 24
Section 7. The Secretary. 24
Section 8. The Treasurer. 24
Section 9. Agreements, etc. 24

ARTICLE V. NOTICES 25
Section 1. Definition. 25
Section 2. Service of Notice Waiver. 25

ARTICLE VI. FINANCES 25
Section 1. Checks. 25
Section 2. Assessments. 25
Section 3. Purpose of Common Charges. 27
Section 4. Foreclosures of Liens for Unpaid Common Charges. 28
Section 5. Statement of Common Charges. 28
Section 6. Liability for Utilities. 28
Section 7. Operating Account. 28
Section 8. Other Accounts. 28
Section 9. Determination of Common Expenses and Fixing of Common Charges. 29

ARTICLE VII. INSURANCE AND INSURANCE TRUSTEE 30
Section 1. Insurance to be Carried by the Board of Managers. 30
Section 2. The Insurance Trustee. 32
Section 3. Restoration or Reconstruction After Fire or Other Casualty. 32
Section 4. Residential Unit Owner Insurance. 33
Section 5. General..... 33

ARTICLE VIII. RULES AND REGULATIONS 33
Section 1. General..... 33
Section 2. Violations of Rules and Regulations. 46
Section 3. Costs. 47
Section 4. Board of Managers Right to Change Rules and Regulations. 47
Section 5. Sponsor. 48
Section 6. Complaints. 48

ARTICLE IX. DEFAULT 48

ARTICLE X. AMENDMENTS 49

ARTICLE XI. SELLING, MORTGAGING AND LEASING RESIDENTIAL UNIT 51
Section 1. Selling and Leasing Residential Units. 51
Section 2. Right of First Refusal 52
Section 3. Release or Waiver by Board of Managers of the Right of First Refusal. 54
Section 4. Certificate of Termination of Right of First Refusal. 55

Section 5. Financing of Purchase of Residential Unit by Board of Managers. 55
Section 6. Exceptions. 55
Section 7. Leasing Requirements for Residential Units. 56
Section 8. Waiver of Partition Rights. 58
Section 9. Gifts, etc. 58
Section 10. Tenant Bound by Declaration. 58
Section 11. Lenders. 58
Section 12. Sponsor. 58
Section 13. Section 339-kk of the Real Property Law. 59

ARTICLE XII. STORAGE SPACES 59
Section 1. General 59
Section 2. Use 59
Section 3. Repair and Maintenance 59
Section 4. License Agreement 60
Section 5. Rules and Regulations 60
Section 6. Sponsor 60

ARTICLE XIII. ARBITRATION 61
Section 1. Procedure. 61
Section 2. Variation by Agreement. 61
Section 3. Binding Effect. 61
Section 4. Costs and Expenses. 61

ARTICLE XIV. CONDEMNATION 61

ARTICLE XV. SPONSOR RIGHTS 62
Section 1. Sales/Rentals. 62
Section 2. Signs/Ingress/Egress 62
Section 3. Additional Rights 62
Section 4. Amendment. 63

ARTICLE XVI. MISCELLANEOUS 63
Section 1. Severability. 63
Section 2. Notice to Condominium. 63
Section 3. Notice of Unpaid Assessments. 63
Section 4. Examination of Books and Records 63
Section 5. Costs of Legal Action 63
Section 6. Reports to Residential Unit Owners 64
Section 7. Construction. 64
Section 8. Compliance with Article 9-B 64

BY-LAWS

OF

HANCOCK AND JEFFERSON CONDOMINIUM

ARTICLE I. PLAN OF CONDOMINIUM OWNERSHIP

Section 1. Condominium Residential Unit Ownership.

The property located at 1504 Jefferson Avenue and 1437 Hancock Street, Borough of Brooklyn, Kings County, City and State of New York, as specifically set forth in the Declaration and more commonly known as Hancock and Jefferson Condominium has been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York.

Section 2. By-Laws Applicability.

The provisions of these By-Laws are applicable to the Condominium. The term "Condominium" as used herein shall include the land and a Buildings and improvements thereon including the Condominium Residential Units and the Common Elements and the use and occupancy thereof.

Section 3. Personal Application.

All present or future Residential Unit Owners, mortgagees and lessees, or their employees, guests or any other person that might use the facilities of the Condominium in any manner are subject to these By-Laws, the Declaration and any Rules and Regulations established by the Board of Managers. The mere acquisition or rental of any of the Residential Units or the mere act of occupancy of any of said Residential Units will signify that these By-Laws, the Declaration and the Rules and Regulations are accepted, ratified, and will be complied with.

Section 4. Definitions.

The definitions contained in the Declaration of Condominium shall be applicable to these By-Laws unless otherwise stated.

ARTICLE II. CONDOMINIUM, VOTING, QUORUM, PROXIES AND WAIVERS

Section 1. Condominium Unit Owners.

The Condominium shall be limited to Residential Unit Owners. "Residential Unit Owner" as referred to herein shall mean all of the owners of each Residential Unit.

Section 2. **Voting.**

Each Residential Unit Owner (including the Sponsor and the Board of Managers, if the Sponsor or the Board of Managers shall then own or hold title to one or more Residential Units), shall be entitled to cast one vote at all Residential Unit Owners' meetings for each Residential Unit owned by such Residential Unit Owner subject to the restrictions contained herein, including the provisions regarding the election of Members to the Board of Managers as provided in Article III, Section 1 of these By-Laws. In the event the Board of Managers acquires a Residential Unit on behalf of the Condominium it shall not cast any of its votes appurtenant to such Residential Unit, for the election of any Member to the Board of Managers. Any Unit Owner in default of their Common Charges, Special Assessments, late fees or any other penalties imposed by the Board of Managers applicable to said Residential Unit Owner's Unit shall be prohibited from voting at any annual, general or Special Meeting of the Residential Unit Owners.

Section 3. **Quorum.**

So many Residential Unit Owners as shall represent at least fifty-one (51%) percent of the total authorized votes of all Residential Unit Owners present in person or represented by written proxy shall constitute a quorum at all meetings of the Residential Unit Owners for the transaction of business, except as otherwise provided by Statute, by the Declaration, or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting of the Residential Unit Owners, the Residential Unit Owners entitled to vote thereat, present in person or represented by written proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting. At such adjourned meeting so many Residential Unit Owners as shall represent at least thirty-three and one-third (33⅓%) percent of the total authorized votes of all Residential Unit Owners shall constitute a quorum. At such adjourned meeting any business may be transacted which might have been transacted at the meeting originally called.

Section 4. **Vote Required to Transact Business.**

When a quorum is present at any meeting, the vote of a majority of the Residential Unit Owners present in person or represented by written proxy shall decide any question brought before such meeting and such vote shall be binding upon all Residential Unit Owners, unless the question is one upon which, by express provisions of the Declaration, Statute, or of these By-Laws, a different vote is required, in which case such express provisions shall govern and control the decision of such question.

Section 5. **Right to Vote.**

At any meeting of Residential Unit Owners, every Residential Unit Owner having the right to vote shall be entitled to vote in person, or by proxy. Such proxy shall only be valid for such meeting or subsequent adjourned meetings thereof. Any Residential Unit Owner in default of their Common Charges, Special Assessments, late fees or any other penalties imposed by the Board of Managers applicable to said Residential Unit

Owner's Unit shall be prohibited from voting at any annual or Special Meeting of the Residential Unit Owners.

Section 6. Proxies.

All proxies shall be in writing and shall be filed with the Secretary prior to the meeting at which the same are to be used. A notation of such proxies shall be made in the minutes of the meeting.

Section 7. Waiver and Consent.

Whenever the vote of Residential Unit Owners at a meeting is required or permitted by any provision of the Declaration, Statutes or of these By-Laws or for an amendment to the Declaration or By-Laws to be taken in connection with any action of the Condominium, the meeting and vote of Residential Unit Owners may be dispensed with if all Residential Unit Owners who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such action being taken.

Section 8. Place of Meetings.

Meetings shall be held at any suitable place convenient to the Members as may be designated by the Board of Managers and designated in the notices of such meetings. Meetings may be held by electronic communication including telephone, video or web conference and need not occur in person. Residential Unit Owners may attend and participate in any "in-person" meeting by attending by telephone, video or web conference. If the meeting is held by electronic communication, the electronic service and/or platform by which the meeting is held shall constitute the place of the meeting. All meetings held by electronic communication shall provide for the following:

(a) The Board shall verify that each person participating electronically is a Residential Unit Owner or a proxy of a Residential Unit Owner;

(b) All Residential Unit Owners participating electronically at a meeting shall have a reasonable opportunity to participate in the meeting, including an opportunity to propose, object to, and vote upon a specific action to be taken by the Residential Unit Owners, and to see, read, or hear the proceedings of the meeting substantially concurrently with those proceedings; and

(c) The Board shall record and maintain a record of any votes or other actions taken by electronic communication at the meeting.

In the event New York State does not permit meetings of Residential Unit Owners to be held by electronic communication, then all meetings are required to be held in person and Residential Unit Owners shall attend either in person or by proxy.

Section 9. **Annual Meetings/Control of Board of Managers by Declarant.**

The First Annual Meeting of the Residential Unit Owners will be held within two (2) years of the Closing of Title to the first Residential Unit in the Condominium or within thirty (30) days after the Closing of Title of the last Residential Unit in the Condominium, whichever occurs first. The Sponsor will have voting control and may designate all the Members of the Board of Managers of the Condominium until all of the Residential Units in the Condominium have been sold or transferred to Residential Unit Owners other than the Sponsor, its principals, successors, assignees and/or designees ("Sponsor Control Period"). In the event the Sponsor Control Period has not lapsed, the Sponsor shall designate the three (3) Members of the Board of Managers at said First Annual Meeting. In the event the Sponsor Control Period has lapsed, the three (3) Members of the Board of Managers shall be elected by the Residential Unit Owners at the First Annual Meeting. In the event the Sponsor Control Period lapses subsequent to the First Annual Meeting, the then Board of Managers will call for a Special Meeting to be held within thirty (30) days thereafter to elect Residential Unit Owner representatives to the Board of Managers. After the First Annual Meeting or the Special Meeting to elect the Residential Unit Owners after the Sponsor Control Period, Annual Meetings shall be held on or about the anniversary of the respective meeting date each succeeding year or such other convenient date as the Board of Managers may so designate (the "Annual Meeting"). At such Annual Meetings, in the event the Sponsor Control Period has not lapsed, the Sponsor shall designate the three (3) Members of the Board of Managers. In the event the Sponsor Control Period has lapsed, the three (3) Members of the Board of Managers will be elected by the Residential Unit Owners in accordance with the requirements of Article III of the By-Laws.

Notwithstanding, the Sponsor shall have the right but not the obligation to voluntarily relinquish control of the Board of Managers prior to the expiration of the Sponsor Control Period. In the event the Sponsor voluntarily resigns a position or positions on the Board of Managers prior to the expiration of the Sponsor Control Period, the Sponsor will be entitled to designate the remaining Members of the Board of Managers until the expiration of the Sponsor Control Period. In addition, as per Article III, Section I of the By-Laws, in the event the Sponsor voluntarily relinquishes a Board Member's position on the Board of Managers prior to the expiration of the Sponsor Control Period, upon notice from the Sponsor to the Board of Managers that the Sponsor desires to reclaim said Residential Unit Member's position, the Board Member appointed or elected to said position shall be obligated to resign and the Sponsor shall reappoint a Board Member to the Board of Managers. When the Sponsor no longer owns a Residential Unit in the Condominium, Sponsor may not be entitled to designate any Member to the Board of Managers.

Section 10. **Special Meetings.**

It shall be the duty of the President to call a Special Meeting of the Condominium, if so directed by the Board of Managers, or upon the presentation to the Secretary of a petition signed by a majority of the Residential Unit Owners. The Secretary shall cause a notice of such Special Meeting stating the time, place and object thereof and the Officer or other person or persons by whom the meeting is called,

to be delivered personally, mailed, electronic mail or facsimile as provided in Section 11 of this Article to each Residential Unit Owner of the Condominium entitled to vote at such meeting not less than ten (10) nor more than thirty (30) days before such meeting. The date of the Special Meeting shall be determined by the Board of Managers and shall be held no later than sixty (60) days from receipt of any written request pursuant to this Section 10 unless a later date is agreed to in writing by the Residential Unit Owners of the Condominium entitled to vote or the Board of Managers, requesting such meeting. No business other than that stated in such notice shall be transacted at such Special Meeting unless all Residential Unit Owners of the Condominium are present in person or by proxy. Any or all of the Members of the Board of Managers of the Condominium, other than those designated by the Sponsor, may be removed with or without cause by vote of a minimum of 66⅔ in number of the Residential Unit Owners of the Condominium at a Special Meeting called pursuant to this section if the meeting is called for such purpose. Sponsor designated Members of the Board of Managers may only be removed by the Sponsor without cause.

Section 11. Notice of Meetings.

It shall be the duty of the Secretary or other designated agent of the Board of Managers to provide written notice of the place, date and hour of each annual or Special Meeting, stating the purpose thereof at least ten (10) but not more than thirty (30) days prior to such meeting. A copy of the notice of any meeting shall be given, personally, by first class mail, facsimile telecommunications or by electronic mail to each Residential Unit Owner entitled to vote at such meeting. If mailed, such notice is given when deposited in the United States mail, with postage thereon prepaid, directed to the Residential Unit Owner at the Residential Unit Owner's address as it appears on the record of Residential Unit Owners or, if the Residential Unit Owner shall have filed with the Secretary or designated agent a written request that notices to the Residential Unit Owner be mailed to some other address, then directed to the Residential Unit Owner's such other address. If the notice is sent by facsimile telecommunication or mailed electronically, such Notice is given when directed to the Residential Unit Owners fax number or electronic mail address as it appears on the record of the Residential Unit Owners, or, to such fax number or other electronic mail address as filed with the Secretary or designated agent. Notwithstanding the foregoing, such Notice shall not be deemed to have been given electronically (1) if the Secretary or designated agent of the Board of Managers is unable to deliver two consecutive Notices to the Residential Unit Owner by facsimile telecommunication or electronic mail; or (2) the Secretary or the designated agent of the Board of Managers otherwise becomes aware that Notice cannot be delivered to the Residential Unit Owner by facsimile telecommunication or electronic mail.

Section 12. Order of Business.

The order of business at all meetings shall be as follows:

(a) Roll Call
(b) Proof of notice of meeting or waiver of notice
(c) Reading of minutes of preceding meeting

(d) Report of Officers
(e) Report of committees
(f) Election of inspectors of election (in the event there is an election)
(g) Election of Members (in the event there is an election)
(h) Unfinished business
(i) New business

ARTICLE III. BOARD OF MANAGERS

Section 1. Number and Term.

The affairs of the Condominium shall be governed by a Board of Managers consisting of three (3) Members (hereinafter "Board Members"). The First Board of Managers shall consist of three (3) Board Members designated by the Sponsor who shall hold office and exercise all powers of the Board of Managers until the First Annual Meeting of the Residential Unit Owners. The First Annual Meeting of the Residential Unit Owners will be held within two (2) years of the closing of title to the first Residential Unit in the Condominium or thirty (30) days after the Closing of Title of the last Residential Unit in the Condominium, whichever occurs first. The Sponsor shall retain the right to substitute any Sponsor designated Member of the Board of Managers at any time without notice to the Board of Managers as Sponsor so determines. Until succeeded by the Board Members elected at the First Annual Meeting or any Annual or Special Meeting of Residential Unit Owners, Board Members need not be Residential Unit Owners; thereafter, all Board Members shall be Residential Unit Owners, other than designees or nominees of the Sponsor, and shall be nominated and elected by the Residential Unit Owners at the respective Special or Annual Meeting.

Until the expiration of the Sponsor Control Period, the Board of Managers shall consist of three (3) Members designated by the Sponsor who shall hold office and exercise all powers of the Board of Managers. In the event the Sponsor Control Period lapses subsequent to the First Annual Meeting, the then Board of Managers will call for a Special Meeting within thirty (30) days thereafter to elect three (3) Residential Unit Owner representatives to the Board of Managers. In the event the Sponsor Control Period has not lapsed, the Sponsor shall designate the three (3) Members of the Board of Managers at the First Annual Meeting or any Annual Meeting. In the event the Sponsor Control Period has lapsed, the three (3) Members of the Board of Managers shall be elected by the Residential Unit Owners. All Board Members elected by the Residential Unit Owners shall be Residential Unit Owners. Sponsor designees do not need to be Residential Unit Owners. After the First Annual Meeting or Special Meeting as required above, Annual Meetings shall be held on or about the anniversary of the First Annual Meeting or Special Meeting each succeeding year or such other convenient date as the Board of Managers may so designate (the "Annual Meeting").

At the First Annual Meeting or any Annual or Special Meeting, subsequent to the Sponsor Control Period, the term of office of one (1) of the Members of the Board of Managers shall be fixed for three (3) years, the term of office of one (1) of the Members of the Board of Managers shall be fixed for two (2) years, and the term of office of one (1) of the Members of the Board of Managers shall be fixed at one (1) year. The one (1)

Residential Unit Owner receiving the highest number of votes shall be elected to the three (3) year term, the one (1) Residential Unit Owner receiving the next highest number of votes shall be elected to the two (2) year term, and the one (1) Residential Unit Owner receiving the next highest number of votes shall be elected to a one (1) year term. Each Residential Unit Owner shall be entitled to cast one vote for each Member of the Board of Managers to be elected to the Board of Managers. At the expiration of the initial term of office of each respective Member of the Board of Managers, their successor shall be elected to serve a term of three (3) years. The Board Members shall hold office until their successors have been elected and hold their first meeting.

Sponsor Members of the Board of Managers shall be appointed for a one (1) year term. At the expiration of the Sponsor Member terms, if Sponsor is still entitled to designate Members to the Board of Managers, the Sponsor Members of the Board of Managers shall thereafter continue to be designated as Members of the Board of Managers for one (1) year terms until the Sponsor is required to relinquish the position or Sponsor voluntarily resigns the position.

Any Residential Unit Owner in default of the payment of Common Charges, Special Assessments, late fees, interest and/or penalties shall be ineligible to be elected to the Board of Managers and/or vote at any general, Annual or Special Meeting.

In addition to the Members of the Board of Managers designated by the Sponsor, as long as Sponsor retains an unsold Residential Unit in the Condominium, Sponsor may vote as Sponsor so determines for any other Members of the Board of Managers, so long as the Members of the Board of Managers are not on Sponsor's slate of Members for the Board of Managers, Sponsor's payroll or as long as they did not receive other financial backing from the Sponsor other than a mortgage held by the Sponsor or affiliated entity of the Sponsor, if applicable.

This Section may not be amended without the written consent of the Sponsor.

Section 2. **Vacancy and Replacement.**

If the office of any Member or Members becomes vacant by reasons of death, resignation, retirements, disqualification, removal from office or otherwise, a majority of the remaining Members of the Board of Managers, though less than a quorum, at a Special Meeting of the Members of the Board of Managers duly called for this purpose, shall choose a successor or successors, who shall hold office for the unexpired term in respect to which such vacancy occurred. At such meeting only the remaining Members of the Board of Managers shall be entitled to vote for said Member's successor or successors. In the event of the failure to hold any election of the Members of the Board of Managers at the time designated for the annual election of the Members of the Board of Managers or in the event that the Members of the Board of Managers shall not have filled any such vacancy, a Special Meeting of the Residential Unit Owners to elect new Members to the Board of Managers or to fill such vacancy or vacancies may be called in the manner generally provided for the calling of Special Meetings of the Residential Unit Owners. If the vacancy occurs with respect to any Member of the Board of Managers who has been designated by the Sponsor, only the Sponsor shall have the right to

appoint such Member's successor to fill the unexpired portion of the term. In addition, the Sponsor shall have the right to substitute the Members of the Board of Managers it has designated at Sponsor's discretion at any time during the applicable term.

The Board of Managers shall also have the right to call for a Special Meeting in accordance with Article II, Section 10 to elect a Member's successor to fill the unexpired portion of the term of office.

Section 3. **Removal.**

Members, other than Sponsor designees, may be removed with or without cause by an affirmative vote of sixty-six and two-thirds (66 2/3rds) in number of the Residential Unit Owners entitled to vote at a Special Meeting called pursuant to Article II, Section 10 of these By-Laws. Members designated by the Sponsor may only be removed by the Sponsor. No Member other than a Member designated by the Sponsor shall continue to serve on the Board of Managers if, during their term of office, they shall cease to be a Residential Unit Owner. In the event a Sponsor designee Member is removed, the Sponsor shall have the sole right to designate the Sponsor Member replacement.

Any Member of the Board of Managers in default of the payment of Common Charges, Special Assessments, late fees, penalties and/or interest shall be suspended from the Board of Managers until such time as all Common Charges, Special Assessments, late fees, penalties and/or interest are paid in full to the Condominium.

Section 4. **Resignation.**

Any Member may resign at any time by written notice delivered in person or sent by certified registered mail to an Officer of the Condominium. Such resignation shall take effect at the time specified therein. Acceptance of such resignation shall not be necessary to make it effective.

Section 5. **Suspension.**

Any Member of the Board of Managers in default of the payment of Common Charges, Special Assessments, together with late charges, interest and expenses shall be suspended from the Board of Managers until such time as all Common Charges, Special Assessments, together with late charges, interest and expenses, if any, are paid in full to the Condominium.

Section 6. **First Board of Managers**.

The First Board of Managers shall consist of three (3) Board Members (hereinafter "Board Members") designated by the Sponsor who shall hold office and exercise all powers of the Board of Managers until the First Annual Meeting of the Residential Unit Owners or as otherwise provided in Article III, Section 1 of these By-Laws. Any or all of said Members shall be subject to replacement at the sole discretion of the Sponsor and/or in the event of resignation or death in the manner set forth in Section 2 of this Article.

<u>Section 7.</u> Powers.

(a) The property and business of the Condominium shall be managed by its Board of Managers, which may exercise all such powers of the Condominium and do all such lawful acts and things as are not by Statute or by the Declaration or by these By-Laws, directed or required to be exercised or done by the Residential Unit Owners personally. These powers shall specifically include, but not be limited to, the following items:

1. To determine and levy monthly assessments ("Common Charges") to cover the cost of Common Expenses. The Common Charges are payable in advance as determined by the Board of Managers. The Board of Managers may increase the monthly Common Charges or vote a Special Assessment in excess of the Common Charges, if required, to meet any additional necessary Common Expenses, but said increases can only be assessed among the Residential Unit Owners pro-rata according to their respective Percentage of Common Interest as reflected in Schedule B of the Declaration of Condominium or in such other manner as provided in Article VI, Section 9 of these By-Laws.

2. To determine and impose penalties, late fees and interest against Residential Unit Owners delinquent in the payment of their Residential Common Charges and/or Special Assessments and in violation of the Rules and Regulations applicable to the Residential Unit Owners. The Members of the Board of Managers shall have the right to revise the amount of such fees as the Members of the Board of Managers so determine.

3. To determine and impose move in and move out fees and to revise said fees in its good faith discretion.

4. To collect, use, and expend the Common Charges collected to maintain, care for and preserve the General Common Elements, and a Residential Unit's Limited Common Elements for which the Condominium is responsible to repair, replace and maintain and any other Common Expenses of the Condominium.

5. To make repairs, restore or alter any Residential Unit or the Common Elements after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings.

6. To enter into and upon the Residential Units when necessary and at as little inconvenience to the Residential Unit Owners as possible in connection with the maintenance, care, and preservation of the property, including any inspection or repairs necessitated by mold. 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 Condominium or its property, or the Residential Units, or for the safety of Condominium residents or other persons or required to avoid the suspension of any necessary service to the Condominium. Any repairs required as the result of negligence of a Unit Owner will be at the expense of the Residential Unit Owner.

7. To open bank accounts on behalf of the Condominium and to designate the signatories to such bank accounts.

8. To insure and keep insured the Common Elements and Residential Units in accordance with Article VII of these By-Laws.

9. To collect delinquent Common Charges, Special Assessments, late fees, penalties and/or interest by suit or otherwise, to abate nuisances and to enjoin or seek damages from the Residential Unit Owners of the Condominium for violations of the Declaration, By-Laws or the Rules and Regulations of the Condominium.

10. To make reasonable Rules and Regulations applicable to the Residential Units and the Residential Unit Owners and to amend the same from time to time, and such Rules and Regulations and amendments shall be binding upon the Residential Unit Owners when the Members of the Board of Managers have approved them in writing. A copy of such Rules and Regulations and all amendments thereto shall be delivered to each Residential Unit.

11. To make reasonable Rules and Regulations applicable to the General Common Elements (including, but not limited to rules and regulations for use of the Roof Terraces and to amend the same from time to time and such Rules and Regulations and amendments shall be binding upon all the Residential Unit Owners when the Board of Managers has approved them in writing. A copy of such Rules and Regulations and all amendments shall be delivered to each Residential Unit Owner.

12. To employ and terminate the employment of employees and independent contractors and to purchase supplies and equipment, to enter into contracts, and generally to have the powers of a manager in connection with the matters herein above set forth.

13. To bring and defend actions by or against one (1) or more Residential Unit Owners that are pertinent to the operation of the Condominium and to levy Special Assessments to pay for the cost of such litigation, subject to the provisions regarding the Sponsor as contained in Article III, section 7 (c) of these By-Laws.

14. To acquire a Residential Unit in foreclosure or as a result of abandonment and to take any or all steps necessary to repair or renovate any Residential Unit so acquired and to vote as a Residential Unit Owner subject to any restrictions contained in these By-Laws, offer such Residential Unit for sale or lease or take any other steps regarding such Residential Unit as shall be deemed proper by the Board of Managers.

15. To make additions, alterations, or improvements to the General Common Elements and a Residential Unit's Limited Common Element that are the obligation of the Condominium to maintain, repair and/or replace as provided in the Declaration and/or these By-Laws.

16. To borrow money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the Common Elements, or for capital expenditures such as repair or replacement of Building components or systems or to remedy a major Building defect, provided, however, that no lien to secure repayment of any sum borrowed may be created on any Residential Unit or its appurtenant interest in the Common Elements without the written consent of the Owners of said Residential Unit.

17. To determine and impose penalties, late fees and interest against Residential Unit Owners delinquent in the payment of their Common Charges and/or Special Assessments and in violation of the Rules and Regulations. The Board of Managers shall have the right to revise the amount of such fees as the Board of Managers so determines

18. To act as an agent for one (1) or more Residential Unit Owners to file a single complaint and bring a special proceeding on behalf of Residential Unit Owners who wish to contest the real estate tax assessments of their Residential Unit pursuant to Section 339-y(4) of the New York Real Property Law. In such an event, the Board of Managers could retain counsel on behalf of such Residential Unit Owners and charge each Residential Unit Owner for whom it is acting a pro-rata share of expenses, disbursements and legal fees, based upon the Residential Unit's Percentage of Common Interest as reflected in Schedule B of the Declaration of Condominium, the payment for which would be secured by a lien on each Residential Unit. The Board of Managers is not obligated to perform such services and it is necessary to obtain the written authorization of the Residential Unit Owners it will perform such service for.

19. To enter into contracts, settlement agreements and/or other matters on behalf of the Condominium.

20. To enter into revocable license agreements for the use of space within the General Common Elements, including Storage Spaces, as long as the license agreement does not hinder or encroach upon the rights of Residential Unit Owners to use the General Common Elements, and/or Individual Residential Unit's Limited Common Elements.

21. To grant utility or other easements over or to the Common Elements as may, at any time, be required for the benefit of the Condominium and the Residential Unit Owners without the necessity of the consent thereto, or joinder therein, by the Residential Unit Owners or any mortgagee (except that if the granting of such easement impairs the ability of one or more Residential Unit Owners who have the right to use such Common Elements to the exclusion of any other Residential Unit Owners, the consent of all such affected Residential Unit Owners shall be required in writing before such easement shall be granted);

(b) The Board of Managers may, by resolution or resolutions passed by a majority of the whole Board of Managers, designate one or more committees, each of such committees to consist of at least one (1) Member of the Board of Managers, which, to the extent provided in said resolution or resolutions, shall have and may exercise the powers of the Board of Managers in the management of the business affairs of the Condominium and may have power to sign all papers which may be required, provided said resolutions shall specifically so provide. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Managers. Committees established by resolution of the Board of Managers shall keep regular minutes of their proceedings and shall report the same to the Board of Managers as required.

(c) As long as the Sponsor retains at least one (1) Unsold Residential Unit in the Condominium, the Board of Managers may not, without the Sponsor's prior written consent: (i) make an addition, alteration or improvement to the General Common Elements, or Residential Unit's Limited Common Elements that is the Condominium's obligation and/or to any Residential Unit, costing cumulatively more than $50,000, the foregoing not to include necessary repairs and maintenance work, (ii) assess any Common Charges for the creation of, addition to, or replacement of all or part of a reserve, contingency or surplus fund, (iii) hire any employee in addition to the employees referred to in the Budget for the first year of operation of the Condominium, (iv) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the first Closing, (v) borrow money on behalf of the Condominium, (vi) reduce the services or maintenance set forth in the Condominium budget for the first year of operation, (vii) charge any Special Assessment for a non-budgeted item unless required by law, municipal agency, emergency or for the health and

safety of the Condominium, (viii) increase the Common Charges of the Condominium more than ten (10%) percent from the prior year's budget, unless documentation is provided to the Sponsor in the nature of a financial statement, bids from contractors or verified increases in utility rates, evidencing the need for an increase greater than ten (10%) percent, or (ix) utilize Condominium funds or assess the Sponsor in order to commence a lawsuit against the Sponsor or any of its principals. The provisions of this paragraph may not be amended without the written consent of the Sponsor.

(d) Notwithstanding Article III, Section 7(c) of these By-Laws Sponsor may not exercise veto power over expenses described in the proposed Schedule B budget, as described in the Offering Plan, or over expenses required:

1. to comply with applicable laws or regulations; or

2. to remedy any notice of violation; or

3. to remedy any work order by an insurer, or

4. necessary for the preservation or safety of the Buildings or for the safety of occupants of the Building or required to avoid the suspension of any necessary service to the Building.

(e) Sponsor may exercise veto power over expenses described herein, other than those described in Article III, Section 7(d) of these By-Laws, for a period ending not more than five (5) years after the Closing of the first Residential Unit or whenever the unsold Residential Units constitute less than twenty-five (25%) percent of the common interest, whichever is sooner.

The provisions of this paragraph may not be amended without the written consent of Sponsor.

Section 8. Repairs and Maintenance.

All maintenance, painting, repairs and replacement of the General Common Elements shall be the obligation and responsibility of the Board of Managers on behalf of the Condominium and Residential Unit Owners including but not limited to exterior walls, roof and roof membranes, roof housing of a Building, as well as painting, repair and/or maintenance of the exterior surfaces, roof, windows and doors which open from a Building, as well as all maintenance, repairs and replacements of foyers and stairways of a Building, and of any pipes, wires, conduits and utility lines, or any portion of which is located in one Residential Unit and services another Residential Unit or more than one Residential Unit or so much of any pipes, wires, conduits and utility lines as are located in the General Common Elements. The cost thereof shall be a Common Expense except if such maintenance, painting, repair or replacement is necessitated because of the negligence, misuse or neglect of a Residential Unit Owner or the prior

alteration of the Residential Unit by a Residential Unit Owner, in which event the cost thereof shall be assessed individually and paid by the applicable Residential Unit Owner.

All maintenance, repair and replacement to any pipes, sewers and/or drainage lines and wires, conduits and public utility lines located within each Residential Unit or a Limited common Element for the exclusive use of a Residential Unit Owner shall be the sole obligation of such Residential Unit Owner at the Residential Unit Owner's sole cost and expense.

All maintenance, repair and replacement to any portion of any pipes, sewers and/or drainage lines and wires, conduits and public utility lines located in the General Common Elements shall be the responsibility of the Condominium. The cost thereof shall be a Common Expense except if such maintenance, repair or replacement is necessitated due to the negligence, misuse or neglect of a Residential Unit Owner or the prior alteration of a Residential Unit by a Residential Unit Owner, in which event the cost thereof shall be assessed individually and paid for by the applicable Residential Unit Owner.

All maintenance, repair and replacement to pipes, sewers and/or drainage lines and wires, conduits and public utility lines located in a Limited Common Element servicing two (2) or more Residential Units, shall be the responsibility of the Condominium and a Common Expense of the Condominium. The cost thereof shall be a Common Expense except if such maintenance, repair or replacement is necessitated due to the negligence, misuse or neglect of a Residential Unit Owner or the prior alteration of a Residential Unit by a Residential Unit Owner, in which event the cost thereof shall be assessed individually and paid for by the applicable Residential Unit Owner.

All maintenance and repairs to the interior portion of Residential Units, other than to any General Common Elements contained therein, are the responsibility of the respective Residential Unit Owners at their sole expense. All structural changes to a Residential Unit shall comply with the provisions of Article VIII, Section 1(f) of the By-Laws.

All maintenance and repair to the interior portion of the window area and doors which open from a Residential Unit are the responsibility of the Residential Unit Owner of the Residential Unit. All maintenance, repair and any replacement to the external portion of the window area, the actual window and external portion of the doors (including painting if necessary) which open from a Residential Unit will be the responsibility of the Condominium and the cost thereof shall be a Common Expense of the Condominium and paid for by all Residential Unit Owners as provided in Article VI of these By-Laws. Notwithstanding the above, should the maintenance, repair or replacement of the external portion of the window, the actual window and external portion of the doors which open from a Residential Unit be caused as a direct result of the negligence or act of a Residential Unit Owner, resident, occupant, tenant, guest or any other person residing, visiting or doing work in the Residential Unit, the Condominium will repair or replace the external portion of the window, the window or

the external portion of the doors which open from a Residential Unit and the cost of such repair or replacement shall be charged to the Residential Unit Owner as an additional Common Charge or Special Assessment.

The interior glass surfaces of all windows located in the Residential Units are to be cleaned at the Residential Unit Owner's sole cost and expense. The exterior surfaces of all Residential Unit windows shall be cleaned by the Board of Managers and the cost shall be a Common Expense. Broken window glass in a Residential Unit shall be replaced by the Residential Unit Owner at the Residential Unit Owner's sole cost and expense, unless such breakage was caused by the Board of Managers or its agents, in which case replacement shall be made by the Board of Managers as a Common Expense.

Entrance doors to Residential Units and the roof of a Building shall be maintained and repaired by the Board of Managers unless the damage thereto was caused by a Residential Unit Owner in which case the Board of Managers shall make the repair and charge the Residential Unit Owner accordingly.

All structural repairs and replacements to any private terrace, private garden and/or Juliet balcony and any pavers located thereon, and any fence and/or railing located thereon that is a Limited Common Element of the Residential Unit will be the obligation of the Condominium to repair and replace. Notwithstanding, all costs and expenses for the structural repair and replacement of the aforesaid Limited Common Elements of a Residential Unit shall be paid for by the respective Residential Unit Owner. Failure to pay the expenses to the Condominium shall be considered a default of the obligations of the Residential Unit Owner and the Board of Managers shall have all of the rights afforded the Board as detailed in Article IX of the By-Laws. All general maintenance and repairs of a private terrace, private garden and/or Juliet balcony and any pavers and any fence and/or railing located thereon appurtenant to a Residential Unit that is a Limited Common Element of the Residential Unit, including cleaning, snow removal and all repairs not structural in nature, (including the repair of leaks, the replacement of the aforesaid Limited Common Elements) shall be at the sole cost and expense and the sole responsibility of the applicable Residential Unit Owner. The Residential Unit Owner shall be required to notify the Board of Managers no later than ten (10) days prior to the commencement of any of the repairs, maintenance and/or replacement of the aforesaid Limited Common Elements unless the noted repair and/or maintenance is an emergency, in which case no prior notice shall be required. The Board of Managers shall have the right to designate or approve a contractor or contractors to do the necessary work to the aforesaid Limited Common Elements that are the Residential Unit Owner's responsibility at the Residential Unit Owner's sole cost.

All structural repairs and replacements to any private roof terrace, any fence and/or railing located thereon that is a Limited Common Element of a Residential Unit will be the obligation of the Condominium to repair and replace. Notwithstanding, all costs and expenses for the structural repair and replacement of the private terrace and any fence and/or railing located thereon that is a Limited Common Element of a Residential Unit shall be paid for by the respective Residential Unit Owner. Failure to pay the cost and expenses to the Condominium shall be considered a default of the

obligations of the Residential Unit Owner and the Board of Managers shall have all of the rights afforded the Board as detailed in Article IX of the By-Laws. All general maintenance and repairs of a private roof top area and any fence and/or railing located thereon appurtenant to a Residential Unit and is a Limited Common Element of the Residential Unit, and cost and expenses thereto, including cleaning, snow removal and all repairs not structural in nature, (including the repair of leaks, the replacement of pavers and the repair or replacement of the surface of the private roof terrace, membrane below the surface of the private roof terrace and any fence and/or railing located thereon, the maintenance and repair of any furniture, appliances, landscaping, utilities and other private roof top facilities exclusively servicing the private roof terrace) shall be at the sole cost, expense and shall be the sole responsibility of the applicable Residential Unit Owner. The Residential Unit Owner shall be required to notify the Board of Managers no later than ten (10) days prior to the commencement of any of the repairs, maintenance and/or replacement of the aforesaid Limited Common Elements unless the noted repair, maintenance and/or replacement is an emergency, in which case no prior notice shall be required. The Board of Managers shall have the right to designate or approve a contractor or contractors to do the necessary work to the aforesaid Limited Common Elements of this paragraph thereon that are the Residential Unit Owner's responsibility at the Residential Unit Owner's sole cost.

The private roof terraces, private terraces, private gardens, and/or Juliet balconies and any pavers located thereon, that are a Limited Common Element of a Residential Unit are not permitted to be used for storage, are not permitted to be enclosed and are not permitted to be used for bedrooms or living rooms, or similar use. All drains located on the aforesaid Limited Common Elements are required to be kept free of debris and open. Residential Unit Owners will not be permitted to store any combustible material, items with noxious fumes, items considered to be a nuisance or other items on the aforesaid Limited Common Elements that may be illegal or cause the Condominium insurance to be increased or is not in compliance with a Building code of the City of New York. All provisions for safety on the aforesaid Limited Common Elements shall be the sole responsibility of the Residential Unit Owner for the aforesaid Limited Common Elements. A Residential Unit Owner shall be required to have their own insurance covering the aforesaid Limited Common Elements.

All maintenance and repair of any privacy garden and any pavers located thereon that is a Limited Common Element of a Residential Unit, (including cleaning, snow removal, repair and replacement of pavers and any landscaping therein) shall be the responsibility of the Residential Unit Owner for the aforesaid Limited Common Elements of their Residential Unit. The Board of Managers shall have the right to designate or approve a contractor or contractors to do the necessary work to the aforesaid Limited Common Elements that is the Residential Unit Owner's responsibility at the Residential Unit Owner's sole cost.

All maintenance and repair of any lightwell area and storage space that is a Limited Common Element of a Residential Unit shall be the responsibility of the Residential Unit Owner for the aforesaid Limited Common Elements of their Residential Unit.

All maintenance, repair and replacement to any Condominium fence surrounding the rear gardens from neighboring properties shall be the responsibility of the Condominium and a Common Expense of the Condominium. The cost thereof shall be a Common Expense except if such maintenance, repair or replacement is necessitated due to the negligence, misuse or neglect of a Residential Unit Owner or the prior alteration of a Residential Unit by a Residential Unit Owner, in which event the cost thereof shall be assessed individually and paid for by the applicable Residential Unit Owner.

All repairs, maintenance and any replacement and all costs associated therewith to any hot water tank, boiler, air conditioning compressor and/or condenser, generators, air handler or any other heating, cooling or other mechanical system servicing an individual Residential Unit that is located in the Residential Unit or is a Limited Common Element located in or on the Common Elements and/or all apparatus, installations, systems equipment and facilities in the Common Elements (including pipes, wire, ducts, vents, cables, conduits and lines) which serve or benefit a Residential Unit exclusively (whether or not located within the four walls of such Residential Unit) shall be the responsibility of the Residential Unit Owner for such equipment, services, etc. The Board of Managers shall have the right to designate or approve a contractor or contractors to do the necessary work to said equipment that is a Residential Unit Owner's responsibility at the Residential Unit Owner's sole cost and expense.

All maintenance, repair and replacement of windows from the General Common Elements and Limited Common Elements shall be contracted for by the Board of Managers and the cost thereof shall be a Common Expense of the Condominium payable by all Residential Unit Owners except that the cost of any maintenance or repairs necessitated because of the negligence, misuse or neglect of a Residential Unit Owner occupant, tenant, guest or any other person residing in, visiting or doing work in the Residential Unit, or caused by any prior alteration of a Residential Unit, shall be assessed to and paid by the applicable Residential Unit Owner.

All expenses associated with any replacement or modification of a lot line window will be the sole responsibility of the Residential Unit Owner if the lot line window is part of a Residential Unit or Individual Residential Unit's Limited Common Elements. The Condominium shall approve all work and shall have the right to designate or approve the contractor doing any work to a lot line window in a Residential Unit or Limited Common Element of a Residential Unit. All expenses associated with any replacement or modification of any lot line windows located in the General Common Elements will be the obligation of the Condominium and will be a Common Expense of the Condominium. All lot line windows are required to be built in full compliance with all applicable building codes and other regulations.

The Board of Managers shall repair all plumbing stoppages and electrical repairs occurring in the General Common Elements and the cost thereof shall be a Common Expense payable by all the Residential Unit Owners as provided in Article VI of these By-Laws. Notwithstanding the cost of any maintenance or repairs necessitated because of the negligence, misuse or neglect of a Residential Unit Owner, occupant, tenant,

guest or any other person residing in, visiting or doing work in the Residential Unit, or caused by any prior alteration of a Residential Unit, shall be assessed to and paid by the applicable Residential Unit Owner.

All snow removal and cleaning of any sidewalks and entranceways that abut the Condominium that is not the responsibility of the City of New York and all snow removal to the General Common Elements shall be the responsibility of the Condominium and a Common Expense of all the Residential Units in the Condominium.

All repairs and maintenance to all the Storage Spaces and the Storage Space Area shall be the responsibility of the Condominium. Each Residential Unit Owner who has entered into a License Agreement for a Storage Space will be required to pay a monthly License Fee to the Condominium to cover the costs associated with the Storage Spaces and Storage Space Area as determined by the Board of Managers. The Board of Managers shall have the right to increase or decrease the License Fees as required by the costs of said services. Said License Fees associated with the Storage Spaces and Storage Space Area shall be in addition to the Common Charges and any Special Assessments charged to any Residential Unit Owner. Any dispute regarding the allocation or amount of the License Fees shall be decided by Arbitration pursuant to the terms of Article XIII of the By-Laws of the Condominium. The Board of Managers shall have the same rights of collection and enforcement of the License Fees as they have for Common Charges and Special Assessments as provided for in Article XIX of the Declaration and Article XII of the By-Laws or elsewhere in the Declaration or By-Laws.

The Board of Managers and their agents, employees and contractors shall have the right of access to any Residential Unit for the purpose of making any repairs or replacements to any Common Elements, no matter how classified, contained therein or elsewhere in the Condominium or to remedy any condition which would result in damage to any other Residential Unit or any other Common Element, no matter how classified, or which would violate the provisions of any mortgage covering another Residential Unit or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof or for the purpose of carrying out any of its obligations under the By-Laws or the Declaration of the Condominium. Such right of access shall be exercised in such a manner as will not unreasonably interfere with the use of the Residential 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 Condominium or its property, or the Residential Units, or for the safety of Condominium residents or other persons, or required to avoid the suspension of any necessary service to the Condominium.

All repairs, painting or maintenance, whether made by the Residential Unit Owner or the Board of Managers, to the doors, windows, or the exterior surface of a Building or to any generally visible portion of the General Common Elements or Residential Unit's Limited Common Element shall be carried out in such a manner so as to conform to the materials, style and color initially provided by the Sponsor, unless changed by the Board of Managers.

In the event that a Residential Unit Owner fails to maintain, repair or replace its Residential Unit or any Residential Unit's Limited Common Element for the Residential Unit Owner's exclusive use, which maintenance, repair or replacement is necessary to protect any of the General Common Elements, or any other portions of a Building or any other Residential Unit or other Residential Unit's Limited Common Element, the Board of Managers shall have the right to make the necessary maintenance, repair or replacement (after the failure of said Residential Unit Owner to do so after ten (10) days written notice, or written or oral notice of a shorter duration in the event of an emergency situation) of the Residential Unit or Limited Common Elements for a Residential Unit's exclusive use and to charge said Residential Unit Owner for the cost of all such repairs and/or maintenance and/or replacement. In the event that the Board of Managers charges a Residential Unit Owner for repairs, maintenance and/or replacement to their Residential Unit or for repairs to any Common Elements restricted in use to such Residential Unit Owner, and the Residential Unit Owner fails to make prompt payment, the Board of Managers shall be entitled to bring suit thereon and, in such event, the Residential Unit Owner shall be liable for the reasonable attorneys' fees and cost of such suit or proceeding together with interest on all sums due.

The Board of Managers shall have the right to designate or approve a contractor to do any such work required by a Residential Unit Owner at the Residential Unit Owner's sole expense.

Section 9. Compensation.

Members and Officers of the Board of Managers, as such, shall receive no compensation for their services.

Section 10. Meetings.

(a) The first meeting of the Members of the Board of Managers newly elected or designated by the Residential Unit Owners shall be held immediately upon adjournment of the meeting at which they were elected, provided a quorum shall then be present, or as soon thereafter as may be practicable. The Annual Meeting of the Board of Managers shall be held at the same place as the Residential Unit Owners meetings, and immediately after the adjournment of same, at which time the dates, places and times of regularly scheduled meetings of the Board of Managers shall take place.

(b) Regularly scheduled meetings of the Board of Managers may be held without special notice.

(c) Special Meetings of the Board of Managers may be called by the President on two (2) days' notice to each Member either personally, by mail or by electronic mail. Special Meetings shall be called by the President or Secretary in a like manner and on like notice on the written request of a majority of the Members of the Board of Managers.

(d) At all meetings of the Board of Managers, a majority of the Members shall be necessary and sufficient to constitute a quorum for the transaction of business, and an act of the majority of the Members present at any meeting at which there is a quorum shall be the act of the Board of Managers, except as may be otherwise specifically provided by statute or by the Declaration or by these By-Laws. If a quorum shall not be present at any meetings of Members, the Members present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

(e) Before or at any meeting of the Board of Managers, any Member may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Member at any meeting of the Board of Managers shall be a waiver of notice by the Member of the time and place thereof. If all the Members are present at any meeting of the Board of Managers, no notice shall be required, and any business may be transacted at such meeting.

(f) Members of the Board of Managers may participate in a meeting by means of a conference telephone call or similar communications equipment by means of which all persons participating in such meeting can hear each other and such participation shall constitute presence at such meeting.

(g) Any disputes that cannot be resolved by the members of the Board of Managers as to the character and impact of a particular action of determination, shall be submitted to Arbitration pursuant to the provisions of Article XIII of these By-Laws.

Section 11. Annual Statement.

The Board of Managers shall furnish all Residential Unit Owners and shall present annually (at the Annual Meeting, but in no event later than four (4) months after the close of the fiscal year) and when called for by a vote of the Residential Unit Owners at any Special Meeting of the Residential Unit Owners, a full and clear statement of the business conditions and affairs of the Condominium, including a balance sheet and profit and loss statement prepared by an independent public accountant and a statement regarding any taxable income attributable to the Residential Unit Owner and a notice of the holding of the annual Residential Unit Owners meeting. During the period the Sponsor retains a majority of the Members of the Board of Managers the annual statement shall be a certified statement verified by a certified public accountant.

Section 12. Fidelity Bonds.

The Board of Managers shall require that all Officers and employees of the Condominium handling or responsible for Condominium funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be a Common Expense of the Condominium.

Section 13. Management Agent.

The Board of Managers may employ a management agent for the Condominium under a term contract or otherwise at compensation established by the Board of Managers, to perform such duties and services as the Board of Managers shall authorize, including, but not limited to, all of the delegable duties of the Board of Managers listed in this Article.

Section 14. Liability of the Board of Managers, Officers and Residential Unit Owners.

No Member of the Board of Managers or Officer of the Condominium shall have any personal liability to the Condominium or to any Residential Unit Owner for damages for any breach of duty in the Member's capacity as a Member of the Board of Managers or Officer of the Condominium, provided that this provision does not eliminate or limit the liability of a Member of the Board of Managers or Officer of the Condominium if a judgment or other final adjudication adverse to the Member establishes (a) that the Member's or Officer's acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law, or (b) that the Member or Officer personally gained in fact a financial profit or other advantage to which the Member was not legally entitled.

The Condominium, through the Residential Unit Owners, shall indemnify to the fullest extent permitted by law any person made, or threatened to be made, a party to an action or proceeding, whether civil or criminal, including an action by or in the right of the Condominium to procure a judgment in its favor or an action other than one by or in the right of the Condominium and including an action by or in the right of any corporation of any type or kind, domestic or foreign, or any limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise, which any Member of the Board of Managers or Officer of the Condominium served in any capacity at the request of the Condominium, by reason of the fact that the Member, the Officer, the Member's or Officer's testator, was a Member of the Board of Managers, Officer of the Condominium or officer of the joint venture, trust, employee benefit plan or other enterprise in any capacity; provided that no indemnification may be made to or on behalf of any Member of the Board of Managers or Officer of the Condominium if a judgment establishes that the Member's or Officer's acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated, or that the Member or Officer personally gained in fact a financial profit or the advantage to which the Member or Officer was not legally entitled.

The Residential Unit Owners shall indemnify and hold harmless each of the Members of the Board of Managers and Officers of the Condominium against all contractual liability to others arising out of contracts made by the Board of Managers or Officers of the Condominium on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these By-Laws. It is intended that the Members of the Board of Managers and Officers of the Condominium shall have no personal liability with respect to any contract made by them on behalf of the Condominium (except as Residential Unit Owners). It is

understood and permissible for the Board of Managers or Officer of the Condominium, who may be members of or be employed by the Sponsor, to contract with the Sponsor and affiliated corporations and entities without incurring any liability for self-dealing. It is also intended that the liability of any Residential Unit Owner arising out of any contract made by the Board of Managers, or Officer of the Condominium or out of the aforesaid indemnity in favor of the Member of the Board of Managers or Officer of the Condominium shall be limited to such proportion of the total liability thereunder as the Residential Unit Owner's Percentage of Common Interest in the Common Elements bears to the Percentage of Common Interest of all the Residential Unit Owners in the Common Elements. Every agreement made by the Board of Managers, a managing agent, by a Member of the Board of Managers or Officer of the Condominium on behalf of the Condominium shall provide that the Members of the Board of Managers, or the managing agent, or the Member, or Officer of the Condominium as the case may be, are acting only as agent for the Residential Unit Owners and shall have no personal liability thereunder (except as Residential Unit Owners).

Each Residential Unit Owner's liability pursuant to this Section shall be limited to such proportion of the total liability there under as the Residential Unit Owner's Percentage of Common Interest in the Common Elements bears to the Percentage of Common Interest of all Residential Unit Owners in the Common Elements.

Section 15. Annual Reports Required By Section 727 of the Business Corporation Law.

(a) Each Member of the Board of Managers shall be required to receive a copy of section seven hundred thirty of the Business Corporation Law.

(b) The Board of Managers shall provide an annual report to the Unit Owners of the Condominium, which shall be signed by each such Director, containing information on any contracts made, entered into, or otherwise transacted pursuant to section seven hundred thirty of the Business Corporation Law of the State of New York.

(c) The annual report required in subsection (b) of this Section 15 shall include, but not be limited to, the following:

(1) a list of all contracts voted on by the Board of Managers, including information on the contract recipient, contract amount, and the purpose of entering into the contract;

(2) the record of each meeting including Board Members attending, voting records for contracts, and how each director voted on such contracts; and

(3) the date of each vote on each contract, and the date the contract would be and remain valid.

(d) If the annual report required by Subsection (b) of this Section 15 would, notwithstanding the requirements of this Section contain no information because of the absence of any actions taken by the Board that would otherwise qualify for inclusion in such annual report, then the Board of Managers shall instead submit to the Unit Owners a document signed by each Board Member of the Board of Managers indicating: "No actions taken by the Board were subject to the annual report required pursuant to Section 727 of the Business Corporation Law".

ARTICLE IV. OFFICERS

Section 1. Elective Officers.

The Officers of the Condominium shall be chosen by the Board of Managers and shall be a President, a Vice President, a Secretary and a Treasurer. The Board of Managers may also choose one or more Assistant Secretaries and Assistant Treasurers and such other Officers as in their judgment may be necessary. All Officers must be Residential Unit Owners or Members of the Board of Managers except for appointed Officers who do not need to be Residential Unit Owners or a Member of the Board of Managers. Two (2) or more offices may be held by the same person, except the President, who can only hold the office of President.

Section 2. Election.

The Board of Managers at its first meeting after each annual Residential Unit Owners Meeting shall elect a President, a Vice President, a Secretary and a Treasurer.

Section 3. Appointive Officers.

The Board of Managers may appoint such other Officers and agents as it shall deem necessary that shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Managers.

Section 4. Term.

The Officers shall hold office until their successors are chosen and qualify in their stead. Any Officer elected or appointed by the Board of Managers may be removed with or without cause, at any time, by the affirmative vote of a majority of the whole Board of Managers. If the office of any Officer becomes vacant for any reason, the vacancy shall be filled by the Board of Managers.

Section 5. The President.

The President shall be the chief executive Officer of the Condominium; shall preside at all meetings of the Residential Unit Owners and Members of the Board of Managers, the President shall be an ex-officio member of all standing committees, shall have general and active management of the business of the Condominium, shall see

that all orders and resolutions of the Board of Managers are carried into effect and shall have such other powers and duties as are usually vested in the office of President of a stock corporation organized under the Business Corporation of the State of New York. The President may delegate obligations and responsibilities to other officers.

Section 6. The Vice-President.

The Vice-President shall take the place of the President and perform the President's duties whenever the President shall be absent or unable to act and shall have such other powers and duties as are usually vested in the office of Vice President of a corporation organized under the Business Corporation Law of the State of New York.

Section 7. The Secretary.

The Secretary and/or Assistant Secretary shall attend all sessions of the Board of Managers and all Residential Unit Owners meetings and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all Residential Unit Owners meetings and Special Meetings of the Board of Managers, and shall perform such other duties as may be prescribed by the Board of Managers or by the President, under whose supervision the Secretary shall be.

Section 8. The Treasurer.

The Treasurer shall have the custody of the Condominium funds and securities and shall keep full and accurate chronological accounts of receipts and disbursements in books belonging to the Condominium including the vouchers for such disbursements, and shall deposit all monies and other valuable effects in the name and to the credit of the Condominium in such depositories as may be designated by the Board of Managers.

The Treasurer shall disburse the funds of the Condominium as the Treasurer may be ordered by the Board of Managers, making proper vouchers for such disbursements and shall render to the President and Members, at the regular meeting of the Board of Managers or whenever they may require it, an account of all transactions as Treasurer and of the financial condition of the Condominium.

The Treasurer shall keep detailed financial records and books of account of the Condominium, including a separate account for each Residential 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.

Section 9. Agreements, etc.

All agreements and other instruments shall be executed by the President or such other person as may be designated by the Board of Managers.

ARTICLE V. NOTICES

Section 1. Definition.

Whenever under the provisions of the Declaration or of these By-Laws, notice ("Notice") is required to be given to the Board of Managers, any Member of the Board of Managers or any Residential Unit Owner, Notice ("Notice") shall be provided by first class mail, courier service, facsimile telecommunications or by electronic mail to the respective party. If mailed, such Notice is given when deposited in the United States mail, with postage thereon prepaid, directed to the respective party's address as it appears in the records of the Condominium. If by courier, Notice is given when received by the respective party as evidenced by the courier provider. If the Notice is sent by facsimile telecommunication or mailed electronically, such Notice is given when directed to the respective parties' fax number or electronic mail address as it appears in the records of the Condominium.

Section 2. Service of Notice Waiver.

Whenever any Notice is required to be given under the provisions of the Declaration, or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE VI. FINANCES

Section 1. Checks.

All checks or demands for money and notes of the Condominium shall be signed by the President and Treasurer, or by such other Officer or Officers or such other person or persons as the Board of Managers may from time to time designate.

Section 2. Assessments.

The Board of Managers shall, from time to time, but at least annually, fix and determine the budget representing the sum or sums necessary and adequate for the continued operation of the Condominium and shall send a copy of the budget and supplement to the budget to every Residential Unit Owner. The Board of Managers shall determine the total amount required, including the operational items such as insurance, repairs, reserves, betterments, maintenance of the General Common Elements and Residential Unit's Limited Common Element that are the obligation of the Condominium and other Common Expenses including but not limited to the Common Expenses provided in Article VI, Section 3 of these By-Laws, as well as charges to cover any deficits from prior years.

The total annual requirements shall be assessed as a single sum against all Residential Units and prorated against each of said Residential Units according to the provisions of Section 9 hereof.

Said assessments shall be payable monthly or in such other manner as determined by the Board of Managers and shall be referred to as Common Charges.

The Board of Managers may also charge additional assessments in excess of the Common Charges for expenses not contemplated, foreseen, or which exceed the amount budgeted. Said assessments shall be known as Special Assessments. The Board of Managers shall be entitled to charge a Special Assessment as a single sum or over a period of time as it may determine. Residential Unit Owners shall pay their portion of any Special Assessments in accordance with Section 9 of Article VI of the By-Laws.

The Residential Unit Owner agrees to pay promptly when due the monthly Common Charges and all Special Assessments assessed against the Residential Unit. In the event any Residential Unit Owner fails to make payment of the Residential Unit Owner's Common Charge payment, the Residential Unit Owner who owns such Residential Unit shall be obligated to pay (a) a "late fee" of $.25 for each $1.00 of such amounts which remain unpaid for more than ten (10) days from their due date (although nothing herein shall be deemed to extend the period within which such amounts are to be paid) and (b) all expenses, including, without limitation, attorneys' fees paid or incurred by the Board of Managers or by any Managing Agent in any proceeding brought to collect such unpaid Common Charges and/or Special Assessments or in an action to foreclose the lien on such Residential Unit Owner's Residential Unit arising from said unpaid Common Charges and/or Special Assessments in the manner permitted by applicable law. All such "late fees," interest and expenses shall be cumulative and shall be added to and shall constitute Common Charges payable by such Residential Unit Owner.

In addition, in the event of a default in payment of Common Charges by any Residential Unit Owner, the Board of Managers, at its sole option, may declare the Common Charge assessment on said Residential Unit Owner's Unit for the balance of the fiscal year immediately due and payable. Prior to making any such declaration following a default the Board of Managers shall send notice to the delinquent Residential Unit Owner and the mortgagee, if any, of such Residential Unit giving the Residential Unit Owner a five (5) day grace period in which to make the late payment.

The Board of Managers may place a lien and take action to collect any past due Common Charges from any Residential Unit Owner which remains unpaid as provided in Article IX of these By-Laws from its due date by way of foreclosure of the lien on such Unit in accordance with Section 339-aa of the Real Property Law or otherwise.

Every Residential Unit Owner shall pay the Common Charges assessed against the Residential Unit Owner when due as determined by the Board of Managers and no Residential Unit Owner may be exempt from liability for the payment of the Common Charges assessed against the Residential Unit Owner by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of a Residential Unit.

No Residential Unit Owner shall be liable for any Common Charges which accrue against the Residential Unit Owner's Unit subsequent to a sale, transfer or other conveyance of the Residential Unit Owner in accordance with these By-Laws and the Declaration. A purchaser of a Residential Unit shall be liable for the payment of all future Common Charges assessed against the Residential Unit, as well as unpaid Common Charges assessed against the Residential Unit at the time the Residential Unit is conveyed to the Purchaser by deed or other legal means of the purchase, except for the mortgagee of an Institutional Mortgage as provided herein.

Notwithstanding any other provision in the Declaration or these By-Laws any mortgagee of an Institutional Mortgage as defined in the Declaration of Condominium who obtains title to a Residential Unit pursuant to the remedies in the mortgage or through foreclosure will not be liable for more than six (6) months of the Residential Unit's unpaid Common Charges accrued before acquisition of the title to the Residential Unit by the mortgagee unless otherwise required by law. If the Condominium's lien priority includes costs of collecting unpaid Common Charges and/or Special Assessments, the mortgagee of the Institutional Mortgage will be liable for any fees or costs related to the collection of unpaid Common Charges and/or Special Assessments. The unpaid balance of such Common Charges and/or Special Assessments that may be waived will be charged to all other Residential Unit Owners as a Common Expense. Upon acquisition of title to a Residential Unit such mortgagee of an Institutional Mortgagee; its successors and assigns shall be responsible for all Common Charges, Special Assessments and/or any other costs and expenses of the Condominium thereafter due and payable thereafter.

Section 3. Purpose of Common Charges.

The Common Charges shall be used to pay for the Common Expenses of the Condominium including but not limited to operation, repair and maintenance of the General Common Elements and Residential Unit's Limited Common Element that the Condominium is responsible to repair, maintain and replace as provided for in the Declaration of Condominium and/or these By-Laws regardless of whether or not a Residential Unit utilizes such services. Said Common Expenses shall include the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Managers pursuant to the provisions of Article VII and the fees and disbursements of the Insurance Trustee, drainage, sewer, water and/or storm systems (including sewers, storm sewer and/or water pipes, drywells, detention tanks or other facilities servicing the drainage, sewer water and/or storm systems as applicable), and other Building wide obligations of the Condominium contained in the Declaration and these By-Laws, including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, for a reserve fund for replacements, insurance; common utilities; labor; common water and sewer charges; legal and accounting; services and supplies; management fees; contingencies and any other expenses that are Common Expenses of the Condominium and to make up any deficit in the Common Expenses from any prior year. The Common Expenses may also include such amounts as may be required for the purchase or lease by the Board of Managers or its designee, corporate or otherwise, on behalf of all Residential Unit Owners, of any Residential Unit whose Owner has elected to sell or lease such

Residential Unit or of any Residential Unit which is to be sold at a foreclosure or other judicial sale.

Section 4. Foreclosures of Liens for Unpaid Common Charges.

The Board of Managers shall have the power to purchase any Residential Unit at a foreclosure sale resulting from any action brought by the Board of Managers to foreclose a lien on the Residential Unit because of unpaid Common Charges. In the event of such purchase, the Board of Managers shall have the power to hold, lease, mortgage, vote, sell or otherwise deal with the Residential Unit. A suit to recover a money judgment for unpaid Common Charges shall also be obtainable separately without waiving the lien on the Residential Unit. In either event the Residential Unit Owner shall be liable for all costs of suit, including reasonable attorney's fees.

Section 5. Statement of Common Charges.

Upon the written request of any Unit Owner or their mortgagee, the Board of Managers shall promptly furnish such Residential Unit Owner or their mortgagee with a written statement of the unpaid Common Charges due from such Residential Unit Owner.

Section 6. Liability for Utilities.

Any utility, including electricity, that is individually consumed and individually metered or sub-metered in an individual Residential Unit shall be the sole expense of each individual Residential Unit Owner.

Section 7. Operating Account.

There shall be established and maintained a cash deposit account to be known as the "Operating Account", into which shall be deposited the operating portion of all monthly Common Charges and Special Assessments as fixed and determined for all Residential Units. Disbursements from said account shall be for the general need of the operation including, but not limited to, wages, repairs, betterments, maintenance and other operating expenses of the Common Elements and Common Expenses and for the purchase, lease, sale, or other expenses resulting from the purchase or lease of a Residential Unit.

Section 8. Other Accounts.

The Board of Managers shall maintain any other accounts it shall deem necessary to carry out its purpose including a reserve account and working capital account. The funds in the reserve account are to be used exclusively for future major capital improvements of the Condominium.

<u>Section 9.</u> Determination of Common Expenses and Fixing of Common Charges.

The Board of Managers shall from time to time, and at least annually, prepare a budget for the operation of the General Common Elements and Residential Unit's Limited Common Element that the Condominium is responsible to repair, maintain and replace as provided for in the Declaration of Condominium and/or these By-Laws as well as Common Expenses of the Condominium, determine the amount of the Common Charges payable by the Residential Unit Owner(s) to meet the Common Expenses and other expenses applicable thereto, and allocate and assess such Common Charges and Common Expenses among all the Residential Unit Owners in proportion to their respective Percentage of Common Interest in the Condominium as reflected in Schedule B of the Declaration of Condominium or in the alternative as provided below.

Each Residential Unit Owner who has entered into a License Agreement for a Storage Space will be required to pay a monthly License Fee to the Condominium to cover the costs associated with the Storage Spaces and Storage Space Area as determined by the Board of Managers and who shall have the right to increase or decrease said amount as required by the costs of said services. Said License Fees associated with the Storage Spaces and Storage Space Area shall be in addition to the Common Charges and any Special Assessments charged to any Residential Unit Owner. Any dispute regarding the allocation or amount of the License Fees shall be decided by Arbitration pursuant to the terms of Article XIII of the By-Laws of the Condominium. The Board of Managers shall have the same rights of collection and enforcement of the License Fees as they have for Common Charges and Special Assessments as provided for in Article XIX of the Declaration and Article XII of the By-Laws or elsewhere in the Declaration or By-Laws.

As provided in Section 339-m of the Condominium Act, Common Charges, no matter how classified, may be adjusted based on allocations in accordance with sub-metering, contract allocations and usage (both projected and actual) for the Common Expenses, no matter how classified, based on special or exclusive use or availability or exclusive control of particular Residential Units or Common Elements by particular Residential Unit Owners. In the event of any dispute as to the allocation of the Common Charges such dispute shall be submitted for arbitration pursuant to the provisions of Article XIII of the By-Laws of the Condominium.

Common Expenses of the Condominium shall include but not be limited to the Common Expenses referred to in Article VI, Section 3 of these By-Laws.

The Board of Managers shall advise all Residential Unit Owners promptly, in writing, of the amount of Common Charges and Expenses payable by each of them, respectively, as determined by the Board of Managers, as aforesaid, and shall furnish copies of the budget on which such Common Charges and Expenses are based, to all Residential Unit Owners.

The Sponsor, its successor, assignee and/or designee shall be responsible for the Common Charges assessed against each Residential Unit owned by the Sponsor,

its designee, assignee and/or successor until such Residential Unit is transferred to a bona fide purchaser.

ARTICLE VII. INSURANCE AND INSURANCE TRUSTEE

Section 1. Insurance to be Carried by the Board of Managers.

The Board of Managers shall be required to obtain and maintain, to the extent obtainable from generally acceptable insurance carriers, the following insurance: blanket property insurance, liability insurance as provided below, flood insurance (if applicable), fidelity bond coverage and worker's compensation, insuring all of the Common Elements, no matter how classified and the Residential Units in a Building of the Condominium (except land, foundations, excavation and other items normally excluded from coverage) including fixtures, to the extent they are part of the Common Elements of the Condominium, building service equipment and supplies and other common personal property belonging to the Condominium. In addition, any fixtures, equipment or other property within the Residential Units which are to be financed by a mortgage (regardless of whether or not such property is part of the Common Elements, but not including wall, ceiling or floor decoration, furniture, furnishings or other personal property supplied or installed by the Residential Unit Owners, contained therein, covering the interest of the Condominium, the Board of Managers and all Residential Unit Owners and their mortgagees, as their interest may appear, in an amount equal to the full replacement value of a Buildings, exclusive of land, foundation, excavation and other items normally excluded from coverage. Each of such policies shall be in favor of the Condominium, and shall contain a New York standard mortgagee clause in favor of each mortgagee of a Residential Unit which shall provide that the loss, if any, there under shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee as defined below, hereinafter set forth; and such other insurance as the Board of Managers may determine. All such policies shall provide that adjustment of loss shall be made by the Board of Managers with the approval of the Insurance Trustee, and that the net proceeds thereof, if $100,000 or less, shall be payable to the Board of Managers, and if more than $100,000 shall be payable to the Insurance Trustee. Each Unit Owner and each Unit Owner's mortgagee, if any, shall be beneficiaries of the policy in the Percentage of Common Interest applicable to said Residential Unit.

The blanket property insurance as provided above will commence with the Closing of Title to the first Residential Unit.

All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro rata liability of the insurer as a result of any insurance carried by Residential Unit Owners or of the invalidity arising from any acts of the insured or any Residential Unit Owners, and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days prior written notice to all of the insured, including all mortgagees of a Residential Unit. Duplicate originals of all policies of physical damage insurance and of all renewals thereof together with proof of payment of premiums, shall be delivered to all mortgagees of a Residential Unit at least

ten (10) days prior to expiration of the current policies. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Managers shall obtain an appraisal from a fire insurance company or otherwise of the full replacement value of a Buildings, including all of the Common Elements appurtenant thereto for the purpose of determining the amount of fire insurance to be affected pursuant to this Section.

All policies must also provide for the following: recognition of any, Insurance Trust Agreement; a waiver of the right of subrogation against Residential Unit Owners individually; that the insurance is not prejudiced by any act or neglect of individual Residential Unit Owners which is not in the control of such Residential Unit Owners collectively; and that the policy is primary in the event the Residential Unit Owner has other insurance covering the same loss. All policies shall include the standard form of a “Special Condominium Endorsement” or its equivalent. All policies shall include an “Agreed Amount Endorsement” and, if available, an “Inflation Guard Endorsement”.

The Board of Managers shall also be required to obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Board of Managers may from time to time determine, covering the Common Elements, each Member and Officer of the Board of Managers, the managing agent and each Residential Unit Owner. Such public liability coverage shall also cover cross liability claims of one insured against another. Until the first meeting of the Board of Managers following the first annual Residential Unit Owners meeting, such public liability insurance shall be a minimum of $1,000,000 covering all claims for bodily injury, deaths and property damage arising out of one occurrence in connection with the operation, maintenance or use of the Common Elements, and legal liability arising out of lawsuits related to employment contracts of the Condominium. Such policies must provide that they may not be cancelled or substantially modified, by any party, without at least ten (10) days' prior written notice to the Condominium and to each holder of a first mortgage on any Residential Unit in the Condominium which in listed as a scheduled holder of a first mortgage in the insurance policy. Such coverage may also include protection against such other risks as are customarily covered with respect to condominiums similar in construction, location and use, including, but not limited to, host liquor liability, employer’s liability insurance, contractual and all-written contract insurance, and comprehensive automobile liability insurance. Such public liability insurance shall commence on the closing of title to the first Residential Unit.

In addition to the above, blanket fidelity bonds shall be required to be maintained by the Condominium for all officers, directors and employees of the Condominium and all other persons handling or responsible for, funds of or administered by the Condominium. In the event a management agent has the responsibility for handling or administering funds of the Condominium, the management agent shall be required to maintain fidelity bond coverage for its officers, employees and agents handling or responsible for funds of, or administered on behalf of the Condominium. Such fidelity bonds shall name the Condominium as an obligee and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Condominium or the management agent, as the case may be, at any given time during the term of each bond. The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from

the definition of "employees", or similar terms or expressions. The premiums on all bonds required herein, except those maintained by the management agent, shall be paid by the Condominium as a Common Expense. The bonds shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least 10 days' prior written notice to the Condominium or Insurance Trustee. Such bonds shall also provide that, if applicable, the Federal National Mortgage Association, ("Fannie Mae") Servicers on behalf of Fannie Mae also receive such notice of cancellation or modification.

Residential Unit Owners shall be required to carry individual insurance on their Residential Units as provided in Section 4 below.

Section 2. **The Insurance Trustee.**

The Board of Managers on behalf of the Condominium, shall name an authorized representative, including any trustee with whom the Condominium may enter into any Insurance Trust Agreement or any successor to such trustee (each of whom shall be referred to herein as the "Insurance Trustee") who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance and to perform such other functions as are necessary to accomplish this purpose subject to the adjustment of loss provision contained in the first paragraph of this Section 1 of Article VII. The Insurance Trustee shall be a bank, trust company, attorney or other permitted company located in the State of New York designated by the Board of Managers. All costs associated with the Insurance Trustee shall constitute a Common Expense of the Condominium. In the event the Insurance Trustee resigns or fails to qualify, the Board of Managers shall designate a new Insurance Trustee which shall be a bank, trust company, attorney or other permitted company located in the State of New York. The Insurance Trustee shall have a capital, surplus and undivided profits of $10,000,000 or more.

Section 3. **Restoration or Reconstruction After Fire or Other Casualty.**

In the event of damage to or destruction of a Building as a result of fire or other casualty (unless seventy-five [75%] percent or more of the Residential Units are destroyed or substantially damaged and seventy-five [75%] percent or more of the Residential Unit Owners do not duly and promptly resolve to proceed with repair or restoration), the Board of Managers shall arrange for the prompt repair and restoration of a Building (including any damaged Residential Unit, and any kitchen or bathroom fixtures initially installed therein by the Sponsor, any heating, air conditioning or other service machinery which is covered by insurance but not including any wall, ceiling or door decorations or coverings or other furniture, furnishings, fixtures or equipment installed or changed by Residential Unit Owners in the Residential Units), and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a Common Expense and the Board of Managers may assess all the Residential Unit Owners for such deficit as part of the Common Charges.

If seventy-five (75%) percent or more of the Residential Units are destroyed or substantially damaged and seventy-five (75%) percent or more of the Residential Unit Owners do not duly and promptly resolve to proceed with repair or restoration, the Property shall be subject to an action for partition at the suit of any Residential Unit Owner or lienor, as if owned in common in which event the net proceeds of sale, together with the net proceeds of insurance policies (or if there shall have been a repair or restoration pursuant to the first paragraph of this Section 3, and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration then the excess of such insurance proceeds) shall be divided by the Board of Managers or the Insurance Trustee, as the case may be, among all the Residential Unit Owners in proportion to the respective Percentage of Common Interest, after first paying out of the share of each Residential Unit Owner the amount of any unpaid liens on his or her Residential Unit, in the order of the priority of such liens.

Section 4. **Residential Unit Owner Insurance.**

Each Residential Unit Owner is required to carry insurance covering their contents, fixtures, personal property and improvements and betterments (collectively "Contents") and liability insurance covering their Residential Unit and extended to include the Board of Managers, the Condominium, any Managing Agent and other Residential Unit Owners as additional insured's. Such insurance is subject to the approval of the Board of Managers in advance of the purchase of a Residential Unit, in the Board of Manager's sole discretion. The policy shall be extended to include any additional insured including but not limited to the Sponsor, other Residential Unit Owners and any Mortgagees. All such insurance must be provided by a carrier that is recognized as a licensed admitted carrier in the State of New York with a rating equal to a Best Rating Guide of AV or better. The Board of Managers reserves the right to alter or increase the coverage required hereunder at any time and from time to time. In addition to the foregoing, Residential Unit Owners are instructed to carry coverage for loss of rents, water damage, sewer and drain back up and such other coverage for their contents as they may determine to be in their best interests. The Board of Managers shall have the right to require that a Residential Unit Owner provide evidence to the Board of Managers of the insurance required herein as requested by the Board of Managers.

Section 5. **General.**

Under no circumstances shall a Residential Unit Owner permit or suffer anything to be done or left in a Residential Unit Owner's Unit which will increase the insurance rates on the Condominium.

ARTICLE VIII. RULES AND REGULATIONS

Section 1. **General.**

In addition to the other provisions of these By-Laws, the following ("Rules and Regulations") together with such additional Rules and Regulations as may hereafter be adopted by the Board of Managers shall govern the use of the Residential Units and the conduct of all Residential Unit Owners and occupants thereof.

(a) All Residential Units shall be used for residential purposes only in accordance with municipal regulations. All rentals other than rentals by the Sponsor are subject to any local zoning ordinances and any City and State requirements.

(b) Residential Unit Owners, members of their families, their employees, tenants, guests and their pets shall not use or permit the use of the premises in any manner which would be illegal or disturbing or a nuisance to other Residential Unit Owners, or in such a way as to be injurious to the reputation of the Condominium.

(c) The Common Elements shall not be obstructed, littered, defaced or misused in any manner.

(d) Every Residential Unit Owner shall be liable for any and all damage to the Common Elements and the property of the Condominium, which shall be caused by said Residential Unit Owner, the Residential Unit Owner's permitted lessees and occupants of such Residential Units, their respective family members and guests, employees or such other person for whose conduct the Residential Unit Owner is legally responsible.

(e) Maintenance.

1. Each Residential Unit Owner shall maintain and keep their Residential Unit and its appurtenant Residential Unit's Limited Common Element in a good state of preservation, condition, repair and cleanliness in accordance with the terms of the By-Laws.

2. Every Residential Unit Owner must perform promptly all maintenance and repair work to their own Residential Unit and any Residential Unit's Limited Common Element for the Residential Unit Owner's exclusive use which is their sole responsibility and, which if not done would affect the Condominium in its entirety or in a part belonging to other Residential Unit Owners, or a Building of which the Residential Unit forms a part, the Residential Unit Owner being expressly responsible for the damages and liabilities that the failure to do so may engender.

3. All the repairs to internal installations of the Residential Unit located in and servicing only that Residential Unit, such as telephones and sanitary installations shall be at the Residential Unit Owner's sole expense.

(f) Structural Changes.

1. No Residential Unit Owner shall make any structural addition, alteration or improvement (of either a temporary or permanent nature) in or to their Residential Unit or any Residential Unit's Limited Common Element for its exclusive use, without the prior

written approval of the Board of Managers. In addition, no structural addition, alteration or improvement to private roof terrace, private terrace, private garden, and/or Juliette balcony, any pavers, fence and/or railing located thereon, which are a Residential Unit's Limited Common Element shall be permitted unless required as part of the general maintenance, repair or replacement of the aforesaid Limited Common Elements. The Board of Managers shall have the obligation to answer any written request by a Residential Unit Owner for approval of a proposed structural addition, alteration or improvement in such Residential Unit Owner's Residential Unit within forty-five (45) days after such request is received, and failure to do so within the stipulated time shall constitute a denial by the Board of Managers of the proposed structural addition, alteration or improvement. No Residential Unit Owner shall make any structural addition, alteration or improvement in or to any Residential Unit or any Residential Unit's Limited Common Element without first (1) obtaining and maintaining during the course of such work such insurance as the Board of Managers may reasonably prescribe and providing the Board of Managers with a certificate of insurance prior to the commencement of the work, (2) executing and delivering to the Board of Managers an agreement, in form and substance reasonably satisfactory to the Board of Managers , setting forth the reasonable terms and conditions under which such alteration, addition or improvement may be made, including, without limitation, the days and hours during which any such work may be done, (3) executing and delivering to the Board of Managers an agreement indemnifying and holding harmless the Board of Managers , its Members and Officers, and all Residential Unit Owners of the Condominium from and against any liability, cost or expense arising out of or connected to such work and (4) obtaining all approvals, as necessary, from a Building Department or any other agency of the City of New York or any other governmental or administrative agency. In the event the Board of Managers chooses to have the proposed structural addition, alteration or improvement reviewed by an independent architect, engineer or other professional, the Residential Unit Owner shall pay the charges of such architect, engineer or other professional. The Residential Unit Owner shall also bear the cost of any increased taxes or insurance premiums resulting from the structural alterations, additions or improvements.

Any application to a Building Department or any other agency of the City of New York or any other governmental or administrative authority for a permit to make a structural addition, alteration or improvement in or to any Residential Unit or Residential Unit's Limited Common Element for its exclusive use shall be completed by the Residential Unit Owner and executed by the Board of Managers only, without however, incurring any liability on the part of the Board of Managers or any of them to any contractor,

subcontractor or material men on account of such structural addition, alteration or improvement or to any person having any claim for injury to person or damage to property arising thereof.

The Board of Managers shall have the right to designate or approve a contractor to do any such work at the Residential Unit Owners' sole expense.

The Board of Managers of the Condominium shall not use the above provisions in any way that would violate any rights a Residential Unit Owner may have pursuant to the Federal Fair Housing Act or New York State Human Rights Law.

2. No alteration, addition or change to any part of the General Common Elements and/or Residential Unit's Limited Common Elements may be made and no structure or other improvement (including landscaping) may be built or placed on any portion of the General Common Elements and/or Residential Unit's Limited Common Elements without the written consent of the Board of Managers.

3. The provisions contained in (f) 1 and 2 above shall not apply to Residential Units owned by the Sponsor or its designee until such Residential Units have been conveyed to a bona fide purchaser by the Sponsor or such designee. The Sponsor or its designee shall have the absolute right to make any and all structural alterations, additions or improvements to a Residential Unit, Residential Unit's Limited Common Element or General Common Elements without the necessity of obtaining the approval of the Board of Managers.

(g) The Common Elements shall not be used for storage purposes except if specifically designated for such purposes.

(h) No Residential Unit Owner shall paint the exterior surfaces of the windows, walls or doors opening out of their Residential Unit.

(i) The sidewalks, entrances, passages, public halls, vestibules, corridors and stairways of the Condominium may not be obstructed or used for any other purpose other than ingress to and egress from the Residential Units and a Building. No vehicle belonging to a Residential Unit Owner, to a family member of a Residential Unit Owner, or to a guest, tenant, subtenant, licensee, invitee, employee, or agent of a Residential Unit Owner shall be parked in such a manner as to impede or prevent ready access to any entrance to or exit from a Building.

(j) No article (including, but not limited to, garbage cans, bottles or mats) may be placed in any of the passageways, public halls, vestibules, corridors or stairways of the Condominium, nor may any fire exit be obstructed in any manner.

(k) No public hall, stairway, vestibule, corridors or public areas of the Condominium are permitted to be decorated or furnished by any Residential Unit Owner in any manner.

(l) No baby carriages, strollers, bicycles, scooters, or similar type of article shall be allowed to stand in the public halls, passageways, or other public areas of a Building.

(m) No article (including, but not limited to, garbage cans, bottles or mats) shall be placed or stored in any of the halls or on any of the staircases of the public areas of a Building, nor shall any fire exit thereof be obstructed in any manner.

(n) Nothing shall be hung or shaken from any doors, windows, balconies, terraces, rear yards/courts and any pavers located thereon, private roof area or placed upon the exterior windowsills of a Building, and no Residential Unit Owner shall sweep or throw, or permit to be swept or thrown, any dirt, debris or other substance therefrom. The Common Elements and Residential Unit's Limited Common Elements shall be kept free and clear of rubbish, debris and other unsightly materials.

(o) No playing or lounging is permitted in the entrances, passageways, public halls, vestibules, corridors, or stairways, of a Building, except in designated recreational areas, if any, or other areas designated as such in the Declaration or by the Board.

(p) The Board or the Managing Agent may, from time to time, curtail or relocate any portion of the Common Elements and/or Residential Unit's Limited Common Elements that may be devoted to storage, recreation, or service purposes in a Building.

(q) Nothing shall be done or kept in any Residential Unit or in the Residential Unit's Limited Common Elements that are designated for the exclusive use of an individual Residential Unit that will increase the rate of insurance of a Building or the contents thereof, without the prior written consent of the Board. No Residential Unit Owner shall permit anything to be done or kept in their Residential Unit or in a Residential Unit's Limited Common Element that are designated for the exclusive use of an individual Residential Unit that will result in the cancellation of insurance on a Building or the contents thereof, or that would be in violation of any Law. No Residential Unit Owner or any of the Residential Unit Owner's family members, tenants, agents, servants, employees, licenses, or visitors shall, at any time, bring into or keep in their Residential Unit or Common Areas any inflammable, combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of such Residential Unit or the Residential Unit's Limited Common Elements that are designated for the exclusive use of an individual Residential Unit.

(r) No Residential Unit Owner shall make, cause, or permit any unusual, disturbing, or objectionable noises or odors to be produced upon or to

emanate from their Residential Unit or the Residential Unit's Limited Common Elements that are designated for the exclusive use of an individual Residential Unit or permit anything to be done therein that will interfere with the rights, comforts, or conveniences of the other Residential Unit Owners. No Residential Unit Owner shall play upon or suffer to be played upon any musical instrument, or shall operate or permit to be operated a Compact Disk Player, IPod, computer, phonograph, radio, television set, or other similar type of product in such Residential Unit Owner's Residential Unit between midnight and the following 8:00 A.M., if the same shall disturb or annoy other occupants of a Building, and in no event shall any Residential Unit Owner practice or suffer to be practiced either vocal or instrumental music between the hours of 10:00 P.M. and the following 9:00 A.M.

(s) No construction, repair work, or other installation involving noise shall be conducted in any Residential Unit except on weekdays (not including legal holidays) and only between the hours of 8:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency or approved by the Board of Managers.

(t) No Residential Unit Owner shall install any plantings in the Common Elements or the Residential Unit's Limited Common Elements that are for the exclusive use of a Residential Unit without the prior written approval of the Board. It shall be the responsibility of the Residential Unit Owner to maintain all plantings in the Residential Units and Residential Unit's Limited Common Elements to prevent any damage to floors, walls or any other part of a Building. Residential Unit Owners shall pay for the cost of any repairs rendered necessary, or damage caused, by such plantings.

(u) Plantings installed on any private terrace, Juliet balcony, pavers located on a private garden and/or private roof terrace shall be contained in boxes of wood, lined with metal or other materials impervious to dampness and standing on supports at least two (2) inches from the private terrace, Juliet balcony, pavers located on a private garden and/or private roof terrace and if adjoining a wall, at least three (3) inches from said wall. Suitable weep holes shall be provided in the boxes to draw off water. It shall be the responsibility of the Residential Unit Owner to maintain the containers in good condition, and weep holes in operating condition to prevent any damage to floors and walls. The Residential Unit Owner shall pay the cost of any repairs rendered necessary by or damage caused by said plantings.

(v) Each Residential Unit Owner, at the Residential Unit Owner's sole cost and expense shall be required: (i) to maintain and repair the Residential Unit Owner's Residential Unit, including all items included in the Residential Unit, and its appurtenant Residential Unit's Limited Common Elements (other than the portions of the Limited Common Elements expressly stated to be maintained and repaired by the Condominium) in good and proper working order, first-class condition and appearance, free of water leaks and undue air penetration, free and clear of snow, ice,

water accumulation, debris and objects, and otherwise in clean, neat and sanitary condition in keeping with the high quality, character, standards and dignity of the Condominium, in accordance with all applicable laws and governmental codes, regulations, restrictions and requirements; and (ii) to perform all work: (ii-1) in a good and workmanlike manner with a quality of workmanship that meets or exceeds any relevant specific standards required by applicable law or governmental requirements, as well as locally accepted construction practices for projects comparable to the Property; and (ii-2) utilizing materials compatible with, and of at least equal or better quality to, those used in the original construction of the Residential Unit.

(w) In the event that a Residential Unit Owner fails to maintain, repair or replace its Residential Unit or any Residential Unit's Limited Common Element for the Residential Unit Owner's exclusive use, which maintenance, repair or replacement is necessary to protect any of the Common Elements (no matter how classified), any other portions of a Building or any other Residential Unit, the Board of Managers of the Condominium shall have the right to make the necessary maintenance, repair or replacement (after the failure of said Residential Unit Owner to do so after reasonable time provided by written notice, written or oral notice of a shorter duration in the event of an emergency situation) and to charge said Residential Unit Owner for the cost of all such repairs and/or maintenance and/or replacement. In the event the Board of Managers of the Condominium charges a Residential Unit Owner for repairs, maintenance and/or replacement to their Residential Unit or for repairs to any Residential Unit's Common Elements restricted in use to such Residential Unit Owner and the Residential Unit Owner fails to make prompt payment, the Board of Managers of the Condominium shall be entitled to bring suit thereon and, in such event, the Residential Unit Owner shall be liable for the reasonable attorneys' fees and cost of such suit or proceeding together with interest on all sums due.

(x) In the event that any Residential Unit shall be used for home occupation or professional purposes in conformance with the Declaration and the By-Laws and applicable zoning, no patients, clients, or other invitees shall be permitted to wait in any lobby, public hallway, or vestibule.

(y) The private terrace, Juliet balcony and any pavers located thereon that are a Limited Common Element of a Residential Unit are not permitted to be used for storage, are not permitted to be enclosed and are not permitted to be used for bedrooms or living rooms, or similar use. All drains located on the aforesaid Limited Common Elements must always be kept free of debris and required to be kept open. Residential Unit Owners will not be permitted to store any combustible material, items with noxious fumes, items considered to be a nuisance or other items on the aforesaid Limited Common Elements that may be illegal or cause the Condominium insurance to be increased or is not in compliance with a Building code of the City of New York. All provisions for safety on the aforesaid Limited

Common Elements shall be the sole responsibility of the Residential Unit Owner for the aforesaid Limited Common Element and the Residential Unit Owner should have their own insurance covering the aforesaid Limited Common Element. No barbecuing is permitted on the aforesaid Limited Common Elements unless barbequing is not a violation of any municipal or fire code and prior written approval permitting barbecuing is received by the Board of Managers. No above ground pools, hot tubs or similar type of equipment are permitted on the aforesaid Limited Common Element. Neither the Condominium nor any Residential Unit Owner will be permitted to enclose or make any structural changes on the aforesaid Limited Common Elements.

(z) No ventilator or air conditioning device shall be installed in any Residential Unit without the prior written approval of the Board of Managers, which approval may be granted or refused in the sole discretion of the Board of Managers.

(aa) No sign, notice, advertisement, or illumination (including, without limitation, “For Sale,” “For Lease”, or “For Rent” signs) shall be inscribed or exposed on or at any window or other part of a Building, except such as are permitted pursuant to the terms of Declaration and/or By-Laws or shall have been approved in writing by the Board of Managers or the Managing Agent. Nothing shall be projected from any window of a Residential Unit without similar approval.

(bb) All radio, television, or other electrical equipment of any kind or nature installed or used in each Residential Unit shall fully comply with all rules, regulations, requirements, or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction, and the Residential Unit Owner alone shall be liable for any damage or injury caused by any radio, television, or other electrical equipment.

(cc) Toilets, sinks, bathtubs, showers, and other water apparatus in a Building 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 into the same. Any damage resulting from misuse of any toilets, sinks, bathtubs, showers, or other water apparatus in a Residential Unit shall be repaired and paid for by the owner of such Residential Unit.

(dd) Each Residential Unit Owner shall keep their Residential Unit and any Residential Unit’s Limited Common Elements that are for the exclusive use of an individual Residential Unit in a good state of preservation, condition, repair, and cleanliness in accordance with the terms of the By-Laws.

(ee) The agents of the Board of Managers or the Managing Agent, and any contractor or workman authorized by the Board or the Managing Agent, may enter any room in a Residential Unit at any reasonable hour of the day, on at least one day’s prior notice to the Residential Unit Owner, for the purpose of inspecting such Residential Unit for the presence of any

vermin, insects, or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects, or other pests; however, such entry, inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Residential Unit for its permitted purposes.

(ff) The Board of Managers or the Managing Agent may retain a passkey to each Residential Unit. If any lock is altered or a new lock is installed, the Board of Managers or the Managing Agent shall be provided with a key thereto immediately upon such alteration or installation. If the Residential Unit Owner is not personally present to open and permit an entry to their Residential Unit at any time when an entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws, and has not furnished a key to the Board of Managers or the Managing Agent, then the Board of Managers or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an Officer of the Condominium or an Officer of the Managing Agent) may forcibly enter such Residential Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Residential Unit Owner's property).

(gg) If any key or keys are entrusted by a Residential Unit Owner, by any family member thereof, or by their agent, tenant, servant, employee, licensee, or visitor to an employee of the Condominium or of the Managing Agent, whether for such Residential Unit Owner's Residential Unit, automobile or other item of personal property, the acceptance of the key shall be at the sole risk of such Residential Unit Owner, and neither the Board nor the Managing Agent shall (Except as provided in Rule (s) above) be liable for injury, loss, or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

(hh) No Residential Unit Owner shall send any employee of the Condominium or of the Managing Agent out of a Building on any private business if the Board of Managers should hire an employee or Managing Agent.

(ii) The Board of Managers shall, at the request of a mortgagee of the Residential Unit, report any delinquent assessments due from the Owner of such Residential Unit.

(jj) Every Residential Unit Owner shall be liable for any and all damage to the Common Elements, which shall be caused by said Residential Unit Owner, the Residential Unit Owner's permitted lessees and occupants of Residential Units, their respective family members and guests and such other person for whose conduct the Residential Unit Owner is legally responsible.

(kk) Residential Unit Owners will faithfully observe the procedures established from time to time by the Board of Managers or the Managing Agent with respect to services provided and the management of the Condominium.

(ll) Residential Unit Owners will be permitted to keep dogs, cats or other common household pets in their Residential Unit subject to the provisions of this regulation and subject to the rights of a Residential Unit Owner pursuant to any federal, state or city law or regulation. The foregoing notwithstanding, no more than two (2) dogs per Residential Unit will be permitted. No exceptions will be permitted unless the same in each instance be expressly permitted in writing by the Board of Managers of the Condominium or subject to the rights of a Residential Unit Owner pursuant to any federal, state or city law or regulation. No animals may be kept or maintained in a Residential Unit for any commercial purposes. No exotic animals such as snakes or undomesticated wild animals are permitted in a Residential Unit. Any pet causing or creating a nuisance or unreasonable disturbance, or noise shall be permanently removed from the Property upon fifteen (15) days written notice from the Board of Managers. All Residential Unit Owners shall advise the Board of Managers of any household pet intended to be kept in their Residential Unit prior to the household pet residing therein. In addition to the above restrictions, the Board of Managers shall have the right to further adopt additional rules and regulations regarding pets including, but not limited to limiting the number, size and type of pet including but not limited to the type of breed of such pet permitted to be kept in a Residential Unit. In no event shall any animal be permitted in any of the public corridors or lobbies of the Condominium unless carried or on leash and in compliance with the local and municipal rules and regulations regarding pets. All Residential Unit Owners shall be responsible for picking up and disposing of their pet's waste and for any damage caused by their pets to any Common Elements of the Condominium.

(mm) All Residential Unit Owners shall keep their thermostats at a minimum of 60 degrees Fahrenheit to prevent freezing of pipes. Any Residential Unit Owner failing to adhere to this requirement shall be responsible for any damage done to the Common Elements of the Condominium and/or any other Residential Unit.

(nn) No window guards or window decorations (other than curtains and window treatments which conform to the By-Laws) are permitted to be used in or about any Residential Unit, unless otherwise required by law, except such as will have been approved in writing by the Board of Managers. The Board of Managers shall have the right to designate or approve a contractor to do any of such work at the Residential Unit Owners' sole expense. In no event, however, shall any exterior glass surface of any windows of a Residential Unit be colored or painted. The portion of all window treatments facing the exterior of a Building are required to be white in color. In the event window guards are required in a Residential Unit, the cost of installing the window guards shall be the sole responsibility of the Residential Unit Owner.

(oo) Corridor doors are required to be kept closed at all times except when in actual use for ingress or egress to and from public corridors.

(pp) No group tour or exhibition of any Residential Unit or its contents may be conducted, nor will any auction sale or other sale of contents be permitted to be held in any Residential Unit, without the prior consent of the Board of Managers.

(qq) Complaints regarding the service of the Condominium shall be made in writing to the Board of Managers or to any Managing Agent.

(rr) No television or radio receiving device or any other type of receiving or transmitting device shall be erected on the exterior or roof of a Building or on any Residential Unit's Limited Common Element without the prior written consent of the Board of Managers. The Board of Managers may adopt such rules and regulations pertaining to satellite dishes so as to comply with current Federal Communications Commission rules.

(ss) Any Residential Unit Owner who mortgages or sells or leases their Residential Unit shall immediately notify the Board of Managers, providing the name and address of the new mortgagee new Residential Unit Owner or tenant within thirty (30) days of the closing of the mortgage, within thirty (30) days of the execution of the Purchase Agreement of the sale of the Residential Unit for the new Purchaser or thirty (30) days prior to any tenant occupying the Residential Unit, whichever is applicable and subject to the Board of Managers' right of first refusal as provided for in Article XI of these By-Laws.

(tt) Except as permitted under the Declaration and By-Laws, Residential Unit Owners, their families, guests, servants, employees, agents, visitors, tenants, sub-lessees or licensees are not permitted at any time or for any reason whatsoever to enter upon or attempt to enter upon the roofs of a Building except for the portion of the roof used for passive recreational use by the Residential Unit Owners. The Board of Managers shall have the right to adopt rules and regulations regarding the use and times of operation of the portion of the roof used for passive recreational use by the Residential Unit Owners including requiring a deposit for any damage caused to said area and charging a fee for said use. No barbequing is permitted on the portion of the roof used for passive recreational use by the Residential Unit Owners unless barbequing is not in violation of any municipal or fire code and prior written approval is received by the Board of Managers.

(uu) No Residential Unit Owner shall make any changes, additions or alterations to a Residential Unit prior to the issuance of a Permanent Certificate of Occupancy for a Building and/or Residential Unit that will prevent or delay the issuance of a Permanent Certificate of Occupancy or Temporary Certificate of Occupancy. No Residential Unit Owner shall

make any changes, additions or alterations to a Residential Unit that will prevent the renewal or extension of a Temporary Certificate of Occupancy and/or a Permanent Certificate of Occupancy for the Residential Unit or Building. Any Residential Unit Owner making such change, addition and/or alteration shall be solely liable and responsible and shall pay all costs and expenses required to replace and/or repair the Residential Unit as may be required by the Department of Buildings of the City of New York or any other City, State or Municipal agency so that the Residential Unit and/or Building shall be able to obtain a renewal or extension of a Temporary Certificate of Occupancy and/or the issuance of a Permanent Certificate of Occupancy. In the event the Residential Unit Owner fails to replace and/or repair the Residential Unit preventing the extension or renewal of a Temporary Certificate of Occupancy and/or issuance of a Permanent Certificate of Occupancy, the Board of Managers of the Condominium shall have the right to enter into and upon the Residential Unit upon reasonable notice and make all necessary changes required to obtain an extension or renewal of a Temporary Certificate of Occupancy or the issuance of a Permanent Certificate of Occupancy. All costs and expenses, including reasonable legal fees, incurred by the Condominium shall be charged to the Residential Unit Owner as an additional Common Charge to the Residential Unit Owner.

(vv) Complaints regarding the service of the Condominium shall be made in writing to the Board of Managers or to any Managing Agent.

(ww) The Board of Managers of the Condominium shall have the right to require that a Residential Unit Owner utilize a contractor or sub-contractor of the Board of Manager's choosing for any repairs, maintenance and/or replacement of a Residential Unit Owner's Limited Common Element that is a Residential Unit Owner's obligation at the Residential Unit Owner's sole cost and expense.

(xx) The Board of Managers shall have the right to promulgate rules and regulations regarding the moving in and/or moving out of a Building by a Residential Unit Owner including the right to charge a move in and/or move out fee to said Residential Unit Owner.

(yy) No structural additions, alterations or improvements to a Storage Space will be permitted.

(zz) Storage Spaces subject to a License Agreement may only be utilized by the Licensee of the Storage Space and occupants of the Residential Unit, including tenants of the Licensee of the Storage Space as provided in Article XIII of the By-Laws.

(aaa) Storage Spaces are to be used for storage of general household items. The Licensees of the Storage Spaces, their occupants and tenants will not be permitted to store any combustible material or other items in the

Storage Spaces that may be illegal or cause the Condominium insurance to be increased or is not in compliance with the building code of the City of New York.

(bbb) The following constitutes the Smoking Policy applicable to this Building:

(i) Definitions:

(1) Smoking: Inhaling, exhaling, burning or carrying any lighted or heated cigar, cigarette, little cigar, pipe, water pipe or hookah, herbal cigarette, non-tobacco smoking product (e.g., marijuana or non-tobacco shisha), or any similar form of lighted object or device designated for people to use to inhale smoke.

(2) Electronic Cigarette (E-cigarette): A battery-operated device that heats a liquid, gel, herb or other substance and produces a vapor for people to inhale.

(ii) Policy:

(1) All types of Smoking and use of Electronic Cigarettes as defined above are prohibited from all general common areas of the Condominium, including but not limited to any applicable lobby, hallway, stairwell, mailroom, fitness room or other recreational facility, meeting room, laundry room, storage area, mechanical room, equipment room, cellar, basement, elevator, garage, roof terrace, play areas, parking areas, shared balconies, shared courtyards, shared patios, shared porches, shared yards and/or any outdoor common area on property grounds, including entrances, exits, windows and air intake units.

(2) All legal Smoking and use of Electronic Cigarettes is permitted within the interior area of a Residential Unit and any appurtenant Limited Common Element for a Residential Unit Owner's exclusive use.

(3) The Smoking Policy shall be applicable to all Residential Unit Owners, residents, tenants, guests, licensees, employees and all persons that may be in or on any portion of the Condominium.

(4) Any Residential Unit Owner who leases their Residential Unit shall incorporate the provisions of the Smoking Policy into the lease with the Residential Unit Owner's tenant.

(iii) Complaints:

Complaints about smoke drifting into a Residential Unit or common area should be made promptly to the Managing Agent. Complaints should be made in writing and should be as specific as possible, including the date, approximate time, location where smoke was observed, building address, description of incident and apparent source of smoke.

The Smoking Policy shall be applicable to all Residential Unit Owners, residents, tenants, guests, licensees, employees and all persons that may be in or on any portion of the Property and any Building located thereon constituting the Condominium.

(ccc) The Board of Managers shall have the right to promulgate rules and regulations regarding the use of a Roof Terrace located in or on a Building, including charging fees for the use of said facilities by a Residential Unit Owner and a deposit for any damage thereto.

(ddd) Any consent or approval given under these Rules and Regulations applicable to the Residential Units may be amended, modified, added to, or repealed at any time by resolution of the Members of the Board. Any such consent or approval may, in the discretion of the Members of the Board or the Managing Agent, be conditional in nature.

Section 2. Violations of Rules and Regulations.

(a) Upon receipt, by the President of the Board of Managers or by the Managing Agent, of a signed written complaint alleging violation of any of the Rules and Regulations or other provisions of the By-Laws or the Declaration of Condominium as herein established or hereafter established or adopted by the Board of Managers, the Board of Managers shall make a determination as to the validity of the complaint.

(b) If, it is determined that the complaint is valid and justified the Managing Agent, if any, or the Board of Managers if no Managing Agent, shall be directed to send written notice to the Residential Unit Owner who violated the Rules and Regulations or other provisions of the By-Laws or the Declaration of Condominium (the “Violating Residential Unit Owner”) levying a reasonable fine as determined by the Board of Managers upon the Violating Residential Unit Owner and instructing the Violating Residential Unit Owner to stop, curtail, correct or eliminate the violation, as applicable, within a period of three (3) days from the date of receipt of such notice. Such fine is to be considered as an additional Common Charge obligation to the account of the Violating Residential Unit Owner and shall be treated as such regarding late penalties and a lien upon the Property as elsewhere provided for in the Declaration of Condominium or By-Laws. If the violation is not stopped, curtailed, corrected or eliminated, the Board of Managers may assess additional fines in an amount

determined by the Board of Managers and may continue to levy additional fines against the Violating Residential Unit Owner in an amount determined by the Board of Managers every thirty (30) days thereafter. The initial fine and any additional fines shall be cumulative. If the violation results in loss of or damage to property classified as a Common Element, the Board of Managers shall itself or direct a Managing Agent, if employed, to have said loss or damage repaired or replaced and the actual cost of said repair or replacement shall be assessed to the Violating Residential Unit Owner as an additional Common Charge.

(c) In addition to the right to issue fines for violations of the Rules and Regulations as provided above the Board of Managers shall be entitled to any other remedies that may be available to the Board of Managers to enforce the Declaration of Condominium, the By-Laws and/or the Rules and Regulations of the Condominium.

Section 3. **Costs.**

Any costs incurred by the Board of Managers to remedy or cure any violation of the Rules and Regulations, By-Laws or Declaration of Condominium as herein or hereafter established, shall be an additional Common Charge to be charged to the violator in addition to the fine(s) levied upon the violator as described in Article VIII, Section 2 of the By-Laws. In the event a Residential Unit Owner's tenant violates the provisions of any Rule and Regulation or any other provision of the By-Laws, fines may be levied against a Residential Unit Owner's tenant, and the Residential Unit Owner shall be jointly and severally liable with the Residential Unit Owner's tenant for the payment of same.

In the event the Board of Managers institutes legal action for the collection of any fines for the enforcement of any of the provisions of the Declaration, By-Laws and/or Rules and Regulations of the Condominium, then the Defendant shall be responsible for payment of reasonable attorney's fees of the Condominium, plus interest and costs of suit.

Section 4. **Board of Managers Right to Change Rules and Regulations.**

Except as may be otherwise provided in this Article VIII, the Board of Managers shall have the following rights:

(a) The Board of Managers reserves the right to rescind, alter, waive or add, as to one or more or all Residential Unit Owners, residents, occupants, lessees, guests and any other person residing in a Building, any Rule or Regulation at any time prescribed for the Condominium when, in the reasonable judgment of the Board of Managers, the Board of Managers deems it necessary or desirable for the reputation, safety, character, security, care, appearance or interests of the Condominium or the preservation of good order therein, or for the operation or maintenance of the Condominium or the equipment thereof, or the comfort of the Residential Unit Owners, residents, occupants, lessees, guests or others

in the Condominium. No rescission, alteration, waiver or addition of any Rule or Regulation in respect of one Residential Unit Owner, resident, occupant, lessee, guest or other person residing in a Building will operate as a rescission, alteration, waiver or addition in respect of any other Residential Unit Owner.

(b) Any consent or approval given under these Rules and Regulations may be amended, rescinded, modified, waived, added to, or repealed at any time by resolution of the Board of Managers. Further, any such consent or approval may, in the discretion of the Board of Managers or the Managing Agent, be conditional in nature.

Section 5. **Sponsor.**

The above provisions shall not apply to the Sponsor unless required: (a) to comply with applicable laws or regulations, or (b) to remedy any notice of violation.

Section 6. **Complaints.**

Complaints regarding the service of the Condominium shall be made in writing to the Board of Managers or to the Managing Agent.

ARTICLE IX. DEFAULT

In the event a Residential Unit Owner does not pay any Common Charges, Special Assessments, fines, late fees or any other sums, charges or assessments required to be paid when due, as determined by the Board of Managers, the Board of Managers, acting on behalf of the Condominium shall notify the Residential Unit Owner and the mortgagee, if any, of such Residential Unit and may place a lien on such Residential Unit pursuant to the provisions of Section 339-z of the Real Property Law of the State of New York.

In the event a Residential Unit Owner does not remit payment of their Common Charges, Special Assessments, or any other sums, charges or assessments required to be paid when due the Residential Unit Owner shall be required to pay all late fees and other fees as provided for in Article VI, Section 2 of these By-Laws.

The Board of Managers may take action to foreclose any lien for past due Common Charges in accordance with Section 339-aa of the Real Property Law or otherwise. During the period of time the Sponsor retains a majority of the seats of the Board of Managers, the Sponsor will cause the Board of Managers to file a lien as provided for in Section 339-aa of the Real Property Law on Residential Units in which Sponsor is more than thirty (30) days in arrears of Common Charges. In any such foreclosure the Residential Unit Owner shall be required to pay a reasonable rental for the Residential Unit for any period prior to sale pursuant to judgment of foreclosure and sale and the plaintiff in such foreclosure shall be entitled to the appointment of a receiver to collect the same.

The Board of Managers (on behalf of the Residential Unit Owners) shall have the right to bring suit to recover a money judgment for unpaid Common Charges Special Assessments, fines, late fees or any other sums, charges or assessments determined by the Board of Managers at the option of the Board of Managers, without foreclosing or waiving the lien securing such or other sums, charges or assessments determined by the Board of Managers at the option of the Board of Managers. In such an event the Residential Unit Owner shall be liable for the reasonable costs and reasonable attorney's fee incurred by the Residential Unit Owner incident to the collection of the delinquent Common Charges.

Notwithstanding anything contained herein regarding the Common Charges, Special Assessments, fines and late fees, any foreclosure by a holder of an Institutional Mortgage shall be subject to the provisions of Article VI, Section 2 of these By-Laws.

ARTICLE X. AMENDMENTS

These By-Laws may be altered, amended or added to at any duly called Residential Unit Owners meeting; provided: (a) that the notice of the meeting shall contain a full statement of the proposed amendment; (b) that the amendment shall be approved by not less than sixty-six and two-thirds (66⅔%) percent of the Residential Unit Owners in number and Percentage of Common Interest and (c) said amendment shall be set forth in a duly recorded amendment to the Declaration. In addition, the following shall apply to amendments to the By-Laws:

(a) No amendment shall be passed which will affect or impair the validity of the Residential Unit Owners' interest in a Residential Unit.

(b) No amendment, modification, addition or deletion of, to or from the By-Laws or any Rules and Regulations shall be effective in any way against Sponsor or its designee, assignee or successor or any Unsold Residential Unit, as long as the Sponsor, its designee, assignee or successor owns an Unsold Residential Unit in the Condominium unless Sponsor, its designee, assignee or successor has given its prior written consent thereto. This provision is not subject to amendment.

(c) The Board of Managers shall have the right to amend these By-Laws without the consent of the Residential Unit Owners to make corrections to the By-Laws that are patent errors, inconsistencies, scrivener's errors and technical errors. In connection therewith, each Residential Unit Owner upon becoming a Residential Unit Owner shall be deemed to grant an irrevocable power of attorney, coupled with an interest, to the Board of Managers to amend these By-Laws for said purposes.

(d) No amendment to the By-Laws shall be passed which shall impair or prejudice the validity, interest, rights and priorities of a mortgagee.

(e) The Sponsor shall have the right to amend the By-Laws without the consent of the Residential Unit Owners or the Board of Managers to (i) make corrections that are patent errors, inconsistencies, scrivener's errors or technical errors, to conform to other documents, or (ii) to make changes

or revisions to comply with the requests, guidelines and/or requirements of any major participant in the secondary market for mortgages, including but not limited to the Federal National Mortgage Association ("Fannie Mae"), the Federal Home Loan Mortgage Corporation ("Freddie Mac"), the Federal Housing Association ("FHA") of the Housing and Urban Development ("HUD"), the Veterans Administration ("VA") and/or any State or Local Funding Agencies, or (iii) to reduce the Sponsor control period of the Board of Managers, or (iv) to comply with any federal, state or local law or regulation that may affect the Condominium, or (v) to comply with any amendments permitted pursuant to Article X, Section 2 e. and Section 3 of the Declaration of Condominium. In connection therewith, each Residential Unit Owner upon becoming a Residential Unit Owner shall be deemed to grant an irrevocable power of attorney, coupled with an interest, to the Declarant, its successors, assigns and purchasers of undeveloped or unsold Residential Units to amend these By-Laws for said purposes.

(f) In addition, in the case of material changes, approval must be obtained from first mortgage holders representing at least fifty-one (51%) percent of the votes of Residential Units that are subject to first mortgages. A change to any of the following would be considered as material: voting rights; assessments, assessment liens, or subordination of assessment liens; reserves for maintenance, repair and replacement of Common Elements; responsibility for maintenance and repairs; reallocation of interests in the General or Individual Residential Unit's Limited Common Elements, or rights to their use; boundaries of any Residential Unit; convertibility of Residential Units into Common Elements or vice versa; expansion or contraction of the project, or the addition, annexation or withdrawal of property to or from the project; insurance or fidelity bonds; revisions to the leasing provisions of Residential Units contained in Article XI of these By-Laws; imposition of any restrictions on a Residential Unit Owner's right to sell or transfer the Residential Unit Owner's Residential Unit; a decision by the Condominium to establish self-management when professional management had been required previously by an eligible mortgage holder; restoration or repair of the project (after a hazard damage or partial condemnation) in a manner other than that specified in the documents; any action to terminate the legal status of the project after substantial destruction or in the event condemnation occurs; or any provisions that expressly benefit mortgage holders, insurers or guarantors. An addition or amendment to these By-Laws shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only. Any eligible mortgage holder who received a written request by certified or registered mail, return receipt requested, to approve amendments who does not deliver to the Condominium a negative written response within sixty (60) days of the receipt of the request shall be deemed to have approved such amendment.

ARTICLE XI. SELLING, MORTGAGING AND LEASING RESIDENTIAL UNIT

Section 1. Selling and Leasing Residential Units.

Any Residential Unit may be conveyed subject to the right of first refusal of the Board of Managers as provided for in Section 2 hereof and subject to local zoning ordinances, by its Residential Unit Owner free of any restrictions except that no Residential Unit Owner shall convey, mortgage, pledge, hypothecate or sell their Residential Unit unless and until all unpaid Common Charges, Special Assessments and any other fees or charges owed the Condominium that have been assessed against the Residential Unit Owner's Residential Unit shall have been paid to the Board of Managers of the Condominium. However, such unpaid Common Charges can be paid out of the proceeds of the sale of a Residential Unit.

Any Residential Unit Owner may convey the Residential Unit Owner's Residential Unit and Percentage of Common Interest appurtenant thereto, to the Board of Managers on behalf of all Residential Unit Owners free of any cost to the Board of Managers or the Residential Unit Owners and upon such conveyance such Residential Unit Owner shall not be liable for any Common Charges thereafter accruing against such Residential Unit.

Any Residential Unit may be leased subject to the leasing requirements contained in Section 7 of this Article XI and subject to the Board of Managers' right of first refusal as provided in Section 2 of this Article XI. In addition, any Residential Unit Owner who wishes to enter into a lease for the Residential Unit Owner's Residential Unit shall be required to provide the Board of Managers of the Condominium with a copy of the lease at least thirty (30) days prior to its execution. All Residential Unit Owners who wish to enter into a new lease for the Residential Unit Owner's Residential Unit shall be required to submit all documentation required by the Board of Managers as set forth in Section 7 below to the Managing Agent or the Board of Managers in the absence of a Managing Agent. All leases must comply with all the requirements contained in Section 7 below. Failure to comply will be deemed an automatic violation of the By-Laws of the Condominium.

The provisions of this section shall not apply to the acquisition or sale of a Residential Unit by a mortgagee who shall acquire title to such Residential Unit by foreclosure or by deed in lieu of foreclosure. Such provisions shall, however, apply to any purchaser from such mortgagees.

Whenever the term "Residential Unit" is referred to in this section, it shall include the Residential Unit, the Residential Unit Owner's undivided Percentage of Common Interest in the Common Elements and the Residential Unit Owners' interest in any Residential Units acquired by the Board of Managers.

Any sale or lease of any Residential Unit in violation of this section shall be voidable at the election of the Board of Managers.

<u>Section 2.</u> **Right of First Refusal**

No Residential Unit Owner other than Sponsor, its successors, assigns or designees, may sell or lease their Residential Unit except by complying with the following provisions:

Any Residential Unit Owner who receives a bona fide offer to (a) purchase the Residential Unit Owner's Residential Unit together with (i) the undivided interest in the Common Elements appurtenant thereto, and (ii) the interest of such Residential Unit Owner in any Residential Unit theretofore acquired by the Board of Managers or the Board of Manager's designee on behalf of all Residential Unit Owners, or Residential Unit Owner's interest in the proceeds of sale or lease of such Residential Unit, if any, or (b) lease the Residential Unit Owner's Residential Unit, such an offer to purchase or lease a Residential Unit, as the case may be, is called an "Outside Offer", the party making any such Outside Offer is called an "Outside Offeror" and the Residential Unit Owner to whom the Outside Offer is made is called the "Offeree Residential Unit Owner". In the event the Residential Unit Owner intends to accept the Outside Offer, the Residential Unit Owner must give notice by certified or registered mail or by courier service, such as Federal Express, evidencing receipt by the Board or any Managing Agent of the receipt of such Outside Offer within ten (10) days of such Outside Offer. Said notice shall state the name and address of the Outside Offeror, the terms of the proposed transaction and such other information as the Board of Managers may reasonably require. The giving of such notice to the Board of Managers shall constitute an offer by such Residential Unit Owner to sell the Residential Unit Owner's Residential Unit or Lease the Residential Unit Owner's Residential Unit to the Board of Managers or its designee, corporate or otherwise, on behalf of all other Residential Unit Owners, upon the same terms and conditions as contained in such Outside Offer and shall also constitute a warranty and representation by the Offeree Residential Unit Owner who has received such Outside Offer to the Board of Managers, on behalf of all Residential Unit Owners, that such Residential Unit Owner believes the Outside Offer to be bona fide in all respects. The Offeree Residential Unit Owner shall submit in writing such further information with respect thereto as the Board of Managers may reasonably request. Not later than ten (10) days after the later of the receipt of such notice or such further information as may have been requested by the Board of Managers, the Board of Managers may elect, by sending written notice to such Offeree Residential Unit Owner before the expiration of said ten (10) day period, by certified or registered mail, return receipt requested, to purchase such Residential Unit or to lease such Residential Unit, as the case may be, or to cause the same to be purchased or leased by its designee (corporate or otherwise), on behalf of all Residential Unit Owners on the same terms and conditions as contained in the Outside Offer and stated in the notice from the Offeree Residential Unit Owner.

In the event the Board of Managers shall timely elect to purchase any such Residential Unit or to Lease such Residential Unit, or to cause the same to be purchased or leased by its designee, corporate or otherwise, title shall close or lease shall be executed at the office of the attorneys for the Condominium, in accordance with the terms of the Outside Offer, within forty-five (45) days after the giving of notice by the Board of Managers of its election to accept such offer. If, pursuant to such Outside Offer

to purchase such Residential Unit, the Outside Offeror was to assume or take title to the Residential Unit subject to the Offeree Residential Unit Owner's existing mortgage or mortgages, the Board of Managers may purchase the Residential Unit and assume to take title to the Residential Unit subject to said existing mortgage or mortgages, as the case may be. At the closing, the Offeree Residential Unit Owner, if such Residential Unit is to be sold, shall convey the same to the Board of Managers, or to its designee, on behalf of all other Residential 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 tax and other documents and/or documentary stamps affixed at the expense of such Residential Unit Owner, who shall also pay all the taxes arising out of such sale. Real estate taxes (including water charges and sewer rents if separately assessed), mortgage interests, if any, and the Common Charges shall be apportioned between the Offeree Residential Unit Owner and the Board of Managers, or its designee (corporate or otherwise), as of the closing date. In the event such Residential Unit is to be leased, the Offeree Residential Unit Owner shall execute and deliver to the Board of Managers, or to its designee (corporate or otherwise), a lease between the Offeree Residential Unit Owner, as Landlord, and the Board of Managers, or its designee (corporate or otherwise), as Tenant, covering such Residential Unit for the rental and terms contained in such Outside Offer.

In the event the Board of Managers or its designee shall fail to accept such offer within twenty (20) days after receipt of such notice, as aforesaid, or in the event the Board of Managers shall, prior thereto, waive such right of first refusal in accordance with Sections 3 and 4 of this Article, the Offeree Residential Unit Owner shall be free to accept the Outside Offer within a sixty (60) day period after (i) notice of refusal is sent or (ii) the expiration of the period in which the Board of Managers or its designee might have accepted such offer, as the case may be. In the event the Offeree Residential Unit Owner shall not, within such sixty (60) day period, accept in writing the Outside Offer, or if the Offeree Residential Unit Owner shall accept the Outside Offer within such sixty (60) day period, but such sale or lease, as the case may be, shall not be consummated, then should such Offeree Residential Unit Owner thereafter elect to sell such Residential Unit or lease such Residential Unit, as the case may be, the Offeree Residential Unit Owner shall be required to again comply with all the terms and conditions of this Section.

Any deed to an Outside Offeror shall provide that the acceptance thereof by the Outside Offeror shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as the same may be amended from time to time.

Any lease executed in connection with the acceptance of an Outside Offer to lease a Residential Unit shall be consistent with these By-Laws and shall provide that it may not be modified, amended, extended, or assigned without the prior written consent of the Board of Managers; the tenant shall not assign the tenant's interest in such Lease or sublet the demised premises or any part thereof without the prior written consent of the Board of Managers; and the Board of Managers shall have the power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder in the event of (i) a default by the tenant to perform its obligations

under such lease or (ii) a foreclosure of the lien granted by Section 339-z of the Real Property Law of the State of New York.

Except as herein above set forth, the form of any such lease executed by the Board of Managers, or an Outside Offeror, shall be the then current form of apartment lease recommended by the Real Estate Board of New York, Inc., and shall contain such other modifications as provide in Section 7 of this Article XI and as shall be required and approved in writing by the Board of Managers. Any lease executed by the Board of Managers, as tenant, shall provide that the Board of Managers may enter into a sublease of the premises without the consent of the landlord.

Any purported sale or lease of a Residential Unit in violation of this section shall be voidable at the election of the Board of Managers and, if the Board of Managers shall so elect, the Residential Unit Owner shall be deemed to have authorized and empowered the Board of Managers to commence legal proceedings to evict the purported tenant (in the case of an unauthorized leasing) in the name of the said Residential Unit Owner as the purported landlord. Said Residential Unit Owner shall reimburse the Board of Managers for all expenses (including attorneys' fees and disbursements) incurred in connection with such proceedings.

The foregoing restrictions of Section 2 of this Article XI shall not apply to Sponsor-owned Residential Units or any mortgagee acquiring title to a Residential Unit, in a foreclosure or otherwise. The Sponsor, its successors, assignees or designees or any mortgagee acquiring title to a Residential Unit in a foreclosure or otherwise shall have the right to freely sell their Residential Unit or to freely lease all or any part thereof without first having to offer the same for sale or lease to the Board of Managers.

Section 3. **Release or Waiver by Board of Managers of the Right of First Refusal.**

The right of first refusal contained in Section 2 of this Article XI may be released or waived by the Board of Managers only in the manner provided in this Section 3 of Article XI. In the event the Board of Managers shall release or waive its right of first refusal as to any Residential Unit, such Residential Unit may be sold, conveyed or leased free and clear of the provisions of said Sections 1 and 2 and all other restrictions, except that no Residential Unit Owner shall convey, mortgage, pledge, hypothecate, sell or lease the Residential Unit Owner's Residential Unit unless and until all unpaid Common Charges and/or Special Assessments assessed against the Residential Unit Owner's Residential Unit shall have been paid to the Board of Managers and all provisions regarding rentals as provided for in Section 7 of this Article XI are met. However, such unpaid Common Charges and/or Special Assessments can be paid out of the proceeds from the sale of a Residential Unit or by the Purchaser of the Residential Unit. Further, a Residential Unit Owner may convey the Residential Unit Owner's Residential Unit and the Residential Unit Owner, the Residential Unit Owner's Common Interest appurtenant thereto to the Board of Managers on behalf of all Residential Unit Owners free of any cost to the Board of Managers or the Residential Unit Owners, and upon such conveyance such Residential Unit Owner shall not be liable for any Common Charges and/or Special Assessments thereafter accruing

against such Residential Unit. Any sale or lease of any Residential Unit in violation of this section shall be voidable at the election of the Board of Managers.

Section 4. **Certificate of Termination of Right of First Refusal.**

A certificate executed and acknowledged by the Secretary of the Condominium, stating that the provisions of Section 2 of this Article XI have been met by a Residential Unit Owner or stating that the right of first refusal contained therein has been duly released or waived by the Board of Managers, and that as a result thereof the rights of the Board of Managers thereunder shall terminate, shall be conclusive upon the Board of Managers and the Residential Unit Owners in favor of all persons who rely upon such certificate in good faith. The Board of Managers shall furnish, without charge, such certificate upon request to any Residential Unit Owner with respect to whom the provisions of such section have, in fact, terminated.

Section 5. **Financing of Purchase of Residential Unit by Board of Managers.**

The purchase of a Residential Unit by the Board of Managers or its designee, on behalf of all Residential Unit Owners, may be made from funds deposited in the capital and or operating account of the Condominium. If the funds in such accounts are insufficient to effectuate any such purchase, the Board of Managers may levy an assessment against each Residential Unit Owner, in proportion to each Residential Unit's percentage of common interest as reflected in Schedule B of the Declaration, as a Special Assessment, and/or the Board of Managers may in its discretion finance the acquisition of the Residential Unit; provided, however, that no such financing may be secured by an encumbrance, or an hypothecation of any portion of the Property other than the Residential Unit to be purchased. If financed all costs of the financing and any debt service on the financing shall be paid as a Special Assessment or become an ongoing Common Expense of the Condominium until the debt is satisfied.

Section 6. **Exceptions.**

The provisions of Section 2 of this Article XI shall not apply with respect to any lease, sale or conveyance of a Residential Unit by (a) the Residential Unit Owner thereof to the Residential Unit Owner's spouse, adult children, parents, parents-in-law, adult siblings, or any one or more of them, (b) to any devisee or beneficiary as a result of the death of the Residential Unit Owner, pursuant to a Will or by operation of law, should the Residential Unit Owner die Intestate or (c) the Sponsor, its successor, assignee or its designee, (d) the Board of Managers, or (e) any proper officer conducting the sale of the Residential Unit in connection with the foreclosure of a mortgage or other lien covering such Residential Unit, or delivering a deed in lieu of such foreclosure; provided, however, that the new Residential Unit Owner shall be bound by, and the Residential Unit Owner's Residential Unit subject to, the provisions of this Article.

<u>Section 7.</u> Leasing Requirements for Residential Units.

In addition to the right of first refusal detailed in Section 2 above, every lease on every Residential Unit in the Condominium is subject to the following rules and regulations, regardless of whether stated in the lease:

(a) No later than thirty (30) days prior to execution of a lease or a renewal lease, the Residential Unit Owner must provide the Board of Managers of the Condominium with a copy of the lease, name of the proposed tenant and terms of the lease, credit and background check (including criminal background), a minimum of two (2) referrals and any other information that may be requested by the Board of Managers;

(b) the lease must be in writing;

(c) the lease must be for the entire Residential Unit;

(d) the lease must have a minimum term of twelve (12) months. Renewal terms shall also have a minimum term of twelve (12) months.

(e) the form of the lease and any renewal lease must contain a provision that the tenant has thoroughly read and agrees to be subject to the Declaration, the By-Laws and Rules and Regulations of the Condominium and agrees to accept the power of attorney of the Condominium to evict the tenant for any violation by the tenant of the Declaration, the By-Laws and the Rules and Regulations of the Condominium and agrees to be jointly and severally liable with the Residential Unit Owner for any and all fines and costs levied against the tenant for any violation of the provisions of the Rules and Regulations, By-Laws and/or Declaration of Condominium;

(f) the use of the premises is subject to the Declaration, the By-Laws and the Rules and Regulations of the entire Condominium;

(g) within thirty (30) days of occupancy by the tenant or renewal of any lease, the name and telephone number of the tenant, together with a clear and complete copy of the executed lease, must be furnished to the Managing Agent or if no Managing Agent to the Board of Managers of the Condominium;

(h) the Residential Unit cannot be used as a youth hostel, Airbnb, bed and breakfast, motel, hotel and/or for any other transient type of use;

(i) no Residential Unit Owner, Resident or tenant shall be permitted to place any signs for rent in or on the Residential Unit or the Common Elements of the Condominium;

(j) all leases and tenants are subject to all municipal requirements applicable to rentals, if any;

(k) all leases of a Residential Unit shall contain the following language: "This agreement and the rights and obligations of the parties hereunder are hereby made expressly subject to the right if any, of the Board of Managers of the Condominium with respect to the transaction embodied herein pursuant to the terms of the By-Laws of the Condominium, as the same may have been amended;

(l) the lease must contain the Smoking Policy provisions contained in Article VIII of these By-Laws; and

(m) if any Residential Unit Owner (landlord) or tenant is in violation of any of the provisions of the Declaration or By-Laws, or both, including any Rules and Regulations, the Board of Managers of the Condominium may bring an action in its own name or in the name of the Residential Unit Owner, or both, to have the tenant evicted or to recover damages, or both.

The Board of Managers, in its sole discretion, may add or change any of the criteria in this Section 7 with respect to the requirements of leasing Residential Units.

The Board of Managers reserves the right to deny a prospective tenant of a Residential Unit's application if the Board of Managers determines that the prospective tenant may constitute a threat to the health, safety and/or protection of the Residential Unit Owners or may result in substantial physical damage to the Common Elements of the Condominium without having to exercise the Board of Managers' Right of First Refusal. In the event the Board of Managers of the Condominium, in its sole discretion, determines that the prospective tenant of the Residential Unit does not meet its criteria for tenancy of a Residential Unit as provided herein and in Sections 1 and 7 of Article XI of the By-Laws, the Board of Managers shall issue a denial to the Residential Unit Owner within ten (10) days of such determination. The Residential Unit Owner shall thereafter have the right to procure a second prospective tenant for the Board of Managers' Right of First Refusal, review and approval pursuant to all of the terms of Article XI of the By-Laws.

In order to carry out the provisions of this Article XI and pursuant to the provisions of Article XIV of the Declaration of Condominium each Residential Unit Owner shall upon becoming a Residential Unit Owner grant an irrevocable power of attorney, to nominate, designate, constitute and appoint the Members of the Board of Managers of the Condominium and their successors, jointly, their true and lawful attorneys-in-fact, coupled with an interest, with power of substitution, in their name and on their behalf, the right to act in their behalf to take any and all action necessary against any tenant(s) that may be residing in a Residential Unit Owner's Condominium Residential Unit including but not limited to, the right to seek an eviction in a court of law for failure to adhere to any of the provisions of the Declaration of Condominium, By-Laws and/or Rules and Regulations of the Condominium. The remedy provided by this subsection is not exclusive and is in addition to any other remedy or remedies available to the Board of Managers of the Condominium. If permitted by present or future law, the Condominium may recover all of its costs, including court costs and reasonable attorney's fees, and these costs shall be a continuing lien on the Residential Unit that

shall bind the Residential Unit in the hands of the then Residential Unit Owner and the Residential Unit Owner's successors and assigns. The Board of Managers of the Condominium shall give the tenant and the Residential Unit Owner written notice of the nature of the violation of the Rule and Regulation, and thirty (30) days from the mailing of the notice in which to cure the violation before the Board of Managers of the Condominium may file for eviction.

Section 8. **Waiver of Partition Rights.**

The Residential Unit Owners waive all of their voting rights concerning partition respecting any Residential Unit acquired by the Board of Managers in accordance with this Article.

Section 9. **Gifts, etc.**

Any Residential Unit Owner may convey or transfer their Residential Unit by gift during the Residential Unit Owner's lifetime or devise their Residential Unit by will or pass the same by intestacy, without restriction.

Section 10. **Tenant Bound by Declaration.**

By becoming a tenant, each tenant agrees to be bound by the Declaration, the By-Laws and the other Rules and Regulations of the Condominium and recognizes and accepts the right and the power of the Condominium to evict the tenant for any violation by the tenant of the Declaration, the By-Laws and the other Rules and Regulations of the Condominium.

Section 11. **Lenders.**

The foregoing restrictions of Sections 1, 2 and 7 of this Article XI shall not apply to any mortgagee of an Institutional Mortgage acquiring title to a Residential Unit, in a foreclosure or otherwise. Any mortgagee of an Institutional Mortgage acquiring title to a Residential Unit in a foreclosure or otherwise shall have the right to freely sell their Residential Unit or to freely lease all or any part thereof as long as the lease and use by a tenant is in compliance with the permitted use of the Residential Unit under applicable zoning and occupancy requirements.

Any subsequent purchaser from the Institutional Mortgagee lender is subject to all the terms of this Article XI. In addition, the provisions of Article XII of the Declaration of Condominium regarding an Institutional Mortgage shall be applicable regarding unpaid Common Charges accrued before acquisition of title of a Unit by the mortgagee.

Section 12. **Sponsor.**

The foregoing restrictions of Sections 1, 2 and 7 of this Article XI shall not apply to Sponsor owned Residential Units. The Sponsor, its successors, assignees or designees shall have the right to freely sell their Residential Unit or to freely lease all or any part thereof without any interference or any restrictions by the Board of Managers

as long as the lease and use by a tenant is in compliance with the permitted use of the Residential Unit under applicable zoning and occupancy requirements.

Section 13. **Section 339-kk of the Real Property Law.**

Pursuant to the provisions of Section 339-kk of the Real Property Law of the State of New York, any non-occupying Residential Unit Owner who rents any Residential Unit in the Condominium to a rental tenant and then fails to make payments due for Common Charges, assessments or late fees for such Residential Unit within sixty (60) days of the expiration of any grace period after they are due is subject to the following: Upon notice in accordance with the statute, all rental payments from the tenants shall thereafter be directly payable to the condominium association. The provisions of Section 339-kk of the Real Property Law shall control any dispute pursuant to this provision of the By-Laws.

ARTICLE XII. STORAGE SPACES

Section 1. **General**

The Storage Spaces, other than the Storage Space designated as a Limited Common Element for Residential Units 1A at the Buildings located at 1504 Jefferson Avenue and 1437 Hancock Street, will be subject to a License Agreement between a Residential Unit Owner as the Licensee and the Board of Managers as the Licensor. The Board of Mangers shall be required to keep a list of all Storage Spaces and the Residential Units that are subject to a License Agreement or subject to a rental. All Residential Unit Owners subject to this Declaration shall be required to advise the Board of Managers of the Condominium of any assignment or rental of any Storage Space pursuant to a License Agreement within ten (10) days of such assignment or rental.

Section 2. **Use**

Storage Spaces may only be utilized for storage of normal household items and pursuant to the provisions of the Declaration of Condominium and By-Laws of the Condominium and any Rules and Regulations regarding the Storage Spaces.

Section 3. **Repair and Maintenance**

All repairs and maintenance of the Storage Spaces and Storage Space Area shall be the responsibility of the Condominium as a Common Expense, subject to the provisions of this Section 3. Each Residential Unit Owner who has entered into a License Agreement for a Storage Space will be required to pay a monthly License Fee to the Condominium to cover the costs associated with the Storage Spaces and Storage Space Area as determined by the Board of Managers and who shall have the right to increase or decrease said amount as required by the costs of said services. Said fees associated with the Storage Spaces and Storage Space Area and shall be in addition to the Common Charges and any Special Assessments charged to any Residential Unit Owner. Any dispute regarding the allocation or amount of the License Fees shall be

decided by Arbitration pursuant to the terms of Article XIII of the By-Laws of the Condominium. The Board of Managers shall have the same rights of collection and enforcement of the License Fees as they have for Common Charges and Special Assessments as provided for in this Article XII or elsewhere in the Declaration or By-Laws.

Section 4. License Agreement

The Sponsor shall be authorized to execute all initial License Agreements for a Storage Space subject to this Declaration of Condominium for any Storage Space entered into with a Residential Unit Owner and to receive the proceeds of such License Agreement ("Storage Space Purchase Price"). A designated member of the Board of the Managers of the Condominium shall be authorized and required to execute the License Agreement on behalf of the Condominium as the Licensor of the License Agreement.

Section 5. Rules and Regulations

The License Agreement for a Storage Space may only be assigned and rented to another Residential Unit Owner in the Condominium ("Assignee or "Tenant"). The Board of Managers of the Condominium shall have the right to promulgate rules and regulations regarding the assignment or rental of the Storage Spaces. In no event shall the Board of Managers have the right to prohibit the right of a Residential Unit Owner or the Sponsor to assign or rent a Storage Space to a purchaser of the Residential Unit Owner or another Residential Unit Owner in the Condominium. The Board of Managers shall have the right to approve the form of a License Agreement or promulgate a standard form for use by all Residential Unit Owners.

Residential Unit Owners must comply with all applicable laws regarding the Storage Spaces, which may be subject to periodic inspection by the police and fire departments of the City of New York and other governmental agencies having jurisdiction thereover. In addition, the Storage Spaces may not be completed until after the Closing of Title of a Residential Unit and the fact that a Storage Space may not be available for use at the time of Closing will not constitute a basis for Residential Unit Owner to fail to Close Title to a Residential Unit.

Section 6. Sponsor

In the event there are Storage Spaces that have not been Licensed to a Residential Unit Owner after the Sponsor has conveyed all of the Residential Units to bona fide Purchasers, the Sponsor shall have the right but not the obligation to enter into a License Agreement for a Storage Space with a Licensee who does not reside in the Building. In such an event the Sponsor shall be obligated to pay the then applicable License Fee to the Condominium for such Storage Spaces.

ARTICLE XIII. ARBITRATION

Section 1. Procedure.

Any matter required or permitted to be determined by arbitration pursuant to the terms of the Condominium Documents shall be submitted for resolution by a single arbitrator in a proceeding held in the local jurisdiction of the Condominium in accordance with the then existing rules of the American Arbitration Association or any successor organization thereto. In the event that the American Arbitration Association shall not then be in existence and has no successor organization, any such arbitration shall be held in New York City before one arbitrator appointed, upon the application of any party by the Real Estate Board of New York.

Section 2. Variation by Agreement.

The parties to any dispute required or permitted to be resolved by arbitration pursuant to the terms of the Condominium Documents may, by written agreement, vary any of the terms of Section 1 hereof with respect to the arbitration of such dispute or may agree to resolve their dispute in any manner, including, without limitation, the manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as “New York Simplified Procedure for Court Determination of Disputes”.

Section 3. Binding Effect.

The decision in any arbitration conducted pursuant to the terms of Section 1 and 2 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction.

Section 4. Costs and Expenses.

The fees, costs and expenses of the arbitrator shall be borne by the losing party in the arbitration or, if the position of neither party to the dispute shall be substantially upheld by the arbitrator, such fees, costs and expenses shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of his counsel and expert witnesses.

All costs and expenses paid or incurred by the Condominium Board of Managers in connection with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses shall constitute Common Expenses.

ARTICLE XIV. CONDEMNATION

In the event all or part of the Common Elements are taken in condemnation or eminent domain proceedings, the award from such proceedings shall be paid to the Insurance Trustee if the award is more than $50,000 and to the Board of Managers if the award is $50,000 or less, to be distributed in accordance with Section 3 of Article VII but in the following amounts:

(a) So much of the award as is applicable to the General Common Elements, to the Residential Unit Owners pro rata according to the respective Percentage of Common Interest appurtenant to the Residential Unit owned by such Residential Unit Owners.

(b) So much of the award as is applicable to a Residential Unit's Limited Common Element, to the Residential Unit Owner having general use of such Residential Unit's Limited Common Element.

In such eminent domain or condemnation proceeding the Board of Managers shall request that the award shall set forth the amount allocated to General Common Elements, and to each Residential Unit's Limited Common Element. In the event the award does not set forth such allocation then the question of such allocation shall be submitted to the arbitration in accordance with Article XIII of these By-Laws. Any condemnation or eminent domain award shall require that any proceeds applicable to a Residential Unit be applied first to a first mortgagee of a Residential Unit as its interest may appear.

ARTICLE XV. SPONSOR RIGHTS

Section 1. Sales/Rentals.

The Sponsor, its nominees and agents, shall have the right and privilege to maintain general and local sales and rental offices in and about the Condominium, including any Unsold Residential Units located within the Condominium Building or elsewhere throughout the project, and shall have the right and privilege to have their representatives, employees and agents present on the Condominium premises to show the Residential Units to prospective purchasers or tenants, to utilize the Common Elements, no matter how classified, and without limitation, to do any and all things necessary incident to the sale or rental of the Residential Units, without charge or contribution other than in the form of Common Charge payments as otherwise provided for herein.

Section 2. Signs/Ingress/Egress.

The Sponsor shall have the right to continue to employ signs of its choice upon the Condominium premises in its efforts to construct, sell and lease the Residential Units, or any other property, development or community the Sponsor, its successors, assigns or designees so prescribe. Incident to the rights and privileges provided for herein, the officers, employees, agents, contractors, guests and invitees of the Sponsor, its successors and assigns, shall have the right of ingress and egress to and throughout the Common Elements of the Condominium no matter how classified.

Section 3. Additional Rights.

The Sponsor, its successor, assignees, designees, nominees and agents shall, in addition to the above, have any additional rights afforded to the Sponsor, its

successors, assignees, designees, nominees and agents in these By-Laws, Rules and Regulations and the Declaration of Condominium.

Section 4. Amendment.

This Article XV may not be modified or amended without the written consent of the Sponsor so long as the Sponsor continues to own one (1) or more unsold Residential Units.

ARTICLE XVI. MISCELLANEOUS

Section 1. Severability.

Should any of the covenants, terms or provisions herein imposed be void or be or become unenforceable at law in equity, the remaining provisions of these By-Laws shall, nevertheless, be and remain in full force and effect.

Section 2. Notice to Condominium.

A Residential Unit Owner, who mortgages the Residential Unit, shall notify the Condominium through the management agent, if any, or the President of the Board of Managers in the event there is no management agent, of the name and address of the Residential Unit Owner's mortgagee; and the Board of Managers shall maintain such information in a book entitled "Mortgagees of Residential Unit".

Section 3. Notice of Unpaid Assessments.

The Board of Managers shall at the request of a mortgagee of a Residential Unit, report any unpaid Common Charges due from the Residential Unit Owner of such Residential Unit.

Section 4. Examination of Books and Records.

Every Residential Unit Owner or the Residential Unit Owner's representative and mortgagee shall be entitled to examine the books and records of the Condominium on reasonable notice to the Board of Managers at convenient hours on weekdays (except legal holidays) but not more often than once a month. Said hours are to be determined by the Board of Managers or Managing Agent.

Section 5. Costs of Legal Action.

In the event the Board of Managers institutes any legal action for the enforcement of any of the provisions of the Declaration of the Condominium, By-Laws and/or Rules and Regulations of the Condominium, then the Defendant shall be responsible for payment of reasonable attorney's fees of the Board of Managers on behalf of the Condominium, plus interest and costs of suit.

Section 6. **Reports to Residential Unit Owners.**

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

(a) a financial statement of the Condominium prepared by a certified public accountant or public accountant by a specific date; such statement shall be certified while the Sponsor retains a majority of the Members of the Board of Managers and such statement shall be provided within four (4) months of the end of each fiscal year;

(b) prior notice of the annual Residential Unit Owners meeting; and

(c) a copy of the proposed annual budget of the Condominium within thirty (30) days of the date set for adoption by the Board of Managers. While Sponsor is in control of the Board of Managers such budget will be certified in accordance with the regulations of the Department of Law.

During the period Sponsor retains control of the Board of Managers of the Condominium, the Sponsor shall be required to provide certified financial statements for the Condominium. The cost of such reports shall be a Condominium Common Expense. In addition, during said period the Sponsor will be required to provide a Certification of Adequacy of the budget for the Condominium from a Managing Agent or other expert who is unaffiliated with the Sponsor.

Section 7. **Construction.**

Wherever the masculine singular form of the pronoun is used in these By-Laws, it shall be construed to mean the masculine, feminine or neuter; singular or plural; wherever the context so requires.

Section 8. **Compliance with Article 9-B.**

These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Laws of the State of New York. In case any of these By-Laws conflict with the provisions of said Statute or of the Declaration, the provisions of the Statute or of the Declaration, whichever the case may be, shall control.

SCHEDULE K-1

SPONSOR CERTIFICATION

CERTIFICATION BY CO-SPONSORS AND CO-SPONSORS' PRINCIPALS PURSUANT TO 13 NYCRR 20.4 (b)

State of New York
Department of Law
28 Liberty Street, 21st Floor
New York, NY 10005

RE: **HANCOCK AND JEFFERSON CONDOMINIUM**

Gentlepeople:

We are the Sponsor and the principals of Sponsor of the condominium offering plan for the captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20 and such other laws and regulations as may be applicable.

We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the offering plan does, and that documents submitted hereafter by us which amend or supplement the offering plan will:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

(iv) not contain any untrue statement of a material fact;

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

(vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) not contain any representation or statement which is false, where 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.

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.

Very truly yours,

1504 JEFF LLC

By: _____
David Marom, Managing Member

SPONSOR'S PRINCIPALS:

Sworn to before me this
3rd day of February, 2022.

Otistia Richards
Notary Public, State of New York
No. 01RI6378108
Qualified in Kings County
Commission Expires July 16, 2022

_____
NOTARY PUBLIC

_____
David Marom

Sworn to before me this
3rd day of February, 2022.

_____
NOTARY PUBLIC

_____
Shay Moskovich

Otistia Richards
Notary Public, State of New York
No. 01RI6378108
Qualified in Kings County
Commission Expires July 16, 2022

SCHEDULE K-2

ARCHITECT CERTIFICATION

Olivera Grk AIA
505 Greenwich St 9B
New York NY 10013

olivera@grk-a.com
+1 (917) 287 - 3774

SPONSOR'S ARCHITECT CERTIFICATION
PURSUANT TO 13 NYCRR 20.4 (c)

Office of the Attorney General
Real Estate Finance Bureau
28 Liberty Street, 21st Floor
New York, NY 10005-1413

Date: 09/14/2022

RE: **HANCOCK AND JEFFERSON CONDOMINIUM**
1504 Jefferson Ave / 1437 Hancock Str, Brooklyn, New York

Gentlepeople:

The sponsor of the offering plan to convert the captioned property to condominium ownership retained me to prepare a report describing the construction of the property (the "Report"). I examined the building plans and specifications that were prepared by Olivera Grk dated 6/13/2021 and prepared the Report dated 06/06/2022, a copy of which is intended to be incorporated into the offering plan so that prospective Purchasers may rely on the Report.

I am a registered architect in the state in which the property is located.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to this Report.

I have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

I certify that the Report:

(i) sets forth in narrative form the description and/or physical condition of the entire property as it will exist upon completion of renovation and construction, provided that renovation and construction is in accordance with the plans and specifications that I examined;

(ii) in my professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the property as it will exist upon completion of renovation and/or construction, provided that renovation and/or construction is in accordance with the plans and specifications that I examined;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment, or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) does not contain any representation or statement which is false, where I: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; (d) or did not have knowledge concerning the representation or statement made.

I further certify that I am not owned or controlled by and have no beneficial interest in the sponsor and that my compensation for preparing this Report is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.

Very truly yours,

09/14/2022

Signature of Individual or Name of Firm

Sworn to before me this
14 day of sept., 2022.

Notary Public

PERRY DONDRE STEVEN
Notary Public, State of New York
No. 01PE6368561
Qualified in New York County
Commission Expires December 18, 2025

SCHEDULE K-3

BUDGET CERTIFICATION

CERTIFICATION OF ADEQUACY OF OPERATING BUDGET
PURSUANT TO 13 NYCRR 20.4 (d)

Date: May 27th, 2022

Office of the Attorney General
Real Estate Finance Bureau
28 Liberty Street
New York, NY 10005-1413

RE: Hancock and Jefferson Condominium

Gentlepeople:

The Sponsor of the Condominium Offering Plan for the captioned property retained me/our firm to review Schedule B containing projections of income and expenses for the first year of condominium operation. My/or our experience in this field includes:

Preparation of Schedule A/B work for the past 3 years.
Currently performing work on over 20 Offering Plans
Management and staffing to 27 Residential properties, 12 of which are new construction.

I/we understand that I/we am/are responsible for complying with Article 23-A of the General Business Law and the Regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to Schedule B.

I/we have reviewed the Schedule and investigated the facts set forth in the Schedule and the facts underlying it with due diligence to form a basis for this certification. I/We also have relied on my/our experience in managing residential buildings.

I/we certify that the projections in Schedule B appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

I/we certify that the Schedule:

(i) sets forth in detail the projected income and expenses for the first year of condominium operation.

(ii) affords potential investors, purchasers and participants an adequate basis upon which to find their judgment concerning the first year of condominium operation;

(iii) does not omit any material fact.

(iv) does not contain any untrue statement of a material fact.

(v) does not contain any fraud, deception, concealment, or suppression.

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances.

(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 the Sponsor. I/we understand that a copy of this Certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. I/We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very truly yours,
Jason Horowytz, Partner
Monarch Realty Group Holdings, LLC
Signature of Individual or Name of Firm

By:_____
Signature of Individual if prepared by Firm

Partner
Title or Position if prepared by Firm

Sworn to before me this
day of 27 May, 2022.

Notary Public

Robert Benjamin Shurek
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01SH6366992
Qualified in Queens County
Commission Expires November 13, 2025

SCHEDULE L

SECTION 339-KK OF THE REAL PROPERTY LAW

The Real Property Law is amended by adding a new Section 339-kk to read as follows:

"§ 339-kk. Rents. (a) For the purposes of this section, "non-occupying owner" shall mean a unit owner in a condominium association who does not occupy the dwelling unit.

(b) If a non-occupying owner rents any dwelling unit to a rental tenant and then fails to make payments due for common charges, assessments or late fees for such unit within sixty days of the expiration of any grace period after they are due, upon notice in accordance with subdivision (c) of this section, all rental payments from the tenant shall be directly payable to the condominium association.

(c) If the common charges, assessments or late fees due for any unit have not been paid in full, within sixty days after the expiration of any grace period of the earliest due date, the board of managers shall provide written notice to the tenant and the non-occupying owner providing that, commencing immediately and until such time as all payments for common charges, assessments or late fees are made current, all rental payments due subsequent to the issuance of such notice are to be made payable to the condominium association at the address listed on the notice. Where a majority of the board of managers has been elected by and from among the unit owners who are in occupancy, the board may elect not to require that rental payments be made payable to the condominium association. At such time as payments for common charges, assessments and late fees from the non-occupying owner are once again current, notice of such fact shall be given within three business days to the rental tenant and non-occupying owner. Thereafter all rental payments shall be made payable to the non-occupying owner or a designated agent. A non-occupying owner who disputes the association's claim to rental payments pursuant to this section shall be entitled to present facts supporting such owner's position at the next scheduled meeting of the board of managers, which must be held within thirty days of the date that such board receives notice that such owner seeks to dispute such claim.

(d) Nothing in this section shall limit any rights of unit owners or of the board of managers existing under any other law or agreement.

(e) Payment by a rental tenant to the condominium association made in connection with this section shall relieve that rental tenant from the obligation to pay such rent to the non-occupying owner and shall be an absolute defense in any non-payment proceeding commenced by such non-occupying owner against such tenant for such rent."

This act may be enforced by any party by means of a special proceeding brought pursuant to Article 4 of the Civil Practice Law and Rules.

SCHEDULE L

SCHEDULE M

HOUSING MERCHANT IMPLIED LIMITED WARRANTY

HOUSING MERCHANT IMPLIED WARRANTY LAW

ARTICLE 36-B

WARRANTIES ON SALE OF NEW HOMES

Section 777. Definitions.
777-a. Housing Merchant Implied Warranty.
777-b. Exclusion or Modification of Warranties.

Section 777. Definitions. As used in this article, the following terms shall have the following meanings:

1. "Builder" means any person, corporation, partnership or other entity contracting with an owner for the construction or sale of a new home.

2. "Building code" means the uniform fire prevention and building code promulgated under section three hundred seventy-seven of the executive law, local building code standards approved by the uniform fire prevention and building code council under section three hundred seventy-nine of the executive law, and the building code of the city of New York, as defined in titled twenty-seven of the administrative code of the city of New York.

3. "Constructed in a skillful manner" means that workmanship and materials meet or exceed the specific standards of the applicable building code. When the applicable building code does not provide a relevant specific standard, such term means that workmanship and materials meet or exceed the standards of locally accepted building practices.

4. "Material defect" means actual physical damage to the following load-bearing portions of the home caused by failure of such load-bearing portions which affects their load-bearing functions to the extent that the home becomes unsafe, unsanitary or otherwise unlivable: foundation systems and footings, beams, girders, lintels, columns, walls and partitions, floor systems, and roof framing systems.

5. "New home" or "home" means any single family house or for-sale unit in a multi-unit residential structure of five stories or less in which title to the individual units is transferred to owners under a condominium or cooperative regime. Such terms do not include dwellings constructed solely for lease, mobile homes as defined in section seven hundred twenty-one of this chapter, or any house or unit in which the builder has resided in or leased continuously for three years or more following the date of completion of construction, as evidenced by a certificate of occupancy.

6. "Owner" means the first person to whom the home is sold and, during the unexpired portion of the warranty period, each successor in title to the home and any mortgagee in possession. Owner does not include the builder of the home or any firm under common control of the builder.

7. "Plumbing, electrical, heating, cooling and ventilation systems" shall mean:

a. in the case of plumbing systems: gas supply lines and fittings; water supply, waste and vent pipes and their fittings; septic tanks and their drain fields; water, gas and sewer service piping, and their extensions to the tie-in of a public utility connection, or on-site well and sewage disposal system;

b. in the case of electrical systems: all wiring, electrical boxes, switches, outlets and connections up to the public utility connection; and

c. in the case of heating, cooling and ventilation systems: all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.

8. "Warranty date" means the date of the passing of title to the first owner for occupancy by such owner or such owner's family as a residence, or the date of first occupancy of the home as a residence, whichever first occurs.

Section 777-a. Housing merchant implied warranty.

1. Notwithstanding the provisions of section two hundred fifty-one of the real property law, a housing merchant implied warranty is implied in the contract or agreement for the sale of a new home and shall survive the passing of title. A housing merchant implied warranty shall mean that:

a. one year from and after the warranty date the home will be free from defects due to a failure to have been constructed in a skillful manner;

b. two years from and after the warranty date the plumbing, electrical, heating, cooling and ventilation systems of the home will be free from defects due to a failure by the builder to have installed such systems in a skillful manner; and

c. six years from and after the warranty date the home will be free from material defects.

2. Unless the contract or agreement by its terms clearly evidences a different intention of the seller, a housing merchant implied warranty does not extend to:

a. any defect that does not constitute (i) defective workmanship by the builder or by an agent, employee or subcontractor of the builder, (ii) defective materials supplied by the builder or by an agent, employee or subcontractor of the builder, or (iii) defective design provided by a design professional retained exclusively by the builder; or

b. any patent defect which an examination ought in the circumstances to have revealed, when the buyer before taking title or accepting construction as complete has examined the home as fully as the buyer desired, or has refused to examine the home.

3. In the case of goods sold incidentally with or included in the sale of the new home, such as stoves, refrigerators, freezers, room air conditioners, dishwashers, clothes washers and dryers, a housing merchant implied warranty shall mean that such goods shall be free from defects due to failure by the builder or any agent, employee or subcontractor of the builder to have installed such systems in a skillful manner. Merchantability, fitness and all other implied warranties with respect to goods shall be governed by part three of article two of the uniform commercial code and other applicable statutes.

4. a. Written notice of a warranty claim for breach of a housing merchant implied warranty must be received by the builder prior to the commencement of any action under paragraph b of this subdivision and no later than thirty days after the expiration of the applicable warranty period, as described in subdivision one of this section. The owner and occupant of the home shall afford the builder reasonable opportunity to inspect, test and repair the portion of the home to which the warranty claim relates.

b. An action for damages or other relief caused by the breach of a housing merchant implied warranty may be commenced prior to the expiration of one year after the applicable warranty period , as described in subdivision one of this section, or within four years after the warranty date, whichever is later. In addition to the foregoing, if the builder makes repairs in response to a warranty claim under paragraph a of this subdivision, an action with respect to such claim may be commenced within one year after the last date on which such repairs are performed. The measure of damages shall be the reasonable cost of repair or replacement and property damage to the home proximately caused by the breach of warranty, not to exceed the replacement cost of the home exclusive of the value of the land, unless the court finds that, under the circumstances, the diminution in value of the home caused by the defect is a more equitable measure of damages.

c. In addition to any other period for the commencement of an action permitted by law, an action for contribution or indemnification may be commenced at any time prior to the expiration of one year after the entry of judgment in an action for damages under paragraph b of this subdivision.

5. Except as otherwise provided in section seven hundred seventy-seven-b of this article, any provision of a contract or agreement for the sale of a new home which excludes or modifies a housing merchant implied warranty shall be void as contrary to public policy.

6. Except as otherwise provided in section seven hundred seventy-seven-b of this article, other implied warranties may arise from the terms of the contract or agreement or from course of dealing or usage of trade.

777-b. Exclusion or modification of warranties.

1. Except in the case of a housing merchant implied warranty, the builder or seller of a new home may exclude or modify all warranties by any clear and conspicuous terms contained in the written contract or agreement of sale which call the buyer's attention to the exclusion or modification of warranties and make the exclusion or modification plain.

2. Except in the case of a housing merchant implied warranty, the builder or seller of a new home may exclude or modify warranties with respect to particular defects by any clear and conspicuous terms contained in the written contract or agreement of sale which identify such defects, call the buyer's attention to the exclusion or modification of warranties and make the exclusion or modification plain.

3. A housing merchant implied warranty may be excluded or modified by the builder or seller of a new home only if the buyer is offered a limited warranty in accordance with the provisions of this subdivision.

a. A copy of the express terms of the limited warranty shall be provided in writing to the buyer for examination prior to the time of the buyer's execution of the contract or agreement to purchase the home.

b. A copy of the express terms of the limited warranty shall be included in, or annexed to and incorporated in, the contract or agreement.

c. The language of the contract or agreement for sale of the home must conspicuously mention the housing merchant implied warranty and provide that the limited warranty excludes or modifies the implied warranty. Language to exclude all implied warranties is sufficient if it states, for example, that "There are no warranties which extend beyond the face hereof."

d. The limited warranty shall meet or exceed the standards provided in subdivisions four and five of this section.

4. A limited warranty sufficient to exclude or modify a housing merchant implied warranty must be written in plain English and must clearly disclose:

a. that the warranty is a limited warranty which limits implied warranties on the sale of the home; the words "limited warranty" must be clearly and conspicuously captioned at the beginning of the warranty document;

b. the identification of the names and addresses of all warrantors;

c. the identification of the party or parties to whom the warranty is extended and whether it is extended to subsequent owners; the limited warranty must be extended to the first owner of the home and survive the passing of title but may exclude any or all subsequent owners;

d. a statement of the products or parts covered by the limited warranty;

e. the clear and conspicuous identification of any parts or portions of the home or premises that are excepted or excluded from warranty coverage, and the standards that will be used to determine whether a defect has occurred; provided, however, that:

i. any exception, exclusion or standard which does not meet or exceed a relevant specific standard of the applicable building code, or in the absence of such relevant specific standard a locally accepted building practice, shall be void as contrary to public policy and shall be deemed to establish the applicable building code standard or locally accepted building practice as the warranty standard; and

ii. any exception, exclusion or standard that fails to ensure that the home is habitable, by permitting conditions to exist which render the home unsafe, shall be void as contrary to public policy.

f. what the builder and any other warrantor will do when a defect covered by the warranty does arise, and the time within which the builder and any other warrantor will act;

g. the term of the warranty coverage and when the term begins, provided, however, that such term shall be equal to or exceed the warranty periods of a housing merchant implied warranty, as defined in subdivision one of section seven hundred seventy-seven-a of this article;

h. step-by-step claims procedures required to be undertaken by the owner, if any, including directions for notification of the builder and any other warrantor; an owner shall not be required to submit to binding arbitration or to pay any fee or charge for participation in nonbinding arbitration or any mediation process;

i. any limitations on or exclusions of consequential or incidental damages, and any limitations on the builder's and other warrantor's total liability, conspicuously expressed on the first page of the warranty. Notwithstanding the foregoing, a limited warranty shall not be construed to permit any limitation on or exclusion of property damage to the home proximately caused by a breach of the limited warranty, where the court finds that such limitation or exclusion would cause the limited warranty to fail of its essential purpose, except that such property damage may be limited by an express limitation on the builder's or other warrantor's total liability in accordance with the provisions of this paragraph.

5. a. This article shall not be construed to authorize or validate any covenant, promise, agreement or understanding which is void and unenforceable under Section 5-322.1 of the general obligations law.

b. This article shall preempt any local law inconsistent with the provisions of this article. This article shall not preempt any builder subject to its provisions from complying with any local law with respect to the regulation of home builders except as expressly provided herein.

c. Nothing in this article shall be construed to repeal, invalidate, supersede or restrict any right, liability or remedy provided by any other statute of the state, except where such construction would, as a matter of law, be unreasonable.