
**CONDOMINIUM OFFERING PLAN FOR
THE MATTEO CONDOMINIUM**

323 East 79th Street
New York, NY 10075
NEW YORK COUNTY

Residential Units	14	\$59,025,000.00
Storage Units	10	\$ 250,000.00
Total Amount of Offering		\$59,275,000.00

SPONSOR & SELLING AGENT:

Boomerang 79 LLC
68 34th Street, Suite 514
Brooklyn, NY 11232
(917) 747-1056

DATE OF ACCEPTANCE FOR FILING IS _____.
**THIS PLAN MAY NOT BE USED FOR MORE THAN TWELVE (12) MONTHS FROM
SUCH DATE UNLESS EXTENDED BY A DULY FILED AMENDMENT.
SEE PAGE 3 FOR SPECIAL RISKS TO PURCHASERS**

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

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

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PART I

SPECIAL RISKS

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

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

If Sponsor opts to rent, rather than sell, the Residential Units, the Plan may not result in the creation of a condominium in which a majority of the Residential Units are owned by owner-occupants or investors unrelated to Sponsor. Under such circumstances, Sponsor will be under no obligation to sell more than 15% of the Residential Units necessary to declare the Plan effective, i.e., three (3) Residential Units.

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

Because Sponsor is reserving the right to rent Residential Units after the Offering Plan has been consummated in the event that offers to buy all Unsold Residential Units are decreased by at least 25% from the offering prices listed in Schedule A, Purchasers for their own occupancy may never gain control of the board of managers under the terms of the Plan, and Owner-occupants and non-resident owners, such as Sponsor, may have inherent conflicts on management of the Condominium.

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

2. Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on purchase financing. Such restrictions include

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

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

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

If

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

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

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

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

then Purchaser will have a right of rescission until the midnight of the fifteenth day following the Commitment Date. Purchaser or Purchaser’s attorney must either [i] personally deliver a written notice of rescission to Sponsor’s attorney prior to the midnight of said fifteenth day, [ii] mail the notice of rescission by certified or registered mail, return receipt requested, to Sponsor’s attorney, so that mailing is post-marked by post-office prior to the midnight of said

fifteenth day, or [iii] send the notice of rescission to Sponsor's attorney by an email set forth in the Purchase Agreement, prior to the midnight of said fifteenth day. If Purchaser fails to give timely notice of cancellation, then Purchaser will be deemed to have waived Purchaser's right to cancel the Purchase Agreement and to receive a refund of the deposit by reason of the contingency.

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

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

4. (a) Sponsor has obtained the acquisition loan in the amount of \$6,958,665.62 (hereinafter called the "Acquisition Loan") from S3 RE 323 E 79TH FUNDING LLC, a Delaware limited liability company, having an address at 535 Madison Avenue, 19th Floor, New York, NY 10022.

Upon the sale of a Unit, Sponsor shall be entitled to a release of the Unit from the lien of S3 RE 323 E 79TH FUNDING LLC's mortgage immediately upon receipt of payment equal to a release price set forth in the loan documents. The offering prices in Schedule A are in excess of the release prices in the loan documents.

Except for a required payment per sale stated above, S3 RE 323 E 79TH FUNDING LLC did not establish any terms pertaining to Sponsor's obligation to market the Units for sale, including any minimum number or percentage of Units which must be under contract before the Plan can be declared effective. Nor did S3 RE 323 E 79TH FUNDING LLC impose limits or requirements for Sponsor to rent rather than sell the Units under specified market conditions.

The Acquisition Loan may only be paid down to the extent Sponsor sells the Units and, thus, Sponsor's decision to rent rather than sell the Units will delay the discharge of the Acquisition Loan. However, such delay will not affect Unit Owners.

(b) Sponsor has obtained the construction loan in the amount of \$13,953,306.25 (hereinafter called the "Construction Loan") from S3 RE 323 E 79TH FUNDING LLC, a Delaware limited liability company, having an address at 535 Madison Avenue, 19th Floor, New York, NY 10022.

Upon the sale of a Unit, Sponsor shall be entitled to a release of the Unit from the lien of S3 RE 323 E 79TH FUNDING LLC's mortgage immediately upon receipt of payment equal to a release price set forth in the loan documents. The offering prices in Schedule A are in excess of the release prices in the loan documents.

Except for a required payment per sale stated above, S3 RE 323 E 79TH FUNDING LLC did not establish any terms pertaining to Sponsor's obligation to market the Units for sale, including any minimum number or percentage of Units which must be under contract before the Plan can be declared effective. Nor did S3 RE 323 E 79TH FUNDING LLC impose limits or requirements for Sponsor to rent rather than sell the Units under specified market conditions.

The Construction Loan may only be paid down to the extent Sponsor sells the Units and, thus, Sponsor's decision to rent rather than sell the Units will delay the discharge of the Construction Loan. However, such delay will not affect Unit Owners.

(c) Sponsor has obtained the project loan in the amount of \$5,088,028.13 (hereinafter called the "Project Loan") from S3 RE 323 E 79TH FUNDING LLC, a Delaware limited liability company, having an address at 535 Madison Avenue, 19th Floor, New York, NY 10022.

Upon the sale of a Unit, Sponsor shall be entitled to a release of the Unit from the lien of S3 RE 323 E 79TH FUNDING LLC's mortgage immediately upon receipt of payment equal to a release price set forth in the loan documents. The offering prices in Schedule A are in excess of the release prices in the loan documents.

Except for a required payment per sale stated above, S3 RE 323 E 79TH FUNDING LLC did not establish any terms pertaining to Sponsor's obligation to market the Units for sale, including any minimum number or percentage of Units which must be under contract before the Plan can be declared effective. Nor did S3 RE 323 E 79TH FUNDING LLC impose limits or requirements for Sponsor to rent rather than sell the Units under specified market conditions.

The Project Loan may only be paid down to the extent Sponsor sells the Units and, thus, Sponsor's decision to rent rather than sell the Units will delay the discharge of the Project Loan. However, such delay will not affect Unit Owners.

Please see "Introduction" and "Rights and Obligations of Sponsor" Sections of the Plan.

5. The Property is located in Flood Zone X on FEMA Map Number 3604970089F, effective on September 5, 2007. The Property is designated as an area of minimal flood hazard on the currently effective FEMA's Flood Insurance Rate Map. There is no mandatory flood insurance requirement for Flood Zone X. Please see "Description of Property and Improvements" and "Footnotes to Schedule B" Sections of the Plan.

6. Environmental Conditions. According to information in a December 2020 Phase I Environmental Site Assessment that was prepared for the site, the Property was first developed prior to 1896, and is shown on the 1896 Sanborn® fire insurance map as a 4-story building that by 1911 had been identified as residential. Subsequent uses that were identified for the site included a restaurant and meeting space for a cultural/social club. The site is located in a predominantly residential area of Manhattan. No environmental concerns associated with historic uses of the site were identified.

A regional plume of groundwater contaminated by volatile organic compounds (VOCs) and several current and former dry-cleaning facilities were identified within the vicinity of the site. These items were identified as potential sources of VOCs that could migrate into a building at the site via a process known as vapor intrusion.

According to the July 2010 report describing investigation of the regional VOC plume, chlorinated VOCs, specifically tetrachloroethene (a degreasing agent and dry-cleaning solvent), and its breakdown products trichloroethene, cis-1,2-dichloroethene, and vinyl chloride, were detected in groundwater at concentrations exceeding New York State groundwater standards; the sources of these VOCs have not identified by the New York State Department of Environmental Conservation (NYSDEC). Based on sampling conducted in 2010 on behalf of the NYSDEC, the plume was determined to be generally bounded by East 78th Street to the north, East 75th Street to the south, FDR Drive to the east, and 2nd Avenue to the west. The plume area does not underlie the site and the impacted groundwater is not expected to migrate beneath the site. Since the use of groundwater for potable purposes is prohibited in New York City, no impacts from the impacted groundwater are expected to people, animals, and plants via ingestion or direct exposure (the 2010 sampling report for the NYSDEC also concluded that exposure to impacted groundwater is unlikely).

However, based on levels of VOCs that exceed New York State groundwater standards in the site vicinity (approximately 300 feet), the potential existed that the VOCs in groundwater could be transferred to soil vapor, which could then migrate into the site building via a process known as vapor intrusion. In order to assess whether the regional VOC plume and any undiscovered releases from the identified historic and current dry cleaners in the site vicinity were negatively impacting indoor air quality within the site building, a Soil Vapor Intrusion Investigation was conducted by Athenica in January 2021. This investigation included installing two temporary soil vapor sampling points through the basement foundation, and collecting two soil vapor samples, one indoor ambient air sample, and one outdoor ambient air sample. Each of these samples was submitted to a New York State Department of Health-approved environmental laboratory for analysis of VOCs. The analytical results showed that vapor intrusion is not a concern for the site, and no further actions were recommended regarding environmental conditions at the site. As a result, there are no restrictions or actions that are required for the site due to environmental conditions.

Please see “Location and Area Information” Section of the Plan. Please also see the Architect’s Report of David Brown, R.A. in Part II of the Plan.

7. There are two (2) easements on the Property.

(a) The Party Wall Easement Agreement was dated March 3, 2021 and recorded on April 1, 2021 in the Office of the City Register of the City of New York in CRFN 2021000118404 (hereinafter called “Easement Agreement 1”).

The Easement Agreement 1 was made between 325 East 79th Street Owners Corp., the owners of and their successors in interest to the property located at 325 East 79th Street, New York, NY 10075 (Lot 14 in Block 1542) (hereinafter called “Parcel A”) and SR79 LLC, the

Sponsor's predecessor in interest and its successors in interest to the property, located at 323 East 79th Street, New York, NY 10075 (Lot 13 in Block 1542) (hereinafter called "Parcel B"), (hereinafter collectively called the "Parties").

Parcel A adjoins Parcel B. There presently exists a wall lying on the line dividing the parcels of land of the Parties, which is the Westerly wall of Parcel A. SR79 LLC, the Sponsor's predecessor in interest and its successors in interest to Parcel B, desired to use the Westerly wall of Parcel A as the Easterly wall of Parcel B, so that the wall shared by Parcels A and B was to become a party wall.

The Parties mutually covenanted and agreed for themselves, their respective heirs, legal representatives, successors and assigns, as follows:

The wall shared by Parcels A and B shall be used and maintained as a party wall forever and the Parties shall be licensed and permitted to enter upon the premises of Parcels A and B to make necessary excavations for the construction, maintenance and repair of the wall.

The location of the wall is more particularly described as follows:

BEGINNING at a point on the Northerly side of East 79th Street, distant 316 feet 8 inches from the corner of 79th Street and First Avenue, running parallel with East 79th Street, 1 foot 2 inches and more particularly shown on the survey M 1542-13-PWE prepared on January 10, 2020.

If and when the wall is rebuilt, it shall stand upon the same place and be of the same or similar materials and of the same proportions as the wall described above.

The Easement Agreement 1 may not be modified, amended or terminated without the prior written consent of the Department of Buildings. Further, applications for permits to demolish either of the buildings which are the subject of the Easement Agreement 1 and/or removal of the party wall provided for in the Easement Agreement 1 must clearly indicate the party wall on application plans.

The covenants set forth herein shall run with the land and be binding upon and inure to the benefit of the Parties and their respective heirs, legal representatives, successors and assigns.

Failure to comply with the terms of the Easement Agreement 1 may result in the revocation of a building permit or certificate of occupancy.

The Easement Agreement 1 was recorded on April 1, 2021 in the Office of the City Register of the City of New York in CRFN 2021000118404. The cross-reference number and title of the Easement Agreement 1 shall be cited on each temporary and permanent certificate of occupancy hereafter issued to Parcels A and B.

(b) The Party Wall Easement Agreement was dated December 23, 2020 and recorded on April 1, 2021 in the Office of the City Register of the City of New York in CRFN 2021000118405 (hereinafter called "Easement Agreement 2").

The Easement Agreement 2 was made between Gigi Realty Co., LLC, the owners of and their successors in interest to the property located at 321 East 79th Street, New York, NY 10075 (Lot 12 in Block 1542) (hereinafter called "Parcel A") and SR79 LLC, the Sponsor's predecessor in interest and its successors in interest to the property, located at 323 East 79th Street, New York, NY 10075 (Lot 13 in Block 1542) (hereinafter called "Parcel B"), (hereinafter collectively called the "Parties").

Parcel A adjoins Parcel B. There presently exists a wall lying on the line dividing the parcels of land of the Parties, which is the Easterly wall of Parcel A. SR79 LLC, the Sponsor's predecessor in interest and its successors in interest to Parcel B, desired to use the Easterly wall of Parcel A as the Westerly wall of Parcel B, so that the wall shared by Parcels A and B was to become a party wall.

The Parties mutually covenanted and agreed for themselves, their respective heirs, legal representatives, successors and assigns, as follows:

The wall shared by Parcels A and B shall be used and maintained as a party wall forever and the Parties shall be licensed and permitted to enter upon the premises of Parcels A and B to make necessary excavations for the construction, maintenance and repair of the wall.

The location of the wall is more particularly described as follows:

BEGINNING at a point on the Northerly side of East 79th Street, distant 343 feet 5 inches from the corner of 79th Street and First Avenue, running parallel with East 79th Street, 1 foot 4 inches and more particularly shown on the survey M 1542-13-WPWE prepared on January 10, 2020.

If and when the wall is rebuilt, it shall stand upon the same place and be of the same or similar materials and of the same proportions as the wall described above.

The Easement Agreement 2 may not be modified, amended or terminated without the prior written consent of the Department of Buildings. Further, applications for permits to demolish either of the buildings which are the subject of the Easement Agreement 2 and/or removal of the party wall provided for in the Easement Agreement 2 must clearly indicate the party wall on application plans.

The covenants set forth herein shall run with the land and be binding upon and inure to the benefit of the Parties and their respective heirs, legal representatives, successors and assigns.

Failure to comply with the terms of the Easement Agreement 2 may result in the revocation of a building permit or certificate of occupancy.

The Easement Agreement 2 was recorded on April 1, 2021 in the Office of the City Register of the City of New York in CRFN 2021000118405. The cross-reference number and title of the Easement Agreement 2 shall be cited on each temporary and permanent certificate of occupancy hereafter issued to Parcels A and B.

Please see “Description of Property and Improvements”, “Terms of Sale” and “Rights and Obligations of Sponsor” Sections of the Plan. Please also see Section 10 of the Declaration of the Condominium in Part II of the Plan where the easements will be recorded.

8. Each Residential Unit will contain a laundry closet with hookups for a domestic type electric washer and electric dryer. Sponsor will provide and equip each Residential Unit with a washer and electric condensing or heat pump type dryers which require no venting. Sponsor will also provide and equip each Residential Unit with a refrigerator, gas range, ventilation hood, dishwasher, and microwave. A range and refrigerator are the appliances required to obtain a temporary certificate of occupancy for the Building. Please see “Description of Property and Improvements” Section of the Plan.

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

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

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

10. New York City Local Law 11/98 “Facade Inspection Safety Program” is applicable to the Condominium. It requires that owners of buildings with six or more stories above grade have their exterior walls and appurtenances thereof inspected by a registered architect or professional engineer every five (5) years. On the fifth anniversary of an initial temporary or final certificate of occupancy issued for the Building and every five (5) years thereafter, the Board of Managers will retain a registered architect or professional engineer who will inspect the exterior walls of the Building and appurtenances thereof, prepare a report of an inspection and file a report with the Commissioner of the New York City Department of Buildings. Each inspection by a registered architect or professional engineer to comply with New York City Local Law 11/98 will cost the Condominium the approximate sum of \$2,500.00.

Upon the inspection of the building façade, an inspector will assign one of the following categories:

- Safe: No problems and in good condition (OK);
- Safe With a Repair and Maintenance Program (SWARMP);
- Unsafe: Problems/defects threaten public safety (UN).

Façades designated as SWARMP require repairs within one to five years in order to prevent a potential unsafe condition. Unsafe façades require public protection such as a sidewalk shed.

The New York City Department of Buildings categorizes a property as No Report Filed (NR) if no report was submitted. Please see “Description of Property and Improvements” Section of the Plan.

11. The Building will comply with the gas leak notice law under the New York City Administrative Code. Please see “Description of Property and Improvements” Section of the Plan.

12. The New York City Department of Buildings has designated the floors beginning with the ground level floor, as Floor 1, with each floor above numbered sequentially. For purposes of this Plan, the option agreement and any related documents, Sponsor has used the same designation, except that for selling purposes, no thirteenth floor designation will be used, and that the floors designated by the New York City Department of Buildings as Floor 13 and above are designated herein as Floor 14 and above. All references to floors in the Description of Property and Specifications or Building Condition will be to construction floors unless noted otherwise. Please see “Description of Property and Improvements” Section of the Plan. Please also see “Description of Property and Specifications or Building Condition” in the Architect’s Report of David Brown, R.A., in Part II of the Plan.

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

All areas and dimensions are approximate and are subject to immaterial construction tolerances and variances. The floor area of each Residential Unit is approximate within reasonable tolerances and it is calculated as follows.

Each Residential Unit consists of the area measured horizontally from the exterior side of the exterior walls to the centerline of the partitions separating one Unit from another Unit or separating a Unit from a public corridor or Common Element, and solely with respect to the roof, to the centerline of the partitions enclosing mechanical equipment spaces and elevator overrun shaft way. Elevator shaft, stairways, egress corridors, columns, mechanical pipes, shafts, shaft ways, chases, chase ways and conduits are not deducted from the measurement of the Unit.

Each Residential Unit consists of the area measured vertically from the top of the floor (located under the finished floor and sub-flooring materials) to the underside of the ceiling slab above. These square footages exceed the usable floor area of each Unit. Floor area may include columns, mechanical pipe shafts, shaft ways, chases, chase ways, elevator shafts, stairways and conduits which may be incorporated behind protruding walls or may be separately enclosed as freestanding columns thereby reducing the available floor area.

The clearance between the top of the floor slab on one floor and the top of the floor slab on the next floor will vary among Units, and certain Units may have less or an area of lesser clearance because of the presence of beams and/or mechanical spaces than other similarly

situated Units; similarly, wall configurations may vary between similarly situated Units because of the presence of beams and/or mechanical spaces. Certain rooms within a Unit may have lesser ceiling clearances or different wall configuration than other rooms within the Unit as a result of construction variances, the presence of beams and/or mechanical spaces within such Units, to accommodate facilities located above the same or otherwise to respond to field conditions. Such ceiling and wall variances between Units and rooms within Units to accommodate described facilities are normal and customary in construction of this nature and shall not be taken into account when calculating square footage, except to the extent of an actual loss of floor area in a Unit.

The terrace appurtenant to a Residential Unit is measured from the exterior measurement line of the Unit to which it is appurtenant to the outside faces of the copings of the terrace wall or partition, and/or the center line of any dividing wall or partition between terraces.

The Limited Common Elements are not included in the dimensions.

Any Common Elements located within a Unit shall not be considered as part of that Unit.

The approximate measurements are within reasonable tolerances.

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

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

14. With regard to the size of a Unit, a decrease in a Unit's area of five percent (5%) or less will not affect Purchaser's obligations unless such decrease is determined to be a material change. There is a rebuttable presumption that a Unit's size that is diminished by five percent (5%) or less is not material. Please see "Changes in Prices and Units" Section of the Plan.

15. There will be two (2) common interior staircases providing egress from the cellar to the roof in the common stair hall. There will also be one (1) interior convenience staircase internal to Residential Unit 1 connecting the first and second floors of Residential Unit 1. The staircases will be in compliance with all applicable codes. Please see "Description of Property and Improvements" Section of the Plan.

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

Please see “Description of Property and Improvements”, “Footnotes to Schedule A” and “Rights and Obligations of the Unit Owners and the Board of Managers” Sections of the Plan.

17. The Building will contain the cellar. The cellar has less light and air than ordinary living space and it is more susceptible to dampness. The cellar is Accessory Use Only – Not to be used for Sleeping, Cooking and/or Living purposes and will not be rented independently. Please see “Introduction”, “Description of Property and Improvements” and “Footnotes to Schedule A” Sections of the Plan.

18. Protected Openings and Lot Line Windows. The Building will have lot line windows, located on the west façade of the Building, starting at the seventh actual construction floor up to the fifteenth actual construction floor. The Residential Units 7, 8, 9, 10, 11, 12, 14, 15, and 16 will have the lot line windows. The Residential Units 7, 8, 9, 10, and 11 will have three (3) lot line windows each. The Residential Units 12, 14, 15, and 16 will have six (6) lot line windows each.

The lot line windows do not count toward light and air calculations. The lot line windows meet the requirements permitted for Occupancy R-2; the openings do not exceed 10% of the façade area of the story in which they are located.

The lot line windows, including their dimensions and locations, are more particularly described in the Architect’s Report of David Brown, R.A., and floor plans in Part II of the Plan.

The lot line windows are protected by an approved water curtain using automatic sprinklers approved for that use and installed in accordance with NFPA 13 as modified in Appendix Q (per section 705.8.2 of the New York City Building Code 2014). The Building is fully sprinklered. Any floor openings from one floor to the next and any lot line windows will have closely spaced sprinkler heads around the opening spaced six (6) feet on center as required by code to protect the opening.

The lot line windows within a 60’-0” diameter from the adjacent building comply with percentage of glazed area allowable per each story. The actual construction floors 7-11 are within 60’-0” diameter of the adjacent building and each story has a 9% glazed area which does not exceed 10% of façade area of the story in which they are located.

If a building is constructed on the adjacent property alongside the lot line windows, thereby blocking them, the lot line windows will be required to be removed and infilled with fire-rated materials. The wall construction type is to match the adjacent wall type (3-5/8” brick, air space, insulation, air/vapor barrier, exterior sheathing, 6” stud with insulation, and interior gypsum wallboard) and is to be 3-hour fire-rated. The Unit Owners of a Residential Unit with the lot line windows will be responsible for in-filling them at their own cost and expense. The current anticipated cost of infilling a lot line window is estimated to be \$2,500.00 per window.

If the neighboring lot is developed, thereby blocking the lot line windows, the Unit Owners of the Residential Units with the lot line windows will have the loss of light and air as well as the obligation to seal the lot line windows and associated additional expenses. Please see

“Description of Property and Improvements” Section of the Plan. Please also see the Architect’s Report of David Brown, R.A., and floor plans in Part II of the Plan.

19. The Building will have one (1) common outdoor roof terrace, one (1) storage area, one (1) bicycle storage area, and one (1) mail room. The common roof terrace, storage area, and bicycle storage area will be fully operational as of the date of the commencement of condominium operation. It is not expected that the budget and common charges will increase in the second year of the operations due to availability of amenities. Please see “Description of Property and Improvements” and “Rights and Obligations of Sponsor” Sections of the Plan.

20. The storm drainage system will consist of roof drains. There are multiple roof drains provided that are connected to internal leaders and adequate for area drainage of the roof. The roof drains are Duco cast iron and are piped to cast iron roof leaders located within the building envelope. The adequate drainage is also provided for each residential balcony and terrace.

Roof parapet construction is a continuation of the exterior wall; it will be a watertight system that includes waterproofing, insulation flashing and is finished with pavers. The material will be modified bituminous membrane roofing system, with pitched concrete topping slab. Overburden assemblies shall include drainage mat material beneath the insulation and filter fabric above the insulation. Overburden types will include porcelain pavers. The roof surface will be finished with porcelain pavers with pedestals, or equal, and planting. The roofs over mechanical bulkheads will be constructed of concrete.

No bond or guarantee will be furnished other than: (a) modified bituminous membrane roofing system, manufacturer’s warranty – limited service warranty issued by manufacturer for 20 years from date of substantial completion; includes all roofing assembly components regardless of manufacturer of individual components with no dollar limit; (b) Installer’s Warranty, issued by installer for period of two (2) years; includes entire installation and roofing membrane assembly, including base flashing with no dollar limit.

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

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

22. The Building will have one (1) storage area, located in the cellar of the Building. The storage area will contain ten (10) storage spaces, i.e., S1, S2, S3, S4, S5, S6, S7, S8, S9, and S10 (hereinafter called “Storage Unit” or “Storage Units” where applicable). The Storage Units will be storage bins that will be metal cages with enclosure on five sides. The storage bins will be equipped with sprinklers.

The dimensions of each Storage Unit are specified in Schedule A.

They will be sold on a “first-come, first-served” basis.

A Storage Unit can only be purchased by a Residential Unit Owner.

Each Storage Unit S1-S10 may be used solely for storage of personal effects of the Owners of the Storage Unit. In no event shall any (a) valuable items, (b) animals, (c) food or other perishable items, (d) hazardous substances, (e) flammable, combustible, explosive or other dangerous items, (f) items which have an objectionable odor or which may spoil or decay, or (g) items which may impose a health or safety threat or cause dirt or other sanitary problems or create a nuisance, be stored therein. A Storage Unit may not be legally used for any residential uses including bedroom, dining room, or any other use considered to be a habitable space as defined by the New York City Building Code. The use of a Storage Unit as a living or sleeping space may result in a building code violation being issued against the Building and the imposition of fines against the Building. The Unit Owner, who caused the violation, will be obligated to remove it and pay all fines associated with the violation.

No closing of title to a Storage Unit will take place until a certificate of occupancy for the Building will be issued. There is no limit on how many Storage Units can be purchased by a prospective Purchaser.

Please see “Introduction”, “Description of Property and Improvements”, and “Footnotes to Schedule A” Sections of the Plan.

23. Sponsor anticipates that the construction of the Building will be completed by March 31, 2023. However, Sponsor makes no representation or warranty that the Units will be completed by said date.

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

Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a final certificate of occupancy, (hereinafter called “FCO”), covering the entire building but with only a temporary certificate of occupancy, (hereinafter called “TCO”), and sometimes with several successive temporary certificates of occupancy. Certificates of occupancy are general governed by Section 301 of the Multiple Dwelling Law of the State of New York and local building codes and rules. Both TCOs and FCOs are issued by the New York City Department of Buildings, (hereinafter called “DOB”). A TCO is intended to indicate that the property conforms substantially to the DOB approved plans and specifications, and to the requirement of all applicable laws, rules, and regulations for the uses and occupancies specified in the TCO. No change of use or occupancy shall be made unless a new certificate of occupancy is issued. All TCOs have an expiration date. A TCO typically expires 90 days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance, or sell units. In New York City, it is common for sponsors to commence unit closings when some or all units are covered by a TCO rather than an FCO. Sponsor anticipates this scenario to occur. Sponsor and

its principals will undertake the responsibility for extending each TCO received prior to expiration thereof, and ultimately for obtaining an FCO covering the entire Building. However, Sponsor and its principals make no representation or guarantee that DOB will issue the FCO within two years, which is the timeframe anticipated by the Multiple Dwelling Law for issuance of an FCO. NOTWITHSTANDING THE FOREGOING, SPONSOR AND ITS PRINCIPALS ARE OBLIGATE TO PROCURE THE FINAL CERTIFICATE OF OCCUPANCY FOR THE ENTIRE BUILDING, AND SHALL EXERCISE BEST EFFORTS TO OBTAIN THE FCO WITHIN SUCH TWO-YEAR PERIOD WHILE KEEPING THE TCO CURRENT. Unit Owners and the Board of Managers shall be obligated to cooperate with and refrain from obstructing Sponsor in these undertakings.

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

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

<https://www1.nyc.gov/site/buildings/homeowner/certificate-of-occupancy.page>

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

24. No real estate tax abatement benefits will be available to the Units.

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

Please see Footnote 6 to Schedule A, Schedule A and “Real Estate Taxes” Sections of the Plan.

25. On January 1, 2018, the Tax Cuts and Jobs Act of 2017 went into effect. This federal law significantly changed the previously existing Internal Revenue Code, including the taxes and deductions related to homeownership. Purchasers are advised to consult with a tax expert regarding whether the new law will affect the purchaser’s taxes. Please see “Footnotes to Schedule A” and “Income Taxes Deductions to Unit Owners and Tax Status of Condominium” Sections of the Plan. Please also see “Tax Opinion of Counsel”.

26. Repairs to the Common Elements of the Condominium (unless such repairs are a result of faulty construction by Sponsor), which go beyond that can be handled by a janitor, will be performed by outside construction companies hired by either the Board of Managers of the

Condominium or Managing Agent, as agent for the Board, both during and after the Sponsor control period. The costs for the repairs are not a line item in the budget. In such a case, special assessments may be imposed to pay for these costs. These repairs do not include repairs that are necessary as a result of faulty construction by Sponsor. Sponsor will remain obligated and be responsible to perform such repairs. Please see “Footnotes to Schedule B” Section of the Plan.

27. A Unit Owner must grant a right of access to his or her Unit or Limited Elements appurtenant to the Unit, to the other Unit Owner, to the manager and/or the managing agent and/or any other person authorized by the Board of Managers, for the purpose of making inspections or for the purpose of correcting any condition originating in his or her Unit and threatening another Unit, a Common Element or a Limited Common Element, or for the purpose of performing installations, alterations or repairs to the Common Elements the Limited Common Elements or elsewhere in the Building, or remedying any condition which would violate the provisions of any mortgage encumbering another Unit, or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof, or to cure any defaults by a Unit Owner, or to cure any violations of a building code, or for any other purposes permitted by the By-Laws, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. In the event of the exercise of the right of access provided for in Section 15 of the By-Laws, any costs for repairs shall be borne in accordance with the provisions of Section 10 of Article VI of the By-Laws. Please see “Rights and Obligations of Sponsor” and “Rights and Obligations of the Unit Owners and the Board of Managers” Sections of the Plan. Please also see Sections 10 and 15 of Article VI of the By-Laws in Part II of the Plan.

28. Residential Unit 15 shall be subject to an easement in favor of the Board of Managers of the Condominium to provide access to perform periodic washdown of the trash chute. The Owners of Residential Unit 15 will be given at least seven (7) day prior written notice of such access. Please see “Rights and Obligations of Sponsor” and “Rights and Obligations of the Residential Unit Owners and the Board of Managers” Sections of the Plan. Please also see Section 10 of the Declaration of the Condominium in Part II of the Plan where the easement will be recorded.

29. Sponsor has discretion not to offer pre-closing possession pursuant to an interim lease.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Please see "Procedure to Purchase" Section of the Plan.

33. Purchaser shall also be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in defending Sponsor's rights under the Purchase Agreement or, in the event Purchaser defaults under the Purchase Agreement beyond any applicable grace period, in canceling the Purchase Agreement or otherwise enforcing Sponsor's rights or Purchaser's obligations under the Purchase Agreement if Sponsor prevails in any such dispute or successfully defends itself. Please see "Procedure to Purchase" Section of the Plan.

34. After the Plan has been declared effective, Sponsor will fix dates for closing title to all Units for which Purchase Agreements have been executed by serving notice to each Purchaser stating the date of the first closing and setting such Purchaser's closing date no less than thirty (30) days before the date set for the closing of the Units. The notice will comply with 13 N.Y.C.R.R. §20.1(d)(1). Please see "Procedure to Purchase" Section of the Plan.

35. Sponsor anticipates that the first closing of a Residential Unit will occur by July 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 June 30, 2024, twelve (12) months after the projected date for the first Residential Unit closing. If the Plan is amended to provide for a later projected date for the first Residential Unit closing, Purchasers will be entitled to an offer of rescission if the first Residential Unit closing occurs more than twelve (12) months beyond that amended, later day. Purchasers who enter into a Purchase Agreement after the Plan has been amended to provide for a later date would be entitled to an offer of rescission if the first Unit closing occurs more than twelve (12) months beyond that amended, later day.

However, if the first Residential Unit closing occurs before June 30, 2024, Sponsor may schedule the closings of title to other Units significantly later than such date. Unless your Purchase Agreement contains an outside closing date, Sponsor is not obligated to schedule your closing within any specified time frame or to ensure that closing of title to your Unit will occur within any specified time frame or to ensure that closing of title to your Unit will occur by any date certain.

Purchasers should note that even if the first Residential Unit closing occurs on or before July 1, 2023, (or such other date projected as the date of commencement of the operation at the time the Purchase Agreement was entered into) or within the twelve (12) month period thereafter, the closing of subsequent Units may be substantially delayed beyond such dates if a TCO has not been issued for such Units or for the floor on which such Units are located. In such case, provided that Sponsor is diligently pursuing completion of construction and the issuance of a certificate of occupancy and is otherwise in compliance with its obligations under the Plan, Purchaser will not be entitled to a right of rescission or to make claims against Sponsor for damages or losses as a result of such delays and will not be excused from paying the full purchase price for the Unit. **PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER THE POSSIBILITY OF SUCH DELAYS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT.**

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

36. If Purchaser refuses to execute the power of attorney to the Board of Managers and deliver it to the Selling Agent or Sponsor at the closing of his or her Unit, Purchaser will be in a default under the Purchase Agreement and Sponsor will have the right to retain the deposit and actual costs incurred by Sponsor for any upgrades, extras, special or custom work in the Unit ordered by Purchaser, as and for liquidated damages. Please see "Procedure to Purchase" Section of the Plan.

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

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

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

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

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

- (1) the purchaser is a legal entity as defined in the GTO, or through a trust;
- (2) the purchaser purchases residential real property located in the Boroughs of Bronx, Brooklyn, Queens, Manhattan, and Staten Island;
- (3) the purchase price is \$300,000.00 or more;
- (4) such purchase is made without a bank loan or other similar form of external financing; and
- (5) such purchase is made, at least in part, using currency or a cashier's check, a certified check, a traveler's check, a personal check, a business check, a money order in any form, a funds transfer, or virtual currency.

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

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

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

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

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

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

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

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

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

Purchaser will be required to pay the fee of \$3,950.00 to TSYNGAUZ & ASSOCIATES, P.C. for services rendered in connection with the preparation of the closing documents and the conduct of the closing. Purchaser will also be required to pay \$250.00 to TSYNGAUZ & ASSOCIATES, P.C. if the closing takes place outside the office of Sponsor's counsel at Purchaser's request and an additional \$250.00 to TSYNGAUZ & ASSOCIATES, P.C. if Purchaser fails to close on the date set forth in the notice of closing. Purchaser will also be required to pay an additional \$300.00 to TSYNGAUZ & ASSOCIATES, P.C. if Purchaser buys the Unit with financing. Please see "Unit Closing Costs and Adjustments" Section of the Plan.

40. The Housing Merchant Implied Warranty (Article 36-B of the General Business Law of the State of New York), does not apply to this offering because the Building consists of more than five (5) stories. Thus, Sponsor will not provide the warranty required by that Article.

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

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

At or prior to the closing of the Unit, Sponsor will assign any manufacturer's warranties with respect to equipment and appliances installed in the Unit to the Unit Owner and assign any warranties with respect to roof, equipment and appliances installed in the Common Elements to the Board of Managers. Sponsor will provide a warranty that for one (1) year from the date of a Temporary Certificate of Occupancy, the roof will be free from defects due to a failure to have been manufactured and installed in a skillful manner. Please see "Rights and Obligations of Sponsor" Section of the Plan.

41. No bond or other security has been posted to secure Sponsor's obligations under the Plan. The Sponsor has sufficient funds to comply with its obligations under the Plan. Please see "Rights and Obligations of Sponsor" Section of the Plan.

42. Sponsor or Sponsor-designee will retain the right to designate the members of the Board of Managers for three (3) years after the closing of title to the first Unit or whenever the Unsold Units constitute less than 50% of the Common Interests, whichever is sooner (hereinafter called "Sponsor Control Period").

Sponsor or Sponsor-designee, during the time there are Unsold Units, will have the right to, and intends to, vote the percentage of Common Interests allocated to such Units, but

subsequent to the expiration of the Sponsor's Control Period Sponsor or Sponsor-designee will not use such vote to elect a particular individual to the Board of Managers, which would, by the election of such individual, give Sponsor or Sponsor-designee control of the Board. So long as Sponsor or Sponsor-designee will continue to own Unsold Units Sponsor or Sponsor-designee will have the right to elect one (1) member of the Board of Managers. Please see "Control by Sponsor" Section of the Plan.

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

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

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

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

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

The By-Laws of the Condominium do not contain a provision that after the expiration of initial sponsor voting control period, a majority of the Board of Managers must be owner-occupants or members of an owner-occupant's household who are unrelated to Sponsor and its principals.

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

44. [A] Inhaling, exhaling, burning or carrying any lighted or heated cigar, cigarette, little cigar, pipe, water pipe or hookah, herbal cigarette, non-tobacco smoking product (e.g., marijuana or non-tobacco shisha), or any similar form of lighted object or device designed for people to use to inhale smoke, and [B] use of battery-operated devices that heat a liquid, gel, herb or other substance and produces vapor for people to inhale are not permitted:

- [i] inside of the Units;
- [ii] anywhere in the Limited Common Elements of the Units;
- [iii] anywhere inside of the Building;
- [iv] outdoor Common Elements, including play areas, rooftops, courtyards, patios, porches or yards; and
- [v] outdoors within 15 feet of entrances, exits, windows, and air intake units in the Building.

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

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

46. The Purchase Agreement contains a provision that prior to the Closing, Purchaser agrees not to list his or her Unit for resale or rental with any broker or to advertise or otherwise offer, promote or publicize the availability of the Unit for sale or lease, without Sponsor’s prior written consent, which consent may not be unreasonably withheld or delayed. Any listing of the Unit or form of advertising, promotion or publicizing of the Unit by Purchaser prior to the Closing shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in the Purchase Agreement. Please see “Procedure to Purchase” Section of the Plan. Please also see Section 21 of the Purchase Agreement in Part II of the Plan.

47. The Purchase Agreement contains a provision that Purchaser represents that Purchaser has not dealt with any broker in connection with this transaction other than the broker, if any, named in the Purchase Agreement, whose commissions shall be paid by Sponsor. Purchaser shall pay the commission of any broker with whom Purchaser may have dealt, other than the Broker. Purchaser agrees that, should any claim, arising in connection with the Purchaser’s broker’s scope of work for the Purchaser, be made against Sponsor for commissions by any broker on account of any acts of Purchaser or Purchaser’s representatives, Purchaser will indemnify and hold Sponsor free and harmless from and against any and all liabilities and

expenses in connection therewith, including reasonable legal fees. Sponsor may collect legal fees only if it prevails. The provisions of this provision shall survive the Closing. Please see “Procedure to Purchase” Section of the Plan. Please also see Section 22 of the Purchase Agreement in Part II of the Plan.

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

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

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

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

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

50. Pursuant to the By-Laws of the Condominium, any matter arising out of the Condominium Documents, except for an action to foreclose a lien for unpaid common charges

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

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

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

Options for appeal are limited for matters submitted to arbitration.

The arbitration provision does not relate to Purchase Agreements.

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

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

52. Refuse should not be placed on the sidewalk except on days of collection. Placing refuse on the sidewalk on days other than days of collection may result in a fine or penalty being levied against the Building. In turn, the Board of Managers will seek compensation for said fine or penalty from the Unit Owner, who caused said fine or penalty.

Please see “Rights and Obligations of the Unit Owners and the Board of Managers” Section of the Plan. Please also see “Rules and Regulations” Section of Part II of the Plan.

INTRODUCTION

Sponsor is offering for sale fourteen (14) residential units, (hereinafter called the “Residential Units” or a “Residential Unit” where applicable), and ten (10) storage units, located in the cellar of the Building, (hereinafter called the “Storage Units” or a “Storage Unit” where applicable), in the Building at the Property, located at 323 East 79th Street, New York, NY 10075 as a Condominium to be known as “The Matteo Condominium”, (hereinafter called the “Condominium”).

The following pertinent information is set forth with respect thereto:

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

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

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

3. Sponsor is Boomerang 79 LLC, having an address at 68 34th Street, Suite 514, Brooklyn, NY 11232. The Property consists of one (1) parcel, identified as Lot 13 in Block 1542 in the County of New York, City and State of New York. Sponsor acquired the Property on March 16, 2021. The Property consisted of one office building at the time of the acquisition.

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

If Sponsor opts to rent, rather than sell, the Residential Units, the Plan may not result in the creation of a condominium in which a majority of the Residential Units are owned by owner-occupants or investors unrelated to Sponsor. Under such circumstances, Sponsor will be under no obligation to sell more than 15% of the Residential Units necessary to declare the Plan effective, i.e., three (3) Residential Units.

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

Because Sponsor is reserving the right to rent Residential Units after the Offering Plan has been consummated in the event that offers to buy all Unsold Residential Units are decreased by at least 25% from the offering prices listed in Schedule A, Purchasers for their own occupancy may never gain control of the board of managers under the terms of the Plan, and Owner-occupants and non-resident owners, such as Sponsor, may have inherent conflicts on management of the Condominium.

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

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

For purposes of this Paragraph, "bulk sale" shall mean a sale of at least three (3) Residential Units to one Purchaser, which are not purchased for occupancy by the owner or one or more members of his or her immediate family.

There are no obligations imposed on Sponsor by S3 RE 323 E 79TH FUNDING LLC with regard to selling or renting the Units except for a required payment per sale set forth in Paragraph 6 below.

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

6. (a) Sponsor has obtained the acquisition loan in the amount of \$6,958,665.62 (hereinafter called the "Acquisition Loan") from S3 RE 323 E 79TH FUNDING LLC, a

Delaware limited liability company, having an address at 535 Madison Avenue, 19th Floor, New York, NY 10022.

Upon the sale of a Unit, Sponsor shall be entitled to a release of the Unit from the lien of S3 RE 323 E 79TH FUNDING LLC's mortgage immediately upon receipt of payment equal to a release price set forth in the loan documents. The offering prices in Schedule A are in excess of the release prices in the loan documents.

Except for a required payment per sale stated above, S3 RE 323 E 79TH FUNDING LLC did not establish any terms pertaining to Sponsor's obligation to market the Units for sale, including any minimum number or percentage of Units which must be under contract before the Plan can be declared effective. Nor did S3 RE 323 E 79TH FUNDING LLC impose limits or requirements for Sponsor to rent rather than sell the Units under specified market conditions.

The Acquisition Loan may only be paid down to the extent Sponsor sells the Units and, thus, Sponsor's decision to rent rather than sell the Units will delay the discharge of the Acquisition Loan. However, such delay will not affect Unit Owners.

(b) Sponsor has obtained the construction loan in the amount of \$13,953,306.25 (the "hereinafter called Construction Loan") from S3 RE 323 E 79TH FUNDING LLC, a Delaware limited liability company, having an address at 535 Madison Avenue, 19th Floor, New York, NY 10022.

Upon the sale of a Unit, Sponsor shall be entitled to a release of the Unit from the lien of S3 RE 323 E 79TH FUNDING LLC's mortgage immediately upon receipt of payment equal to a release price set forth in the loan documents. The offering prices in Schedule A are in excess of the release prices in the loan documents.

Except for a required payment per sale stated above, S3 RE 323 E 79TH FUNDING LLC did not establish any terms pertaining to Sponsor's obligation to market the Units for sale, including any minimum number or percentage of Units which must be under contract before the Plan can be declared effective. Nor did S3 RE 323 E 79TH FUNDING LLC impose limits or requirements for Sponsor to rent rather than sell the Units under specified market conditions.

The Construction Loan may only be paid down to the extent Sponsor sells the Units and, thus, Sponsor's decision to rent rather than sell the Units will delay the discharge of the Construction Loan. However, such delay will not affect Unit Owners.

(c) Sponsor has obtained the project loan in the amount of \$5,088,028.13 (hereinafter called the "Project Loan") from S3 RE 323 E 79TH FUNDING LLC, a Delaware limited liability company, having an address at 535 Madison Avenue, 19th Floor, New York, NY 10022.

Upon the sale of a Unit, Sponsor shall be entitled to a release of the Unit from the lien of S3 RE 323 E 79TH FUNDING LLC's mortgage immediately upon receipt of payment equal to a release price set forth in the loan documents. The offering prices in Schedule A are in excess of the release prices in the loan documents.

Except for a required payment per sale stated above, S3 RE 323 E 79TH FUNDING LLC did not establish any terms pertaining to Sponsor's obligation to market the Units for sale, including any minimum number or percentage of Units which must be under contract before the Plan can be declared effective. Nor did S3 RE 323 E 79TH FUNDING LLC impose limits or requirements for Sponsor to rent rather than sell the Units under specified market conditions.

The Project Loan may only be paid down to the extent Sponsor sells the Units and, thus, Sponsor's decision to rent rather than sell the Units will delay the discharge of the Project Loan. However, such delay will not affect Unit Owners. Please see "Rights and Obligations of Sponsor" Section of the Plan.

7. All equipment and fixtures described in the Plan are included in the offering prices of the Units. Each Residential Unit will contain a laundry closet with hookups for a domestic type electric washer and electric dryer. Sponsor will provide and equip each Residential Unit with a washer and electric condensing or heat pump type dryers which require no venting. Sponsor will also provide and equip each Residential Unit with a refrigerator, gas range, ventilation hood, dishwasher, and microwave. A range and refrigerator are the appliances required to obtain a temporary certificate of occupancy for the Building.

8. The Building will contain the cellar. The cellar has less light and air than ordinary living space and it is more susceptible to dampness. The cellar is Accessory Use Only – Not to be used for Sleeping, Cooking and/or Living purposes and will not be rented independently.

9. The Building will have one (1) storage area, located in the cellar of the Building. The storage area will contain ten (10) storage spaces, i.e., S1, S2, S3, S4, S5, S6, S7, S8, S9, and S10 (hereinafter called "Storage Unit" or "Storage Units" where applicable). The Storage Units will be storage bins that will be metal cages with enclosure on five sides. The storage bins will be equipped with sprinklers.

The dimensions of each Storage Unit are specified in Schedule A.

They will be sold on a "first-come, first-served" basis.

A Storage Unit can only be purchased by a Residential Unit Owner.

Each Storage Unit S1-S10 may be used solely for storage of personal effects of the Owners of the Storage Unit. In no event shall any (a) valuable items, (b) animals, (c) food or other perishable items, (d) hazardous substances, (e) flammable, combustible, explosive or other dangerous items, (f) items which have an objectionable odor or which may spoil or decay, or (g) items which may impose a health or safety threat or cause dirt or other sanitary problems or create a nuisance, be stored therein. A Storage Unit may not be legally used for any residential uses including bedroom, dining room, or any other use considered to be a habitable space as defined by the New York City Building Code. The use of a Storage Unit as a living or sleeping space may result in a building code violation being issued against the Building and the

imposition of fines against the Building. The Unit Owner, who caused the violation, will be obligated to remove it and pay all fines associated with the violation.

No closing of title to a Storage Unit will take place until a certificate of occupancy for the Building will be issued. There is no limit on how many Storage Units can be purchased by a prospective Purchaser.

10. The basic aspects of condominium ownership are these.

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

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

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

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

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

Each Residential Unit Owner will have the right to use his or her Unit only for a private residence purpose.

Each Storage Unit Owner will have the right to use his or her Unit solely for storage of his or personal effects.

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

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

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

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

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

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

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

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

Maintenance, repair and replacements in or to the Limited Common Elements will be performed:

- (a) by the Board of Managers as a Common Expense, if such Limited Common Element involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, all necessary waterproofing of the Limited Common Elements except as set forth below, and the repair of any leaks that are not caused by the acts or omissions of the Unit Owner, having direct and exclusive access thereto), or
- (b) the Unit Owner having direct and exclusive access thereto at his or her sole cost and expense, if involving non-structural ordinary maintenance, repairs or replacements, including but not limited to painting, decorating and/or maintenance, waterproofing, repair and/or replacement of decking, tile or railings and/or means of terrace or balcony access constructed or installed by or at the request of the Unit Owner, or as a result of the Unit Owner's negligence, misuse or neglect.

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

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

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

12. The Plan delivered to prospective Purchasers contains all of the material terms of the transaction. Copies of the Plan, all documents referred to in the Plan and all Exhibits submitted to the Department of Law in connection with the filing of the Plan will be available for inspection at no cost and for copying at 25 cents per page to prospective Purchasers and their attorneys at the office of Sponsor's attorney, TSYNGAUZ & ASSOCIATES, P.C., having an office at 225 Broadway, Suite 2640, New York, NY 10007, for six (6) years from the date of first closing. Copies of the Plan, all documents referred to in the Plan and all Exhibits submitted to the Department of Law in connection with the filing of the Plan will be available for inspection at no cost and for copying at a reasonable fee at the Department of Law, having an office at 28 Liberty Street, New York, NY 10005.

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

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

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

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

DEFINITIONS

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

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

5. “Common Expenses” mean and include:
 - (a) Expenses of operation of the Property; and
 - (b) All sums designated Common Expenses by or pursuant to the provisions of the Condominium Act, the Declaration or the By-Laws of the Condominium.
6. “Common Interest” means the proportionate, undivided interest in fee simple absolute in the Common Elements appertaining to each Unit, as expressed in the Declaration.
7. “Common Profits” mean the excess of all receipts of the rents, profits and revenues from the Common Elements remaining after the deduction of the Common Expenses.
8. “Condominium Documents” mean the Declaration and the By-Laws of the condominium, as may be amended from time to time.
9. “Declaration” means the instrument by which the Property is submitted to the provisions of the Condominium Act, and as such instrument as from time to time amended, consistent with the provisions of the Condominium Act and of the By-Laws.
10. “Equal to or Better Quality” means comparable or better quality as recognized by industry standards for performance, efficiency, longevity, and/or classifications, as applicable.
11. “Institutional Lender” means any bank, savings bank, private banker, trust company, savings and loan association, credit union or similar banking institution whether organized under the laws of this state, the United States or any other state; foreign banking corporation licensed by the Superintendent of Banks of New York or regulated by the Comptroller of the Currency to transact business in New York State; insurance company duly organized or licensed to do business in New York State; mortgage banker licensed pursuant to Article 12-D of the Banking Law; and any instrumentality created by the United States or any state with the power to make mortgage loans.
12. “Limited Common Elements” mean and include the balconies and terrace appurtenant to the Units in the Building.
13. “Operation of the Property” means and includes the administration and operation of the Property and the maintenance, repair and replacement of, and the making of any additions and improvements to, the Common Elements.
14. “Person” means a natural person, corporation, partnership, association, trustee or other legal entity.
15. “Property” means and includes the land, the Building and all other improvements thereon, located at 323 East 79th Street, New York, NY 10075 and owned in fee simple absolute.

16. “Sponsor-designee” means a successor-Sponsor, which in the event of the dissolution or liquidation of Sponsor or transfer of at least twenty percent (20%) of the Units, i.e., three (3) Units, assumes all the rights and obligations of Sponsor under the Plan and all applicable laws or regulations with respect to the Unsold Units so owned by said Sponsor-designee.

17. “Unit” means a part of the Property designated as a Residential Unit and Storage Unit.

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

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

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

The Property and Building

Sponsor is constructing a new Building on the Property pursuant to the New Building Application No. 123253273 filed with the Department of Buildings of the City of New York.

The Property was previously used as one office building.

The Property is located in R10A Zoning District, which permits residential use as of right.

The Property is located in Flood Zone X on FEMA Map Number 3604970089F, effective on September 5, 2007. The Property is designated as an area of minimal flood hazard on the currently effective FEMA’s Flood Insurance Rate Map. There is no mandatory flood insurance requirement for Flood Zone X.

The Building will consist of a cellar, fifteen (15) floors, bulkhead, and roof.

The Building will have one (1) main entrance, located along East 79th Street. It will provide access to the lobby of the Building, elevator, interior egress stairs, and all Residential Units and Storage Units.

The Building will have one (1) elevator. The elevator will serve all floors of the Building from the cellar to the roof.

There will be two (2) common interior staircases providing egress from the cellar to the roof in the common stair hall. There will also be one (1) interior convenience staircase internal to Residential Unit 1 connecting the first and second floors of Residential Unit 1. The staircases will be in compliance with all applicable codes.

The Building will contain the cellar. The cellar has less light and air than ordinary living space and it is more susceptible to dampness. The cellar is Accessory Use Only – Not to be used for Sleeping, Cooking and/or Living purposes and will not be rented independently.

The cellar is an uninhabitable space. It may not be legally used for any residential uses including bedroom, dining room, or any other use considered to be a habitable space as defined by the New York City Building Code. Its use as a living or sleeping space may result in a building code violation being issued against the Building and the imposition of fines against the

Building. The Unit Owner, who caused the violation, will be obligated to remove it and pay all fines associated with the violation.

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

Consolidated Edison Company of New York, Inc. will supply electricity to the Common Elements of the Building and to all Residential Units. The Building will have fifteen (15) electric meters: one (1) for each Residential Unit and one (1) for the Common Elements. The cost for electricity consumption by the Residential Units will be separately billed to and paid by each Residential Unit. The cost for electricity consumption by the Common Elements will be the Common Expense of all Unit Owners.

Consolidated Edison Company of New York, Inc. will supply natural gas service to the Building. The Building will have two (2) common gas meters. One (1) gas meter will be billed for the gas-consuming equipment for the Condominium, including residential cooking, residential amenities, and makeup air Residential Unit by the Residential Units; and one (1) gas meter will be billed for the emergency generator located in the roof. The cost of gas consumption will be the Common Expense of all Unit Owners.

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

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

Each Residential Unit will contain a laundry closet with hookups for a domestic type electric washer and electric dryer. Sponsor will provide and equip each Residential Unit with a washer and electric condensing or heat pump type dryers which require no venting. Sponsor will also provide and equip each Residential Unit with a refrigerator, gas range, ventilation hood, dishwasher, and microwave. A range and refrigerator are the appliances required to obtain a temporary certificate of occupancy for the Building.

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

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

Protected Openings and Lot Line Windows. The Building will have lot line windows, located on the west façade of the Building, starting at the seventh actual construction floor up to the fifteenth actual construction floor. The Residential Units 7, 8, 9, 10, 11, 12, 14, 15, and 16 will have the lot line windows. The Residential Units 7, 8, 9, 10, and 11 will have three (3) lot line windows each. The Residential Units 12, 14, 15, and 16 will have six (6) lot line windows each.

The lot line windows do not count toward light and air calculations. The lot line windows meet the requirements permitted for Occupancy R-2; the openings do not exceed 10% of the façade area of the story in which they are located.

The lot line windows, including their dimensions and locations, are more particularly described in the Architect's Report of David Brown, R.A., and floor plans in Part II of the Plan.

The lot line windows are protected by an approved water curtain using automatic sprinklers approved for that use and installed in accordance with NFPA 13 as modified in Appendix Q (per section 705.8.2 of the New York City Building Code 2014). The Building is fully sprinklered. Any floor openings from one floor to the next and any lot line windows will have closely spaced sprinkler heads around the opening spaced six (6) feet on center as required by code to protect the opening.

The lot line windows within a 60'-0" diameter from the adjacent building comply with percentage of glazed area allowable per each story. The actual construction floors 7-11 are within 60'-0" diameter of the adjacent building and each story has a 9% glazed area which does not exceed 10% of façade area of the story in which they are located.

If a building is constructed on the adjacent property alongside the lot line windows, thereby blocking them, the lot line windows will be required to be removed and infilled with fire-rated materials. The wall construction type is to match the adjacent wall type (3-5/8" brick, air space, insulation, air/vapor barrier, exterior sheathing, 6" stud with insulation, and interior gypsum wallboard) and is to be 3-hour fire-rated. The Unit Owners of a Residential Unit with the lot line windows will be responsible for in-filling them at their own cost and expense. The current anticipated cost of infilling a lot line window is estimated to be \$2,500.00 per window.

If the neighboring lot is developed, thereby blocking the lot line windows, the Unit Owners of the Residential Units with the lot line windows will have the loss of light and air as well as the obligation to seal the lot line windows and associated additional expenses. Please see the Architect's Report of David Brown, R.A., and floor plans in Part II of the Plan.

The storm drainage system will consist of roof drains. There are multiple roof drains provided that are connected to internal leaders and adequate for area drainage of the roof. The roof drains are Duco cast iron and are piped to cast iron roof leaders located within the building envelope. The adequate drainage is also provided for each residential balcony and terrace.

Roof parapet construction is a continuation of the exterior wall; it will be a watertight system that includes waterproofing, insulation flashing and is finished with pavers. The material will be modified bituminous membrane roofing system, with pitched concrete topping slab. Overburden assemblies shall include drainage mat material beneath the insulation and filter fabric above the insulation. Overburden types will include porcelain pavers. The roof surface will be finished with porcelain pavers with pedestals, or equal, and planting. The roofs over mechanical bulkheads will be constructed of concrete.

Easements

There are two (2) easements on the Property.

(a) The Party Wall Easement Agreement was dated March 3, 2021 and recorded on April 1, 2021 in the Office of the City Register of the City of New York in CRFN 2021000118404 (hereinafter called "Easement Agreement 1").

The Easement Agreement 1 was made between 325 East 79th Street Owners Corp., the owners of and their successors in interest to the property located at 325 East 79th Street, New York, NY 10075 (Lot 14 in Block 1542) (hereinafter called "Parcel A") and SR79 LLC, the Sponsor's predecessor in interest and its successors in interest to the property, located at 323 East 79th Street, New York, NY 10075 (Lot 13 in Block 1542) (hereinafter called "Parcel B"), (hereinafter collectively called the "Parties").

Parcel A adjoins Parcel B. There presently exists a wall lying on the line dividing the parcels of land of the Parties, which is the Westerly wall of Parcel A. SR79 LLC, the Sponsor's predecessor in interest and its successors in interest to Parcel B, desired to use the Westerly wall of Parcel A as the Easterly wall of Parcel B, so that the wall shared by Parcels A and B was to become a party wall.

The Parties mutually covenanted and agreed for themselves, their respective heirs, legal representatives, successors and assigns, as follows:

The wall shared by Parcels A and B shall be used and maintained as a party wall forever and the Parties shall be licensed and permitted to enter upon the premises of Parcels A and B to make necessary excavations for the construction, maintenance and repair of the wall.

The location of the wall is more particularly described as follows:

BEGINNING at a point on the Northerly side of East 79th Street, distant 316 feet 8 inches from the corner of 79th Street and First Avenue, running parallel with East 79th Street, 1 foot 2 inches and more particularly shown on the survey M 1542-13-PWE prepared on January 10, 2020.

If and when the wall is rebuilt, it shall stand upon the same place and be of the same or similar materials and of the same proportions as the wall described above.

The Easement Agreement 1 may not be modified, amended or terminated without the prior written consent of the Department of Buildings. Further, applications for permits to demolish either of the buildings which are the subject of the Easement Agreement 1 and/or removal of the party wall provided for in the Easement Agreement 1 must clearly indicate the party wall on application plans.

The covenants set forth herein shall run with the land and be binding upon and inure to the benefit of the Parties and their respective heirs, legal representatives, successors and assigns.

Failure to comply with the terms of the Easement Agreement 1 may result in the revocation of a building permit or certificate of occupancy.

The Easement Agreement 1 was recorded on April 1, 2021 in the Office of the City Register of the City of New York in CRFN 2021000118404. The cross-reference number and title of the Easement Agreement 1 shall be cited on each temporary and permanent certificate of occupancy hereafter issued to Parcels A and B.

(b) The Party Wall Easement Agreement was dated December 23, 2020 and recorded on April 1, 2021 in the Office of the City Register of the City of New York in CRFN 2021000118405 (hereinafter called "Easement Agreement 2").

The Easement Agreement 2 was made between Gigi Realty Co., LLC, the owners of and their successors in interest to the property located at 321 East 79th Street, New York, NY 10075 (Lot 12 in Block 1542) (hereinafter called "Parcel A") and SR79 LLC, the Sponsor's predecessor in interest and its successors in interest to the property, located at 323 East 79th Street, New York, NY 10075 (Lot 13 in Block 1542) (hereinafter called "Parcel B"), (hereinafter collectively called the "Parties").

Parcel A adjoins Parcel B. There presently exists a wall lying on the line dividing the parcels of land of the Parties, which is the Easterly wall of Parcel A. SR79 LLC, the Sponsor's predecessor in interest and its successors in interest to Parcel B, desired to use the Easterly wall of Parcel A as the Westerly wall of Parcel B, so that the wall shared by Parcels A and B was to become a party wall.

The Parties mutually covenanted and agreed for themselves, their respective heirs, legal representatives, successors and assigns, as follows:

The wall shared by Parcels A and B shall be used and maintained as a party wall forever and the Parties shall be licensed and permitted to enter upon the premises of Parcels A and B to make necessary excavations for the construction, maintenance and repair of the wall.

The location of the wall is more particularly described as follows:

BEGINNING at a point on the Northerly side of East 79th Street, distant 343 feet 5 inches from the corner of 79th Street and First Avenue, running parallel with East 79th Street, 1 foot 4 inches and more particularly shown on the survey M 1542-13-WPWE prepared on January 10, 2020.

If and when the wall is rebuilt, it shall stand upon the same place and be of the same or similar materials and of the same proportions as the wall described above.

The Easement Agreement 2 may not be modified, amended or terminated without the prior written consent of the Department of Buildings. Further, applications for permits to demolish either of the buildings which are the subject of the Easement Agreement 2 and/or

removal of the party wall provided for in the Easement Agreement 2 must clearly indicate the party wall on application plans.

The covenants set forth herein shall run with the land and be binding upon and inure to the benefit of the Parties and their respective heirs, legal representatives, successors and assigns.

Failure to comply with the terms of the Easement Agreement 2 may result in the revocation of a building permit or certificate of occupancy.

The Easement Agreement 2 was recorded on April 1, 2021 in the Office of the City Register of the City of New York in CRFN 2021000118405. The cross-reference number and title of the Easement Agreement 2 shall be cited on each temporary and permanent certificate of occupancy hereafter issued to Parcels A and B.

The Local Law 11

New York City Local Law 11/98 “Facade Inspection Safety Program” is applicable to the Condominium. It requires that owners of buildings with six or more stories above grade have their exterior walls and appurtenances thereof inspected by a registered architect or professional engineer every five (5) years. On the fifth anniversary of an initial temporary or final certificate of occupancy issued for the Building and every five (5) years thereafter, the Board of Managers will retain a registered architect or professional engineer who will inspect the exterior walls of the Building and appurtenances thereof, prepare a report of an inspection and file a report with the Commissioner of the New York City Department of Buildings. Each inspection by a registered architect or professional engineer to comply with New York City Local Law 11/98 will cost the Condominium the approximate sum of \$2,500.00.

Upon the inspection of the building façade, an inspector will assign one of the following categories:

- Safe: No problems and in good condition (OK);
- Safe With a Repair and Maintenance Program (SWARMP);
- Unsafe: Problems/defects threaten public safety (UN).

Façades designated as SWARMP require repairs within one to five years in order to prevent a potential unsafe condition. Unsafe façades require public protection such as a sidewalk shed.

The New York City Department of Buildings categorizes a property as No Report Filed (NR) if no report was submitted.

The Gas Leak Notice Law

The Building will comply with the gas leak notice law under the New York City Administrative Code.

The Units

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

All areas and dimensions are approximate and are subject to immaterial construction tolerances and variances. The floor area of each Residential Unit is approximate within reasonable tolerances and it is calculated as follows.

Each Residential Unit consists of the area measured horizontally from the exterior side of the exterior walls to the centerline of the partitions separating one Unit from another Unit or separating a Unit from a public corridor or Common Element, and solely with respect to the roof, to the centerline of the partitions enclosing mechanical equipment spaces and elevator overrun shaft way. Elevator shaft, stairways, egress corridors, columns, mechanical pipes, shafts, shaft ways, chases, chase ways and conduits are not deducted from the measurement of the Unit.

Each Residential Unit consists of the area measured vertically from the top of the floor (located under the finished floor and sub-flooring materials) to the underside of the ceiling slab above. These square footages exceed the usable floor area of each Unit. Floor area may include columns, mechanical pipe shafts, shaft ways, chases, chase ways, elevator shafts, stairways and conduits which may be incorporated behind protruding walls or may be separately enclosed as freestanding columns thereby reducing the available floor area.

The clearance between the top of the floor slab on one floor and the top of the floor slab on the next floor will vary among Units, and certain Units may have less or an area of lesser clearance because of the presence of beams and/or mechanical spaces than other similarly situated Units; similarly, wall configurations may vary between similarly situated Units because of the presence of beams and/or mechanical spaces. Certain rooms within a Unit may have lesser ceiling clearances or different wall configuration than other rooms within the Unit as a result of construction variances, the presence of beams and/or mechanical spaces within such Units, to accommodate facilities located above the same or otherwise to respond to field conditions. Such ceiling and wall variances between Units and rooms within Units to accommodate described facilities are normal and customary in construction of this nature and shall not be taken into account when calculating square footage, except to the extent of an actual loss of floor area in a Unit.

The terrace appurtenant to a Residential Unit is measured from the exterior measurement line of the Unit to which it is appurtenant to the outside faces of the copings of the terrace wall or partition, and/or the center line of any dividing wall or partition between terraces.

The Limited Common Elements are not included in the dimensions.

Any Common Elements located within a Unit shall not be considered as part of that Unit.

The approximate measurements are within reasonable tolerances.

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

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

The Residential Units

The Building will contain fourteen (14) Residential Units, i.e., Residential Units 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, and 16. Residential Unit 1 is located on the first and second floor of the Building. Residential Unit 3 is located on the third floor of the Building. Residential Unit 4 is located on the fourth floor of the Building. Residential Unit 5 is located on the fifth floor of the Building. Residential Unit 6 is located on the sixth floor of the Building. Residential Unit 7 is located on the seventh floor of the Building. Residential Unit 8 is located on the eighth floor of the Building. Residential Unit 9 is located on the ninth floor of the Building. Residential Unit 10 is located on the tenth floor of the Building. Residential Unit 11 is located on the eleventh floor of the Building. Residential Unit 12 is located on the twelfth floor of the Building. Residential Unit 14 is located on the thirteenth construction floor of the Building which is designated by Sponsor as fourteenth selling floor. Residential Unit 15 is located on the fourteenth construction floor of the Building which is designated by Sponsor as fifteenth selling floor. Residential Unit 16 is located on the fifteenth construction floor of the Building which is designated by Sponsor as sixteenth selling floor.

The New York City Department of Buildings has designated the floors beginning with the ground level floor, as Floor 1, with each floor above numbered sequentially. For purposes of this Plan, the option agreement and any related documents, Sponsor has used the same designation, except that for selling purposes, no thirteenth floor designation will be used, and that the floors designated by the New York City Department of Buildings as Floor 13 and above are designated herein as Floor 14 and above. All references to floors in the Description of Property and Specifications or Building Condition will be to construction floors unless noted otherwise.

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

The Storage Units

The Building will have one (1) storage area, located in the cellar of the Building. The storage area will contain ten (10) storage spaces, i.e., S1, S2, S3, S4, S5, S6, S7, S8, S9, and S10 (hereinafter called "Storage Unit" or "Storage Units" where applicable). The Storage Units will be storage bins that will be metal cages with enclosure on five sides. The storage bins will be equipped with sprinklers.

The dimensions of each Storage Unit are specified in Schedule A.

They will be sold on a “first-come, first-served” basis.

A Storage Unit can only be purchased by a Residential Unit Owner.

Each Storage Unit S1-S10 may be used solely for storage of personal effects of the Owners of the Storage Unit. In no event shall any (a) valuable items, (b) animals, (c) food or other perishable items, (d) hazardous substances, (e) flammable, combustible, explosive or other dangerous items, (f) items which have an objectionable odor or which may spoil or decay, or (g) items which may impose a health or safety threat or cause dirt or other sanitary problems or create a nuisance, be stored therein. A Storage Unit may not be legally used for any residential uses including bedroom, dining room, or any other use considered to be a habitable space as defined by the New York City Building Code. The use of a Storage Unit as a living or sleeping space may result in a building code violation being issued against the Building and the imposition of fines against the Building. The Unit Owner, who caused the violation, will be obligated to remove it and pay all fines associated with the violation.

No closing of title to a Storage Unit will take place until a certificate of occupancy for the Building will be issued.

There is no limit on how many Storage Units can be purchased by a prospective Purchaser.

The Balconies and Terrace

The Building will have thirteen (13) balconies and one (1) terrace.

The balconies will be coated with a clear penetrating sealer. The balconies will be the Limited Common Elements of Residential Units 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, and 16.

The terrace is located on the first floor of the Building. The terrace will be finished with pavers. The terrace will be the Limited Common Element of Residential Unit 1.

Please see Schedule A for detailed information.

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

Maintenance, repair and replacements in or to the Limited Common Elements will be performed:

- (a) by the Board of Managers as a Common Expense, if such Limited Common Element involves structural or extraordinary maintenance, repairs or replacements

(including, but not limited to, all necessary waterproofing of the Limited Common Elements except as set forth below, and the repair of any leaks that are not caused by the acts or omissions of the Unit Owner, having direct and exclusive access thereto), or

- (b) the Unit Owner having direct and exclusive access thereto at his or her sole cost and expense, if involving non-structural ordinary maintenance, repairs or replacements, including but not limited to painting, decorating and/or maintenance, waterproofing, repair and/or replacement of decking, tile or railings and/or means of terrace or balcony access constructed or installed by or at the request of the Unit Owner, or as a result of the Unit Owner's negligence, misuse or neglect.

Please see Section 10 of Article VI of the By-Laws of the Condominium in Part II of the Plan.

The Recreation Areas

The Building will have one (1) outdoor common roof terrace. The roof terrace, having an approximate size of 1,190.00 sq. ft, will be located on the main roof of the Building.

The roof terrace is the Common Element of the Condominium.

The roof terrace will include large, built-in planters with diverse trees, shrubs and groundcovers that will create useful outdoor spaces. It may be used for recreational activities only.

Each Unit Owner will have the right to use the roof terrace.

The roof terrace will be fully operational as of the date of the commencement of condominium operation. It is not expected that the budget and common charges will increase in the second year of the operations due to availability of amenities.

The Bicycle Storage Area

The Building will have one (1) bicycle storage area, located in the cellar of the Building. The bicycle storage area will contain eight (8) wall-mounted racks for eight (8) bicycles.

The bicycle storage area is the Common Element of the Condominium.

Each Unit Owner will have the right to use the racks in the bicycle storage area on a "first-come, first-served" basis.

The bicycle storage area will be fully operational as of the date of the commencement of condominium operation. It is not expected that the budget and common charges will increase in the second year of the operations due to availability of amenities.

The Board of Managers will be responsible for the costs and expenses associated with the bicycle storage area.

The Completion of Construction and Compliance with Law

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

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

Sponsor anticipates that the construction of the Building will be completed by March 31, 2023. However, Sponsor makes no representation or warranty that the Units will be completed by said date.

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

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

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

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

<https://www1.nyc.gov/site/buildings/homeowner/certificate-of-occupancy.page>

LOCATION AND AREA INFORMATION

The Property is located in the Yorkville neighborhood in the Upper East Side of Manhattan.

It is easily accessible by private transportation as well as New York City subway N, Q, R lines, located approximately 0.4 mile from the Property, 4 and 6 lines, located approximately 0.4 mile from the Property, New York City buses M79-SBS, M15, and M15-SBS, located approximately 500 feet from the Property, and buses BxM1, M98, M101, M102, M103, located approximately 0.2 mile from the Property.

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

The New York City Police Department's 19th Precinct, located at 153 East 67th Street, New York, NY 10065, patrols the community. The New York City Fire Department's Engine 44, located at 221 East 75th Street, New York, NY 10021, provides an emergency response in case of fire. Lenox Hill Hospital, located at 100 East 77th Street, New York, NY 10075, serves medical needs of the neighborhood.

Students living in the Condominium may be eligible to attend P.S. 290 Manhattan New School, located at 311 East 82nd Street, New York, NY 10028, J.H.S 167 Robert F. Wagner, located at 220 East 76th Street, New York, NY 10021, Ella Baker School, located at 317 East 67th Street, New York, NY 10065, Eleanor Roosevelt High School, located at 411 East 76th Street, New York, NY 10021, and Art and Design High School, located at 231 East 56th Street, New York, NY 10022.

The Property is close to Zion Saint Mark's Evangel Lutheran Church, located at 339 East 84th Street, New York, NY 10028, Saint Jean Baptiste Catholic Church, located at 184 East 76th Street, New York, NY 10021, Temple Shaaray Tefila, located at 250 East 79th Street, New York, NY 10075, Yorkville Synagogue, located at 352 East 78th Street, New York, NY 10075, Islamic Cultural Center of New York (ICCNY), located at 1711 3rd Avenue, New York, NY 10029, and Masjid Usman Bin Affan, located at 154 East 55th Street, New York, NY 10022.

The Property is near Morton Williams Supermarkets, located at 1565 1st Avenue, New York, NY 10028, Gristedes, located at 1446 2nd Avenue, New York, NY 10021, and Eli's Market, located at 1415 3rd Avenue, New York, NY 10028.

The Property is close to Theater at Saint Jean Performing Arts Theater, located at 150 East 76th Street, New York, NY 10021, AMC Orpheum 7, located at 1538 3rd Avenue, New York, NY 10028, and Cinema 123 by Angelika, located at 1001 3rd Avenue, New York, NY 10065.

The Property is near The Metropolitan Museum of Art, located at 1000 5th Avenue, New York, NY 10028, Frick Madison Art Museum, located at 945 Madison Avenue, New York, NY 10021, and Asia Society and Museum, located at 725 Park Avenue, New York, NY 10021.

The Property is close to Yorkville Library, located at 222 East 79th Street, New York, NY 10075, and Webster Library, located at 1465 York Avenue, New York, NY 10075.

The Property is near Punch Force Fitness, located at 223 East 80th Street, New York, NY 10075, and Crunch Fitness - 81st Street, located at 1483 3rd Avenue, New York, NY 10028.

The Property is located in R10A Zoning District, which permits residential use as of right. There is no landmark designation of the Property.

There are no adjoining undeveloped areas to the Property.

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

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

Environmental Conditions

According to information in a December 2020 Phase I Environmental Site Assessment that was prepared for the site, the Property was first developed prior to 1896, and is shown on the 1896 Sanborn® fire insurance map as a 4-story building that by 1911 had been identified as residential. Subsequent uses that were identified for the site included a restaurant and meeting space for a cultural/social club. The site is located in a predominantly residential area of Manhattan. No environmental concerns associated with historic uses of the site were identified.

A regional plume of groundwater contaminated by volatile organic compounds (VOCs) and several current and former dry-cleaning facilities were identified within the vicinity of the site. These items were identified as potential sources of VOCs that could migrate into a building at the site via a process known as vapor intrusion.

According to the July 2010 report describing investigation of the regional VOC plume, chlorinated VOCs, specifically tetrachloroethene (a degreasing agent and dry-cleaning solvent), and its breakdown products trichloroethene, cis-1,2-dichloroethene, and vinyl chloride, were detected in groundwater at concentrations exceeding New York State groundwater standards; the sources of these VOCs have not identified by the New York State Department of Environmental Conservation (NYSDEC). Based on sampling conducted in 2010 on behalf of the NYSDEC, the plume was determined to be generally bounded by East 78th Street to the north, East 75th Street to the south, FDR Drive to the east, and 2nd Avenue to the west. The plume area does not underlie the site and the impacted groundwater is not expected to migrate beneath the site. Since the use of groundwater for potable purposes is prohibited in New York City, no impacts from the

impacted groundwater are expected to people, animals, and plants via ingestion or direct exposure (the 2010 sampling report for the NYSDEC also concluded that exposure to impacted groundwater is unlikely).

However, based on levels of VOCs that exceed New York State groundwater standards in the site vicinity (approximately 300 feet), the potential existed that the VOCs in groundwater could be transferred to soil vapor, which could then migrate into the site building via a process known as vapor intrusion. In order to assess whether the regional VOC plume and any undiscovered releases from the identified historic and current dry cleaners in the site vicinity were negatively impacting indoor air quality within the site building, a Soil Vapor Intrusion Investigation was conducted by Athenica in January 2021. This investigation included installing two temporary soil vapor sampling points through the basement foundation, and collecting two soil vapor samples, one indoor ambient air sample, and one outdoor ambient air sample. Each of these samples was submitted to a New York State Department of Health-approved environmental laboratory for analysis of VOCs. The analytical results showed that vapor intrusion is not a concern for the site, and no further actions were recommended regarding environmental conditions at the site. As a result, there are no restrictions or actions that are required for the site due to environmental conditions.

Please see the Architect's Report of David Brown, R.A. in Part II of the Plan.

SCHEDULE A *

OFFERING PRICES, ALLOCATION OF COMMON INTEREST AND ESTIMATED INDIVIDUAL EXPENSES

FOR FIRST YEAR OF CONDOMINIUM OPERATION

July 1, 2023 - June 30, 2024

323 East 79th Street, New York, NY 10075

Unit No.	Floor Location		Approx. Size of Units in sq. ft. (1)		Approx. Size of Limited Common Elements in sq. ft. [uninhabitable] (2)**		Offering Prices (3)	% of Common Interest (4)	Projected Monthly Common Charges	Projected Monthly Real Estate Taxes (6)	Projected Annual Real Estate Taxes (6)	Projected Monthly Carrying Charges	Projected Annual Carrying Charges
	Actual Construction Floor	Selling Floor	Bdrs/Bths (1)	Approx. Size of Units in sq. ft. [habitable] (1)	Approx. Size of Units in sq. ft. [uninhabitable] (1)**	Terrace	Balcony						
1	1, 2	1, 2	4/3.5	2,670.00	0.00	792.00	None	9.70	\$3,158.56	\$4,514.14	\$54,169.65	\$7,672.70	\$92,072.40
3	3	3	3/2.5	1,856.00	0.00	None	68.00	6.75	\$2,197.97	\$3,141.28	\$37,695.38	\$5,339.25	\$64,071.00
4	4	4	3/2.5	1,856.00	0.00	None	68.00	6.75	\$2,197.97	\$3,141.28	\$37,695.38	\$5,339.25	\$64,071.00
5	5	5	3/2.5	1,856.00	0.00	None	68.00	6.75	\$2,197.97	\$3,141.28	\$37,695.38	\$5,339.25	\$64,071.00
6	6	6	3/2.5	1,856.00	0.00	None	68.00	6.75	\$2,197.97	\$3,141.28	\$37,695.38	\$5,339.25	\$64,071.00
7	7	7	3/2.5	1,907.00	0.00	None	68.00	6.93	\$2,256.58	\$3,225.05	\$38,700.59	\$5,481.63	\$65,779.56
8	8	8	3/2.5	1,910.00	0.00	None	68.00	6.94	\$2,259.84	\$3,229.70	\$38,756.43	\$5,489.54	\$65,874.48
9	9	9	3/2.5	1,910.00	0.00	None	68.00	6.94	\$2,259.84	\$3,229.70	\$38,756.43	\$5,489.54	\$65,874.48
10	10	10	3/2.5	1,910.00	0.00	None	68.00	6.94	\$2,259.84	\$3,229.70	\$38,756.43	\$5,489.54	\$65,874.48
11	11	11	3/2.5	1,910.00	0.00	None	68.00	6.94	\$2,259.84	\$3,229.70	\$38,756.43	\$5,489.54	\$65,874.48
12	12	12	3/2.5	1,910.00	0.00	None	68.00	6.94	\$2,259.84	\$3,229.70	\$38,756.43	\$5,489.54	\$65,874.48
14	13	14	3/2.5	1,910.00	0.00	None	68.00	6.94	\$2,259.84	\$3,229.70	\$38,756.43	\$5,489.54	\$65,874.48
15	14	15	3/2.5	1,910.00	0.00	None	68.00	6.94	\$2,259.84	\$3,229.70	\$38,756.43	\$5,489.54	\$65,874.48
16	15	16	3/2.5	1,910.00	0.00	None	68.00	6.94	\$2,259.84	\$3,229.70	\$38,756.43	\$5,489.54	\$65,874.48
S1	Cellar	Cellar	None	0.00	24.00	None	None	0.09	\$29.31	\$41.88	\$502.61	\$71.19	\$854.28

	Floor Location			Approx. Size of Units in sq. ft. (1)		Approx. Size of Limited Common Elements in sq. ft. [uninhabitable] (2)**									
Unit No.	Actual Construction Floor	Selling Floor	Bdrs/Bths (1)	Approx. Size of Units in sq. ft. [habitable] (1)	Approx. Size of Units in sq. ft. [uninhabitable] (1)**	Terrace	Balcony	Offering Prices (3)	% of Common Interest (4)	Projected Monthly Common Charges	Projected Monthly Real Estate Taxes (6)	Projected Annual Real Estate Taxes (6)	Projected Monthly Carrying Charges	Projected Annual Carrying Charges	
S2	Cellar	Cellar	None	0.00	21.00	None	None	\$25,000.00	0.08	\$26.05	\$37.23	\$446.76	\$63.28	\$759.36	
S3	Cellar	Cellar	None	0.00	21.00	None	None	\$25,000.00	0.08	\$26.05	\$37.23	\$446.76	\$63.28	\$759.36	
S4	Cellar	Cellar	None	0.00	20.00	None	None	\$25,000.00	0.07	\$22.79	\$32.58	\$390.92	\$55.37	\$664.44	
S5	Cellar	Cellar	None	0.00	21.00	None	None	\$25,000.00	0.08	\$26.05	\$37.23	\$446.76	\$63.28	\$759.36	
S6	Cellar	Cellar	None	0.00	21.00	None	None	\$25,000.00	0.08	\$26.05	\$37.23	\$446.76	\$63.28	\$759.36	
S7	Cellar	Cellar	None	0.00	21.00	None	None	\$25,000.00	0.08	\$26.05	\$37.23	\$446.76	\$63.28	\$759.36	
S8	Cellar	Cellar	None	0.00	21.00	None	None	\$25,000.00	0.08	\$26.05	\$37.23	\$446.76	\$63.28	\$759.36	
S9	Cellar	Cellar	None	0.00	21.00	None	None	\$25,000.00	0.08	\$26.05	\$37.23	\$446.76	\$63.28	\$759.36	
S10	Cellar	Cellar	None	0.00	42.00	None	None	\$25,000.00	0.13	\$42.33	\$60.50	\$725.99	\$102.83	\$1,233.96	
TOTALS:				27,281.00				\$59,275,000.00	100.00	\$32,562.50	\$46,537.50	\$558,450.00	\$79,100.00	\$949,200.00	

*Notes are on page 56.

**The cellar, bulkhead, Storage Units, terrace, and balconies are uninhabitable spaces. They may not be legally used for any residential uses, including bedroom, dining room, or any other use considered to be a habitable space as defined by the New York City Building Code. Their use as a living or sleeping space may result in a building code violation being issued against the Building and imposition of fines against the Building. The Unit Owner, who caused the violation, will be obligated to remove it and pay all fines associated with the violation. The cellar has less light and air than ordinary living space and it is more susceptible to dampness. Please see Footnote 2 to Schedule A.

Notes:

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

FOOTNOTES TO SCHEDULE A

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

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

The measurements in Schedule A, Column (3), pertaining to the Residential Units, are measurements of habitable spaces only.

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

All areas and dimensions are approximate and are subject to immaterial construction tolerances and variances. The floor area of each Residential Unit is approximate within reasonable tolerances and it is calculated as follows.

Each Residential Unit consists of the area measured horizontally from the exterior side of the exterior walls to the centerline of the partitions separating one Unit from another Unit or separating a Unit from a public corridor or Common Element, and solely with respect to the roof, to the centerline of the partitions enclosing mechanical equipment spaces and elevator overrun shaft way. Elevator shaft, stairways, egress corridors, columns, mechanical pipes, shafts, shaft ways, chases, chase ways and conduits are not deducted from the measurement of the Unit.

Each Residential Unit consists of the area measured vertically from the top of the floor (located under the finished floor and sub-flooring materials) to the underside of the ceiling slab above. These square footages exceed the usable floor area of each Unit. Floor area may include columns, mechanical pipe shafts, shaft ways, chases, chase ways, elevator shafts, stairways and conduits which may be incorporated behind protruding walls or may be separately enclosed as freestanding columns thereby reducing the available floor area.

The clearance between the top of the floor slab on one floor and the top of the floor slab on the next floor will vary among Units, and certain Units may have less or an area of lesser clearance because of the presence of beams and/or mechanical spaces than other similarly situated Units; similarly, wall configurations may vary between similarly situated Units because of the presence of beams and/or mechanical spaces. Certain rooms within a Unit may have lesser ceiling clearances or different wall configuration than other rooms within the Unit as a result of construction variances, the presence of beams and/or mechanical spaces within such Units, to accommodate facilities located above the same or otherwise to respond to field conditions. Such ceiling and wall variances between Units and rooms within Units to accommodate described facilities are normal and customary in construction of this nature and

shall not be taken into account when calculating square footage, except to the extent of an actual loss of floor area in a Unit.

The terrace appurtenant to a Residential Unit is measured from the exterior measurement line of the Unit to which it is appurtenant to the outside faces of the copings of the terrace wall or partition, and/or the center line of any dividing wall or partition between terraces.

The Limited Common Elements are not included in the dimensions.

Any Common Elements located within a Unit shall not be considered as part of that Unit.

The approximate measurements are within reasonable tolerances.

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

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

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

2. THE CELLAR, BULKHEAD, AND THE LIMITED COMMON ELEMENTS OF THE UNITS SUCH AS THE BALCONIES AND TERRACE ARE UNINHABITABLE SPACES. THEY MAY NOT BE LEGALLY USED FOR ANY RESIDENTIAL USES INCLUDING BEDROOM, DINING ROOM, OR ANY OTHER USE CONSIDERED TO BE A HABITABLE SPACE AS DEFINED BY THE NEW YORK CITY BUILDING CODE. THEIR USE AS A LIVING OR SLEEPING SPACE MAY RESULT IN A BUILDING CODE VIOLATION BEING ISSUED AGAINST THE BUILDING AND THE IMPOSITION OF FINES AGAINST THE BUILDING. THE UNIT OWNER, WHO CAUSED THE VIOLATION, WILL BE OBLIGATED TO REMOVE IT AND PAY ALL FINES ASSOCIATED WITH THE VIOLATION.

The cellar has less light and air than ordinary living space and it is more susceptible to dampness. The cellar is Accessory Use Only – Not to be used for Sleeping, Cooking and/or Living purposes and will not be rented independently.

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

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

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

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

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

At the closing of title, each Purchaser of a Unit will be required to pay certain closing costs in addition to the legal fees of such Purchaser’s counsel and the amount of any net credit in favor of Sponsor resulting from the closing adjustments described below. Such closing costs will include:

- i. the New York City and New York State real property transfer taxes;
- ii. \$3,950.00 to TSYNGAUZ & ASSOCIATES, P.C. for services rendered in connection with the preparation of the closing documents and the conduct of the closing;
- iii. \$1,500.00 to Sponsor as partial reimbursement for the cost of preparing the Plan;
- iv. working capital contribution equal to two (2) months’ Common Charges then applicable to each Unit being purchased.

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

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

If the consideration for the Residential Unit is equal to or more than \$1,000,000.00, Purchaser will also be required to pay “Mansion” and new supplemental tax New York State real

property transfer taxes to the Department of Finance of the City of New York. The tax rates are as follows:

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

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

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

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

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

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

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

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

Sponsor anticipates that the construction will be completed by March 31, 2023.

It is anticipated that Units will be separately assessed for the 2024/2025 tax year. The anticipated date of reassessment after completion of construction is January 5, 2024.

No real estate tax abatement benefits will be available to the Units.

The Property is taxed by the City of New York through the Department of Finance, which through the Department of Finance, has assessed the Property at a pre-construction value of \$398,700.00.

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

The projected real estate taxes in Schedule A for the Units are calculated based on the Units being in Tax Class 2, the estimated tax rate of 12.50% of the post-completion assessed value of the Property, and the post-completion assessed value of the Property estimated by Jerome Mazursky, M.A.I., C.A.E. to be \$4,500,000.00 for the 2023/2024 tax year. Based on this information, the projected real estate taxes in Schedule A are expected to be \$558,450.00 for the 2023/2024 tax year.

The letter of Jerome Mazursky, M.A.I., C.A.E., dated April 4, 2022, is located on pages 137-143 of Part I of the Plan.

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

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

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

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

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

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

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

SCHEDULE B

BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION

July 1, 2023 – June 30, 2024

Projected Income

Common Charges	\$390,750.00
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Projected Expenses

Labor (1)	\$162,760.00
Gas (2)	\$13,114.00
Electricity (3)	\$65,712.00
Water charges and sewer rents (4)	\$31,952.00
Repairs and supplies (5)	\$2,000.00
Service contracts (6)	\$19,137.00
Insurance (7)	\$25,000.00
Management fee (8)	\$24,000.00
Legal fees and audit fees (9)	\$6,000.00
Contingency (10)	\$2,000.00
Yearly reserve fund (11)	<u>\$39,075.00</u>
TOTAL	\$390,750.00

Note: All figures are rounded to the nearest dollar.

IF THE ACTUAL OR PROJECTED DATE OF COMMENCEMENT OF CONDOMINIUM OPERATIONS IS DELAYED MORE THAN SIX (6) MONTHS FROM THE BUDGET YEAR PROJECTED IN THE PLAN, THE PLAN WILL BE AMENDED TO INCLUDE A REVISED BUDGET DISCLOSING AMENDED PROJECTIONS. IF SUCH AMENDED PROJECTIONS EXCEED THE ORIGINAL PROJECTIONS BY 25% OR MORE, ALL PURCHASERS WILL HAVE A RIGHT TO RESCIND THEIR PURCHASE AGREEMENTS WITHIN FIFTEEN (15) DAYS AFTER THE DATE OF PRESENTATION, WHETHER OR NOT SPONSOR OFFERS TO GUARANTEE THE PREVIOUS BUDGET PROJECTION. SPONSOR WILL RETURN ANY DEPOSIT OR DOWNPAYMENT TO PURCHASERS WITHIN TEN (10) DAYS AFTER RECEIPT OF WRITTEN NOTICE OF RESCISSION. IN ADDITION, ALL PURCHASERS WILL HAVE A RIGHT TO RESCIND THEIR PURCHASE AGREEMENTS IF (I) THE ACTUAL DATE OF CLOSING OF TITLE TO THE FIRST RESIDENTIAL UNIT; OR (II) THE PROJECTED DATE OF CLOSING OF TITLE TO THE FIRST RESIDENTIAL UNIT OCCURS LATER THAN JUNE 30, 2024, TWELVE (12) MONTHS AFTER THE PROJECTED DATE FOR THE FIRST CLOSING. SPONSOR MAY NOT DECLARE THE PLAN EFFECTIVE WHERE THERE ARE ANY MATERIAL CHANGES TO THE BUDGET IF THESE CHANGES HAVE NOT BEEN DISCLOSED BY A DULY FILED AMENDMENT TO THE PLAN. IN THE EVENT HOWEVER, SPONSOR CANNOT CONVEY TITLE TO THE UNIT ON OR BEFORE TWENTY-FOUR (24) MONTHS FROM THE DATE OF THE PURCHASE AGREEMENT, AFFECTED PURCHASERS WILL BE AFFORDED THE RIGHT OF RESCISSION.

FOOTNOTES TO SCHEDULE B

1. Labor. Due to the size of the Building, the Condominium will employ a full-time superintendent in accordance with Sections 27-2053 and 27-2054 of the Administrative Code of the City of New York. The superintendent will be required to provide the following services:

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

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

The budgeted figure assumes that the Condominium will employ two (2) full-time superintendents and two (2) full-time lobby attendants. The superintendents and lobby attendants will work Monday thru Sunday, thirty-five (35) hours per week at a rate of \$19.507 per hour. The hourly rate exceeds a mean hourly rate of \$18.66 for superintendent/janitor, as published by the United States Department of Labor, Occupational Employment Statistics.

The projected level of staffing for the Building complies with all applicable housing and labor laws. The projected figure is based upon the superintendents and lobby attendants not being members of any labor union.

<u>Position</u>	<u>Yearly Base Wage Rate</u>
Full-Time Superintendent / Lobby Attendant	\$35,503.00
FICA – Social Security @ 6.2% of Base Wages	\$2,201.00
FICA – Medicare @ 1.45% of Base Wages	\$515.00
State Unemployment Insurance @ 2.5% of first \$8,500.00 of Base Wages	\$213.00
Federal Unemployment Insurance @ 8% of first \$7,000.00 of Base Wages	\$560.00
NYS Disability @ \$60 per employee	\$60.00
Worker's Compensation @ 4.46% of Base Wages	\$1,584.00
Family Leave Benefits Contribution @ 0.153% of Base Wages	<u>\$54.00</u>
Total Wages, Taxes and Benefits	\$40,690.00

2. Gas. The budgeted figure is based upon an estimate provided by Rahil Shah, P.E., having an address at 369 West 34th Street, 2nd floor, New York, NY 10001. It is based on an estimated annual gas consumption of 8,413.08 Therms for cooking by the Residential Units, an average tariff of \$1.30 per Therm, the inflation adjustment of 10%, and the tax of 9%.

This cost is a projection of the gas consumption for the entire Building. There are no separate individual charges for gas consumption by the Units.

3. Electricity. The budgeted figure is based upon the estimate provided by Rahil Shah, P.E., having an address at 369 West 34th Street, 2nd floor, New York, NY 10001. It is the projected cost for electricity consumption by the Common Elements. It is based on an estimated annual electrical consumption of 249,118.18 kWh for the common area lighting, fixtures, equipment and other appliances and heating, the tariff of \$0.22 per kWh, the inflation adjustment of 10%, and the tax of 9%.

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

The common hallways and mechanical rooms will be heated.

4. Water charges and sewer rents. The budgeted figure is based upon the estimate provided by Rahil Shah, P.E., having an address at 369 West 34th Street, 2nd floor, New York, NY 10001. It is based on an estimated annual consumption of 2,811.90 HCF (1 HCF = 100 cubic feet of water or 748 gallons of water) by the Residential Units, and the water charges and sewer rents of \$10.33 per HCF and the inflation adjustment of 10%. This cost is for the water charges and sewer rents projection for the entire Building.

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

The budgeted figure is based upon the estimate provided by Taube Management Realty, LLC, having an address at 733 Third Avenue, 16th Floor, New York, NY 10017. The budgeted figure is based on the prior experience of Taube Management Realty, LLC in managing similar properties of this size.

6. Service contracts. The budgeted figure represents the estimated costs for the initial year of building operations for service contracts. It should be noted that no service contracts have been entered into as of the date of the Plan. However, it is anticipated that service contracts will be entered into prior to the initial year of building operating or service contracts for

the building systems shall be included from the contractors who installed them. Purchasers are advised that the projections are only estimates and include reasonable allowances for increases in costs that may arise prior to the initial year of building operations. It is anticipated that maintenance and service contracts will include:

<u>Service Provider</u>	<u>Projected Annual Cost</u>
Elevator Maintenance	\$5,700.00
Exterminating / TV	\$1,500.00
Fire Alarm Monitoring	\$4,137.00
ARC System Service	\$2,500.00
Intercom Subscription	\$3,300.00
Landscaping	<u>\$2,000.00</u>
Total	\$19,137.00

The budgeted figure is based upon the estimate provided by Taube Management Realty, LLC, having an address at 733 Third Avenue, 16th Floor, New York, NY 10017. The budgeted figure is based on the prior experience of Taube Management Realty, LLC in managing similar properties of this size.

7. Insurance. The projected figure is the projected cost of insurance for the Property. It is not based upon existing coverages for the Property. It is based upon coverages suggested and premiums estimated by NEC Agency, Inc. d/b/a NEC Insurance Brokerage, having an address at 8226 5th Avenue, Brooklyn, NY 11209, (hereinafter called the "Insurance Agent"), in the estimate, dated April 15, 2022. Although the projection is considered to be reasonable, there can be no guarantee that the estimate premium will not escalate or that such coverage will continue to be available. The insurance proposal provides for the following coverages:

Fire Insurance, Special Form, Replacement Cost and Agreed Amount (Deductible \$5,000):	\$12,500,000.00
Business Income:	12 Months ALS
Building Ordinance & Law:	INCLUDED
Broad Form Liability per Occurrence:	\$1,000,000.00
Broad Form Liability in Aggregate:	\$2,000,000.00
Boiler & Machinery:	INCLUDED
Directors & Officers:	\$1,000,000.00
Back Up Sewer & Drain:	\$1,000,000.00
Flood & Earthquake:	\$1,000,000.00 Each
Umbrella:	\$5,000,000.00

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

The policy includes directors' and officers' liability coverage.

The budget for insurance must provide, and the condominium must have at closing, fire and casualty insurance under an agreed amount replacement cost policy or under a policy including at least an 80 percent co-insurance provision so that the insured shall not be a co-insurer.

This coverage does not include claims for property damage resulting from occurrences in individual units, nor does it include coverage of the furniture or personal property of the Unit Owners.

The Property is located in Flood Zone X on FEMA Map Number 3604970089F, effective on September 5, 2007. The Property is designated as an area of minimal flood hazard on the currently effective FEMA's Flood Insurance Rate Map. There is no mandatory flood insurance requirement for Flood Zone X. The projected figure includes the flood coverage.

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

- (1) that each Unit Owner will be an additional insured party;
- (2) that there will be no cancellation without notice to the Board of Managers;
- (3) a waiver of subrogation;
- (4) a waiver of invalidity because of the acts of the insured and Unit Owners; and
- (5) a waiver of pro-rata reduction if Unit Owners obtain additional coverage.

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

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

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

8. Management fee. The budgeted figure is based upon the estimated annual cost for management services. At or prior to the first closing, Sponsor expects the Board of Managers to enter into a written agreement with Taube Management Realty, LLC, having an address at 733 Third Avenue, 16th Floor, New York, NY 10017, (hereinafter called "Taube"), a real estate management firm. Taube is not affiliated with Sponsor or its principals. Taube will receive an annual fee for the initial year of operations of \$24,000.00 payable in advanced in equal monthly installments of \$2,000.00. The management fee for the initial year of building operations is based on prevailing rates for similar services for similar types of buildings.

The management agreement between the Board of Managers and Taube Management Realty, LLC will provide for a term of one (1) year commencing on the first closing and thereafter, if not otherwise terminated by either the Board of Managers or Managing Agent on ninety (90) day written notice of election not to extend or renew the term after the expiration of the initial term or the then annual extension.

The Board of Managers will be able to select another managing agent at the expiration of interim control period.

9. Legal fees and audit fees. Based upon the quote from Carl M. Cesarano, CPA, having an address at 199 Jericho Turnpike, Suite 400, Floral Park, NY 11001, \$5,000.00 of the budgeted item will be used for preparation of certified financial statements of the Condominium for the first year of operation, which will be audited to comply with regulations, and corporate tax return. The balance of the budgeted figure, \$1,000.00, anticipates legal services during the first year of operation, but would be insufficient to cover any substantial litigation. Said legal services will include the drafting of board meeting minutes and general advice to members of the board in connection with affairs of the Condominium. Legal fees are based upon the quote from Tsyngauz & Associates, P.C., having an address at 225 Broadway, Suite 2640, New York, NY 10007. The Board of Managers of the Condominium will decide in the future which attorney to hire.

10. Contingency. The budgeted figure is to provide a fund for unanticipated operating expenses during the initial year of building operations. Contingency is different from a reserve fund, which will be used only for capital expenditures.

11. Yearly Reserve Fund. The Condominium will have a reserve fund for capital expenditures only. Please see Article II, Section 2 of the By-Laws.

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

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

SCHEDULE B-1

**BUDGET FOR INDIVIDUAL ENERGY COSTS FOR
FIRST YEAR OF CONDOMINIUM OPERATION**

July 1, 2023 – June 30, 2024

Below are projected costs for electricity consumption by each Residential Unit for the heating, ventilation, air-conditioning, lighting and appliances, which will be separately billed to and paid by each Residential Unit. They are based upon the estimates provided by Rahil Shah, P.E., having an address at 369 West 34th Street, 2nd floor, New York, NY 10001, the tariff of \$0.22 per kWh, the inflation adjustment of 10%, and the tax of 9%.

Unit	kWh/ year	Price per kWh	Annual Projected Costs	Inflation @ 10%	Tax @ 9%	Total Annual Projected Costs
1	24,403.00	\$0.22	\$5,368.66	\$536.87	\$531.50	\$6,437.02
3	17,047.00	\$0.22	\$3,750.34	\$375.03	\$371.28	\$4,496.66
4	17,047.00	\$0.22	\$3,750.34	\$375.03	\$371.28	\$4,496.66
5	17,047.00	\$0.22	\$3,750.34	\$375.03	\$371.28	\$4,496.66
6	17,047.00	\$0.22	\$3,750.34	\$375.03	\$371.28	\$4,496.66
7	17,047.00	\$0.22	\$3,750.34	\$375.03	\$371.28	\$4,496.66
8	17,047.00	\$0.22	\$3,750.34	\$375.03	\$371.28	\$4,496.66
9	17,047.00	\$0.22	\$3,750.34	\$375.03	\$371.28	\$4,496.66
10	17,047.00	\$0.22	\$3,750.34	\$375.03	\$371.28	\$4,496.66
11	17,047.00	\$0.22	\$3,750.34	\$375.03	\$371.28	\$4,496.66
12	17,047.00	\$0.22	\$3,750.34	\$375.03	\$371.28	\$4,496.66
14	17,047.00	\$0.22	\$3,750.34	\$375.03	\$371.28	\$4,496.66
15	17,047.00	\$0.22	\$3,750.34	\$375.03	\$371.28	\$4,496.66
16	17,047.00	\$0.22	\$3,750.34	\$375.03	\$371.28	\$4,496.66

There are no separate individual charges for the gas consumption by the Units.

TSYNGAUZ & ASSOCIATES, P.C.
225 Broadway, Suite 2640
New York, NY 10007
(212) 337-9770

COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-i

March 28, 2023

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

Re: The Matteo Condominium
323 East 79th Street
New York, NY 10075

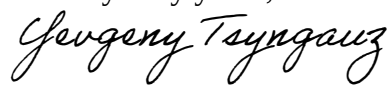
Dear Sir/Madam:

I am the attorney for the sponsor and I have had over 11 years of experience in preparing contracts of sale and closing title to condominium units and as such have requisite experience to prepare this opinion letter. I am not the selling agent or managing agent for the above-referenced property.

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

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

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

Very truly yours,

Yevgeny Tsyngauz



733 Thlrd Ave, 16th Floor
 New York, NY 10017
 Tel 212-288-0757 Fax 646-383-1987

COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-i

April 15, 2022

Marco Auteri
 Boomerang 79 LLC
 68 34th Street, Suite 514
 Brooklyn, NY 11232

Re: The Matteo Condominium
 323 East 79th Street
 New York, NY 10075

Dear Mr. Auteri:

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

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

I am an owner of Taube Management Realty LLC, which has managed approximately 30 properties in the last 20 years. I am not, in anyway, associated with you or any other participants in this project, and have no beneficial interest in your business,



733 Third Ave, 16th Floor
New York, NY 10017
Tel 212-288-0757 Fax 646-383-1987

or in profitability of the project. This is an opinion only as to the relative value of each unit in relation to the value of the project as a whole; is strictly based on the information provided to me in such reasonable inquiries as to the validity thereof as I deemed appropriate under the circumstances; and is not intended as a guarantee of the actual value of any individual unit. I consent to the inclusion of this letter in your offering plan.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Joseph Taube". The signature is written in a cursive style with a large, sweeping initial "J".

Joseph Taube
President

CHANGES IN PRICES AND UNITS

Changes in Prices

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

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

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

Changes in Units

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

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

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

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

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

- (a) make alterations, additions, or improvements, structural and non-structural, ordinary and extraordinary, interior and exterior, in, to and upon the Unit;
- (b) change the layout or number of rooms in the Unit;
- (c) change the size and/or number of such Units by subdividing a Unit, combining separate Units (including those resulting from any subdivision

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

Sponsor's rights are subject to the above restrictions.

INTERIM LEASE

Sponsor has discretion not to offer pre-closing possession pursuant to an interim lease.

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

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

If Sponsor permits Purchaser to take a pre-closing possession of the Unit, the parties will execute the Interim Lease in the form set forth on pages 240-243 in Part II of the Plan.

[A] Inhaling, exhaling, burning or carrying any lighted or heated cigar, cigarette, little cigar, pipe, water pipe or hookah, herbal cigarette, non-tobacco smoking product (e.g., marijuana or non-tobacco shisha), or any similar form of lighted object or device designed for people to use to inhale smoke, and [B] use of battery-operated devices that heat a liquid, gel, herb or other substance and produces vapor for people to inhale are not permitted:

- [i] inside of the Units;
- [ii] anywhere in the Limited Common Elements of the Units;
- [iii] anywhere inside of the Building;
- [iv] outdoor Common Elements, including play areas, rooftops, courtyards, patios, porches or yards; and
- [v] outdoors within 15 feet of entrances, exits, windows, and air intake units in the Building.

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

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

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

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

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

Sponsor must make a written demand for payment after default at least thirty (30) days before forfeiture of the deposit may be declared. An uncured default under the Purchase Agreement will be a default under the Interim Lease. An uncured default under the Interim Lease will be a default under the Purchase Agreement. Before Sponsor may utilize the default under the Interim Lease to declare a default under the Purchase Agreement, Sponsor must either obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the lessee unless the lessee has vacated the Unit.

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

No rent protections laws are applicable to the Interim Lease.

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

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

PROCEDURE TO PURCHASE

When a prospective Purchaser has decided to purchase a Unit, Purchaser will execute the Purchase Agreement substantially in the form set forth in Part II of the Plan and return four (4) copies thereof with the deposit check to Sponsor's attorney, TSYNGAUZ & ASSOCIATES, P.C., having an address at 225 Broadway, Suite 2640, New York, NY 10007. Purchaser will be afforded at least three (3) business days to review the Plan and all filed amendments prior to executing a Purchase Agreement. The Purchase Agreement will not be binding on Sponsor until a fully executed counterpart hereof has been sent out to Purchaser or Purchaser's attorney.

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

1. Deposit.

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

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

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

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

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

2. Escrow.

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

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

Escrow Agent:

The law firm of TSYNGAUZ & ASSOCIATES, P.C., having an address at 225 Broadway, Suite 2640, New York, NY 10007, and telephone number (212) 337-9770, shall serve as escrow agent, (hereinafter called “Escrow Agent”), for Sponsor and Purchaser. Escrow Agent has designated Yevgeny Tsyngauz and Mikhail Litt to serve as signatories. All designated signatories are admitted to practice law in the State of New York. Neither Escrow Agent nor any authorized signatories on the account are Sponsor, Selling Agent, Managing Agent or any principal thereof, or has any beneficial interest in any of the foregoing.

The Escrow Account:

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

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

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

The Purchase Agreement:

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

Notification to Purchaser:

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

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

Release of Funds:

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

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

Escrow Agent shall release the deposit if so directed:

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

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

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

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

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

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

Waiver Void:

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

General:

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

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

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

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

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

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

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

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

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

4. Default of Purchaser.

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

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

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

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

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

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

After the Plan has been declared effective, Sponsor will fix dates for closing title to all Units for which Purchase Agreements have been executed by serving notice to each Purchaser stating the date of the first closing and setting such Purchaser's closing date no less than thirty (30) days before the date set for the closing of the Units. The notice will comply with 13 N.Y.C.R.R. §20.1(d)(1).

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

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

Purchaser shall also be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in defending Sponsor's rights under the Purchase Agreement

or, in the event Purchaser defaults under the Purchase Agreement beyond any applicable grace period, in canceling the Purchase Agreement or otherwise enforcing Purchaser's obligations hereunder if Sponsor prevails in any such dispute or successfully defends itself.

5. Financing Contingency.

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

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

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

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

If a Commitment was issued but it lapsed or expired prior to the closing, Purchaser will make a good faith effort to extend the Commitment and pay all required costs, fees and expenses to extend the Commitment up to the closing. In no event whatsoever will Sponsor be liable for any costs, fees or expenses relating to the extension of the Commitment, even if the lapse or expiration of the Commitment resulted from a delay in the closing caused by Sponsor.

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

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

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

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

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

6. Closing of Title.

After the Plan has been declared effective Sponsor will fix dates for closing title to all Units for which Purchase Agreements have been executed by serving notice on each Purchaser stating the date of the first closing and setting such Purchaser's closing date. The closing date will be no earlier than thirty (30) days after the giving of the notice. The notice will comply with 13 N.Y.C.R.R. §20.1(d)(1). However, Purchaser may waive this thirty (30) day requirement in the Purchase Agreement if a firm closing date is set forth in the Purchase Agreement, and such date is within thirty (30) days of the execution of the Purchase Agreement.

Sponsor anticipates that the first closing of a Residential Unit will occur by July 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 June 30, 2024, twelve (12) months after the projected date for the first Residential Unit closing. If the Plan is amended to provide for a later projected date for the first Residential Unit closing, Purchasers will be entitled to an offer of rescission if the first Residential Unit closing occurs more than twelve (12) months beyond that amended, later day. Purchasers who enter into a Purchase Agreement after the Plan has been amended to provide for a later date would be entitled to an offer of rescission if the first Unit closing occurs more than twelve (12) months beyond that amended, later day.

However, if the first Residential Unit closing occurs before June 30, 2024, Sponsor may schedule the closings of title to other Units significantly later than such date. Unless your Purchase Agreement contains an outside closing date, Sponsor is not obligated to schedule your closing within any specified time frame or to ensure that closing of title to your Unit will occur within any specified time frame or to ensure that closing of title to your Unit will occur by any date certain.

Purchasers should note that even if the first Residential Unit closing occurs on or before July 1, 2023, (or such other date projected as the date of commencement of the operation at the time the Purchase Agreement was entered into) or within the twelve (12) month period thereafter, the closing of subsequent Units may be substantially delayed beyond such dates if a TCO has not been issued for such Units or for the floor on which such Units are located. In such case, provided that Sponsor is diligently pursuing completion of construction and the issuance of a certificate of occupancy and is otherwise in compliance with its obligations under the Plan, Purchaser will not be entitled to a right of rescission or to make claims against Sponsor for damages or losses as a result of such delays and will not be excused from paying the full purchase price for the Unit. **PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER THE POSSIBILITY OF SUCH DELAYS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT.**

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

7. Rescission of the Purchase Agreement.

If (i) the actual date of closing of title to the first Residential Unit, or (ii) the projected date of closing of title to the first Residential Unit occurs later than June 30, 2024, twelve (12) months after the projected date for the first Residential Unit closing, Sponsor will offer all Purchasers a right of rescission until the midnight of the fifteenth day following receipt of Sponsor's offer to rescind. If the Plan is amended to provide for a later projected date for the first closing, and the first Residential Unit closing occurs more than twelve (12) months beyond that amended, later date, Sponsor will also offer all Purchasers a right of rescission until the midnight of the fifteenth day following receipt of Sponsor's offer to rescind. Purchaser or Purchaser's attorney must either [i] personally deliver a written notice of rescission to Sponsor's attorney prior to the midnight of said fifteenth day, [ii] mail the notice of rescission by certified or registered mail, return receipt requested, to Sponsor's attorney, so that mailing is post-marked by post-office prior to the midnight of said fifteenth day, or [iii] send the notice of rescission to Sponsor's attorney by an email set forth in the Purchase Agreement, prior to the midnight of said fifteenth day.

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

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

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

8. Power of Attorney.

At the closing of his or her Unit, Purchaser will execute and deliver to the Selling Agent or Sponsor a power of attorney to the Board of Managers in the form set forth in Part II of the Plan. The power of attorney will be executed and acknowledged by Purchaser in proper statutory form for recording. If Purchaser refuses to execute the power of attorney to the Board of Managers and deliver it to the Selling Agent or Sponsor at the closing of his or her Unit, Purchaser will be in a default under the Purchase Agreement and Sponsor will have the right to

retain the deposit and actual costs incurred by Sponsor for any upgrades, extras, special or custom work in the Unit ordered by Purchaser, as and for liquidated damages.

9. Risk of Loss.

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

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

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

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

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

10. Conflicts.

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

11. Modification of the Purchase Agreement.

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

12. Prohibition Against Advertising.

The Purchase Agreement contains a provision that prior to the Closing, Purchaser agrees not to list his or her Unit for resale or rental with any broker or to advertise or otherwise offer, promote or publicize the availability of the Unit for sale or lease, without Sponsor's prior written consent, which consent may not be unreasonably withheld or delayed. Any listing of the Unit or form of advertising, promotion or publicizing of the Unit by Purchaser prior to the Closing shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in the Purchase Agreement.

13. Broker.

The Purchase Agreement contains a provision that Purchaser represents that Purchaser has not dealt with any broker in connection with this transaction other than the broker, if any, named in the Purchase Agreement, whose commissions shall be paid by Sponsor. Purchaser shall pay the commission of any broker with whom Purchaser may have dealt, other than the Broker. Purchaser agrees that, should any claim, arising in connection with the Purchaser's broker's scope of work for the Purchaser, be made against Sponsor for commissions by any broker on account of any acts of Purchaser or Purchaser's representatives, Purchaser will indemnify and hold Sponsor free and harmless from and against any and all liabilities and expenses in connection therewith, including reasonable legal fees. Sponsor may collect legal fees only if it prevails. The provisions of this provision shall survive the Closing.

14. Force Majeure.

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

The Purchase Agreement contains a provision that Purchaser's time to perform any obligation or undertaking provided for in the Purchase Agreement shall be tolled for the length of the period during which such performance was prevented, delayed or hindered by an act of God, fire, flood, explosion, war, riot, sabotage, inability to procure or general shortage of energy, labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strike, lockout, action of labor unions, or any other cause (whether similar or dissimilar to the

foregoing) not within the reasonable control of Purchaser. Sponsor cannot limit any rights which Purchaser may have pursuant to Article 23A of the General Business Law, N.Y.C.R.R. regulations, and the Plan, except as determined in a final decision or order by a court of competent jurisdiction or any governmental agency or by executive order.

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

15. Waiver of Jury Trial.

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

ASSIGNMENT OF PURCHASE AGREEMENTS

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

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

EFFECTIVE DATE

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

1. The Plan may be declared effective by:
 - (i) an amendment to the Plan or by
 - (ii) personal service of notice on every Purchaser or by commencement of service by mail in the manner required by 13 N.Y.C.R.R. §20.1(d) of a notice on every Purchaser stating that the Plan was declared effective on a particular date, the percentage used to declare the Plan effective and a list of the Units being counted to meet the minimum percentage under the terms of the Plan to declare it effective. Sponsor shall then submit an amendment to the Department of Law within five (5) days confirming that the Plan was declared effective on a specified date.

The closing of the first Unit will not occur until the Plan is declared effective and the effectiveness amendment is accepted for filing by the Department of Law.

2. The Plan may not be declared effective unless bona fide Purchasers, including investors, have signed Purchase Agreements for at least 15% of the Residential Units offered under the Plan, which is equal to three (3) Residential Units. Three (3) Residential Units meet the 15% threshold but constitute 21.43% of the Residential Units.

Storage Units may not be counted toward effectiveness.

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

The first Unit closing for purposes of tolling a 12-month period for commencement of the condominium operations must be for a Residential Unit.

4. The Plan must be declared effective when Purchase Agreements have been accepted by Sponsor for 80% or more of the Residential Units offered under the Plan, which is equal to twelve (12) Residential Units. Twelve (12) Residential Units meet the 80% threshold but constitute 85.71% of the Residential Units.

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

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

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

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

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

TERMS OF SALE

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

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

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

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

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

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

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

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

within ten (10) days of Sponsor's notification to Purchaser that it does not elect to repair or restore the Unit or Unit Owners' notification that they do not intend to repair or restore the Unit pursuant to the By-Laws. Upon such return, neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under the Purchase Agreement and the Plan. If a Purchaser's commitment expires during the restoration period or the sixty (60) day period that Sponsor has to elect whether or not it will repair the casualty, and the Purchaser cannot extend the term of the commitment, the Purchaser will be offered a right of rescission.

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

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

- (a) Zoning laws and regulations and landmark, historic or wetlands designations which are not violated by the Unit and which are not violated by the Common Elements to the extent that access to or use of the Unit would be materially and adversely affected.
- (b) Consents for the erection of any structure or structures on, under or above any street or streets on which the Building may abut.
- (c) The terms, burdens, covenants, restrictions, conditions, easements and rules and regulations set forth in the Declaration, By-Laws and rules and regulations of the Condominium, the Power of Attorney to the Board of Managers of the Condominium and the Floor Plans of the Condominium, all as may be amended from time to time.
- (d) Rights of utility companies to lay, maintain, install and repair pipes, lines, poles, conduits, cable boxes and related equipment on, over and under the Building and Common Elements, provided that none of such rights imposes any monetary obligation on the owner of the Unit or materially interferes with the use of or access to the Unit.
- (e) Encroachments of stoops, areas, cellar steps, trim, cornices, lintels, window sills, awnings, canopies, ledges, fences, hedges, copings and retaining walls projecting from the Building over any street or highway or over any adjoining property and encroachments of similar elements projecting from adjoining property over the Common Elements.
- (f) Any state of facts which an accurate survey or personal inspection of the Building, Common Elements or Unit would disclose, provided that such facts do not render title unmarketable.
- (g) The lien of any unpaid common charge, real estate tax, water charge, sewer rent or vault charge, provided the same are paid or apportioned at the Closing.
- (h) The lien of any unpaid assessments to the extent of installments thereof payable after the closing.

- (i) Liens, encumbrances and title conditions affecting the Common Elements, which do not materially and adversely affect the rights of the Unit Owner to use and enjoy the Common Elements.
- (j) Notes or notices of violations of law or governmental orders, ordinances or requirements affecting the Building or the Common Elements (other than the Unit), which the other Unit Owner or the Board of Managers of the Condominium are obligated to correct.
- (k) Standard exceptions contained in the form of fee title insurance policy then issued by the title insurance company insuring the Owner's title to the Unit.
- (l) Zoning Lot Certificate as recorded in CRFN 2019000243709.
- (m) Zoning Lot Description as recorded in CRFN 2019000243710.
- (n) Party Wall Easement Agreement as recorded in CRFN 2021000118404.
- (o) Party Wall Easement Agreement as recorded in CRFN 2021000118405.

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

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

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

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

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

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

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

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

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

UNIT CLOSING COSTS AND ADJUSTMENTS

1. Closing Costs

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

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

First \$35,000 or less		\$402.00
Each Additional \$1,000.00 (or fraction thereof)		
From	To	
\$35,001.00	\$50,000.00	\$6.67
\$50,001.00	\$100,000.00	\$5.43
\$100,001.00	\$500,000.00	\$4.36
\$500,001.00	\$1,000,000.00	\$3.98

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

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

First \$35,000 or less		\$344.00
Each Additional \$1,000.00 (or fraction thereof)		
From	To	
\$35,001.00	\$50,000.00	\$5.55
\$50,001.00	\$100,000.00	\$4.54
\$100,001.00	\$500,000.00	\$3.64
\$500,001.00	\$1,000,000.00	\$3.31

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

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

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

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

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

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

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

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

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

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

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

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

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

vii. Document preparation fee. Purchaser will be required to pay the fee of \$3,950.00 to TSYNGAUZ & ASSOCIATES, P.C. for services rendered in connection with the preparation of the closing documents and the conduct of the closing. Purchaser will also be required to pay an additional fee \$250.00 to TSYNGAUZ & ASSOCIATES, P.C. if the closing takes place outside the office of Sponsor’s counsel at Purchaser’s request. Purchaser will also be required to pay an additional \$250.00 to TSYNGAUZ & ASSOCIATES, P.C. if Purchaser fails to close on the date set forth in the notice of closing. Purchaser will also be required to pay an additional \$300.00 to TSYNGAUZ & ASSOCIATES, P.C. if Purchaser buys the Unit with financing.

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

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

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

2. Mortgage Tax Credit

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

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

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

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

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

Residential Unit 3

\$3,750,000.00 - Purchase Price

\$3,000,000.00 - Loan Amount, if applicable

Owner's title insurance	\$13,851.00
Loan title insurance, if applicable	\$2,813.00
Additional endorsements, if applicable	\$100.00
Abstract search	\$550.00
Recording of deed and power of attorney	\$500.00
Recording of mortgage, if applicable	\$250.00
Mortgage recording tax, if applicable	\$57,720.00
New York City transfer tax	\$54,547.00
New York State transfer tax	\$24,882.00
"Mansion" tax	\$57,418.00
Document preparation fee	\$3,950.00
Reimbursement fee	\$1,500.00
Working capital fund contribution	<u>\$4,396.00</u>
Total:	\$222,477.00

4. Closing Adjustments

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

- (a) real estate taxes and assessments, if any, on the basis of the period for which assessed;
- (b) Common Charges and assessments for the month in which title closes; and
- (c) if Purchaser is allowed to occupy the Unit prior to the closing, accrued occupancy fees and any other charges pursuant to an interim lease, if any, covering the Unit.

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

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

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

RIGHTS AND OBLIGATIONS OF SPONSOR

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

If Sponsor opts to rent, rather than sell, the Residential Units, the Plan may not result in the creation of a condominium in which a majority of the Residential Units are owned by owner-occupants or investors unrelated to Sponsor. Under such circumstances, Sponsor will be under no obligation to sell more than 15% of the Residential Units necessary to declare the Plan effective, i.e., three (3) Residential Units.

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

Because Sponsor is reserving the right to rent Residential Units after the Offering Plan has been consummated in the event that offers to buy all Unsold Residential Units are decreased by at least 25% from the offering prices listed in Schedule A, Purchasers for their own occupancy may never gain control of the board of managers under the terms of the Plan, and Owner-occupants and non-resident owners, such as Sponsor, may have inherent conflicts on management of the Condominium.

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

Sponsor may rent Units to Purchasers for their contracted Units in accordance with the terms set forth in "Interim Lease" Section of the Plan.

There are no obligations imposed on Sponsor by S3 RE 323 E 79TH FUNDING LLC with regard to selling or renting the Units except for a required payment per sale set forth in Paragraph 9 below.

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

All obligations pertaining to the Common Elements shall be enforceable only by the Board of Managers on behalf of the Unit Owners and not by the individual Unit Owners. However, nothing herein shall prevent an individual Unit Owner from bringing an action in the nature of a derivative action. During the time Sponsor controls the Board of Managers, it is within its sole power to enforce the obligations of Sponsor pertaining to the Common Elements, and, therefore, Sponsor agrees that during such period it will in its capacity as the Board of Managers, enforce such obligations when required to do so by a resolution duly passed by a majority of the Unit Owners, excluding Sponsor, at a special meeting of the Unit Owners called for such purposes. Sponsor has a fiduciary duty to act in the best interest of the Condominium, even during the time it controls the Board of Managers.

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

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

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

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

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

obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under the Purchase Agreement and the Plan. If a Purchaser's commitment expires during the restoration period or the sixty (60) day period that Sponsor has to elect whether or not it will repair the casualty, and the Purchaser cannot extend the term of the commitment, the Purchaser will be offered a right of rescission.

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

7. In the event of the dissolution or liquidation of Sponsor or the transfer of 20% or more of the total number of the Residential Units, i.e., three (3) Residential Units in the Condominium, the principal of Sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of Sponsor for those Residential Units under the Plan, applicable law or regulations. Three (3) Residential Units meet the 20% threshold but constitute 21.43% of the Residential Units.

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

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

For purposes of this Paragraph, "bulk sale" shall mean a sale of at least three (3) Residential Units to one Purchaser, which are not purchased for occupancy by the owner or one or more members of his or her immediate family.

9. (a) Sponsor has obtained the acquisition loan in the amount of \$6,958,665.62 (hereinafter called the "Acquisition Loan") from S3 RE 323 E 79TH FUNDING LLC, a Delaware limited liability company, having an address at 535 Madison Avenue, 19th Floor, New York, NY 10022.

Upon the sale of a Unit, Sponsor shall be entitled to a release of the Unit from the lien of S3 RE 323 E 79TH FUNDING LLC's mortgage immediately upon receipt of payment equal to a release price set forth in the loan documents. The offering prices in Schedule A are in excess of the release prices in the loan documents.

Except for a required payment per sale stated above, S3 RE 323 E 79TH FUNDING LLC did not establish any terms pertaining to Sponsor's obligation to market the Units for sale, including any minimum number or percentage of Units which must be under contract before the Plan can be declared effective. Nor did S3 RE 323 E 79TH FUNDING LLC impose limits or requirements for Sponsor to rent rather than sell the Units under specified market conditions.

The Acquisition Loan may only be paid down to the extent Sponsor sells the Units and, thus, Sponsor's decision to rent rather than sell the Units will delay the discharge of the Acquisition Loan. However, such delay will not affect Unit Owners.

(b) Sponsor has obtained the construction loan in the amount of \$13,953,306.25 (hereinafter called the "Construction Loan") from S3 RE 323 E 79TH FUNDING LLC, a Delaware limited liability company, having an address at 535 Madison Avenue, 19th Floor, New York, NY 10022.

Upon the sale of a Unit, Sponsor shall be entitled to a release of the Unit from the lien of S3 RE 323 E 79TH FUNDING LLC's mortgage immediately upon receipt of payment equal to a release price set forth in the loan documents. The offering prices in Schedule A are in excess of the release prices in the loan documents.

Except for a required payment per sale stated above, S3 RE 323 E 79TH FUNDING LLC did not establish any terms pertaining to Sponsor's obligation to market the Units for sale, including any minimum number or percentage of Units which must be under contract before the Plan can be declared effective. Nor did S3 RE 323 E 79TH FUNDING LLC impose limits or requirements for Sponsor to rent rather than sell the Units under specified market conditions.

The Construction Loan may only be paid down to the extent Sponsor sells the Units and, thus, Sponsor's decision to rent rather than sell the Units will delay the discharge of the Construction Loan. However, such delay will not affect Unit Owners.

(c) Sponsor has obtained the project loan in the amount of \$5,088,028.13 (hereinafter called the "Project Loan") from S3 RE 323 E 79TH FUNDING LLC, a Delaware limited liability company, having an address at 535 Madison Avenue, 19th Floor, New York, NY 10022.

Upon the sale of a Unit, Sponsor shall be entitled to a release of the Unit from the lien of S3 RE 323 E 79TH FUNDING LLC's mortgage immediately upon receipt of payment equal to a release price set forth in the loan documents. The offering prices in Schedule A are in excess of the release prices in the loan documents.

Except for a required payment per sale stated above, S3 RE 323 E 79TH FUNDING LLC did not establish any terms pertaining to Sponsor's obligation to market the Units for sale, including any minimum number or percentage of Units which must be under contract before the Plan can be declared effective. Nor did S3 RE 323 E 79TH FUNDING LLC impose limits or requirements for Sponsor to rent rather than sell the Units under specified market conditions.

The Project Loan may only be paid down to the extent Sponsor sells the Units and, thus, Sponsor's decision to rent rather than sell the Units will delay the discharge of the Project Loan. However, such delay will not affect Unit Owners.

10. Sponsor will complete construction of the Building in accordance with the building plans and specifications identified in the Plan. Sponsor has the right to substitute

equipment or materials and make modifications of layout or design of the Units, provided however, that Sponsor may not:

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

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

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

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

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

Owners and the Board of Managers shall be obligated to cooperate with and refrain from obstructing Sponsor in these undertakings.

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

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

<https://www1.nyc.gov/site/buildings/homeowner/certificate-of-occupancy.page>

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

12. Prior to the closing the first Unit, Sponsor will obtain a final certificate of occupancy for the Building or, alternatively, obtain a temporary or partial certificate of occupancy for the Building. Sponsor and its principals will obtain a final certificate of occupancy for the Building within two (2) years of closing the first Unit, and in any event, before expiration of applicable temporary or partial certificate, as same may be renewed, replaced or extended.

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

13. The Housing Merchant Implied Warranty (Article 36-B of the General Business Law of the State of New York), does not apply to this offering because the Building consists of more than five (5) stories. Thus, Sponsor will not provide the warranty required by that Article.

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

The Sponsor's obligation, regardless of any limitations in the warranty, is to construct the Building and the Unit in accordance with all applicable laws, codes, plans and specifications, and in accordance with all representations and obligations set forth in the Plan. Any conflict between

the disclaimers and the Sponsor's obligation to construct the Building and the Units in accordance with all applicable laws, codes, plans and specifications shall be resolved in favor of the latter.

At or prior to the closing of the Unit, Sponsor will assign any manufacturer's warranties with respect to equipment and appliances installed in the Unit to the Unit Owner and assign any warranties with respect to roof, equipment and appliances installed in the Common Elements to the Board of Managers. No bond or guarantee will be furnished other than: (a) modified bituminous membrane roofing system, manufacturer's warranty – limited service warranty issued by manufacturer for 20 years from date of substantial completion; includes all roofing assembly components regardless of manufacturer of individual components with no dollar limit; (b) Installer's Warranty, issued by installer for period of two (2) years; includes entire installation and roofing membrane assembly, including base flashing with no dollar limit.

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

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

14. The Building will have one (1) common outdoor roof terrace, one (1) storage area, and one (1) bicycle storage area. The common roof terrace, storage area, and bicycle storage area will be fully operational as of the date of the commencement of condominium operation. It is not expected that the budget and common charges will increase in the second year of the operations due to availability of amenities.

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

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

17. No bond or other security has been furnished to secure Sponsor's obligations including Sponsor's obligations to complete construction of the Condominium. The Sponsor has sufficient funds to comply with its obligations under the Plan.

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

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

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

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

- (a) will have an easement to erect, maintain, repair and replace from time to time one or more signs on the Building and elsewhere on the Property for the purposes of advertising the sale of Units and the leasing of space in any Unit as well as an easement in and access to Units and Common Elements consistent with the purposes of the Plan, as same may be amended, and Sponsor's rights and obligations thereunder, including, without limitation, the right to develop, renovate, maintain, repair, refurbish, offer, sell and lease Units and Common Elements and
- (b) reserve the right to establish, grant and create easements for any additional underground electric transformer, amplifier, gas, cable television, telephone, water, storm drainage, sewer or other utility lines and appurtenances in, under and through the Property, including, without limitation, an easement or easements for the benefit of any property adjacent to the Property, to relocate any existing utility easements in any portion of the Property and to dedicate any or all of such facilities to any governmental body, public benefit corporation or utility company if Sponsor, Sponsor-designees, successors, assigns, invitees, licensees, contractors, employees and tenants shall deem it necessary or desirable for the proper operation and maintenance of the Property or any portion thereof, or for the general health or welfare of any Unit Owner, or the residents of any property adjacent to the Property, or users of any recreation facilities, if any, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of the Units for its intended purpose. Any utility company or public benefit corporation furnishing services to the Property, and the employees and agents of any such company or corporation, shall have the right of access to any Unit, to the Common Elements or the Limited

Common Elements in furtherance of such easements, provided such right of access is exercised in such a manner as not unreasonably to interfere with the use of the Units, and provided that affected Purchasers are given at least seven (7) day prior written notice of such access.

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

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

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

A Unit Owner must grant a right of access to his or her Unit or Limited Elements appurtenant to the Unit, to the other Unit Owner, to the manager and/or the managing agent and/or any other person authorized by the Board of Managers, for the purpose of making inspections or for the purpose of correcting any condition originating in his or her Unit and threatening another Unit, a Common Element or a Limited Common Element, or for the purpose of performing installations, alterations or repairs to the Common Elements the Limited Common Elements or elsewhere in the Building, or remedying any condition which would violate the provisions of any mortgage encumbering another Unit, or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof, or to cure any defaults by a Unit Owner, or to cure any violations of a building code, or for any other purposes permitted by the By-Laws, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. In the event of the exercise of the right of access provided for in Section 15 of the By-Laws, any costs for repairs shall be borne in accordance with the provisions of Section 10 of Article VI of the By-Laws. Please see Sections 10 and 15 of Article VI of the By-Laws in Part II of the Plan.

Residential Unit 15 shall be subject to an easement in favor of the Board of Managers of the Condominium to provide access to perform periodic washdown of the trash chute. The Owners of Residential Unit 15 will be given at least seven (7) day prior written notice of such access.

19. There are two (2) easements on the Property.

(a) The Party Wall Easement Agreement was dated March 3, 2021 and recorded on April 1, 2021 in the Office of the City Register of the City of New York in CRFN 2021000118404 (hereinafter called "Easement Agreement 1").

The Easement Agreement 1 was made between 325 East 79th Street Owners Corp., the owners of and their successors in interest to the property located at 325 East 79th Street, New York, NY 10075 (Lot 14 in Block 1542) (hereinafter called "Parcel A") and SR79 LLC, the

Sponsor's predecessor in interest and its successors in interest to the property, located at 323 East 79th Street, New York, NY 10075 (Lot 13 in Block 1542) (hereinafter called "Parcel B"), (hereinafter collectively called the "Parties").

Parcel A adjoins Parcel B. There presently exists a wall lying on the line dividing the parcels of land of the Parties, which is the Westerly wall of Parcel A. SR79 LLC, the Sponsor's predecessor in interest and its successors in interest to Parcel B, desired to use the Westerly wall of Parcel A as the Easterly wall of Parcel B, so that the wall shared by Parcels A and B was to become a party wall.

The Parties mutually covenanted and agreed for themselves, their respective heirs, legal representatives, successors and assigns, as follows:

The wall shared by Parcels A and B shall be used and maintained as a party wall forever and the Parties shall be licensed and permitted to enter upon the premises of Parcels A and B to make necessary excavations for the construction, maintenance and repair of the wall.

The location of the wall is more particularly described as follows:

BEGINNING at a point on the Northerly side of East 79th Street, distant 316 feet 8 inches from the corner of 79th Street and First Avenue, running parallel with East 79th Street, 1 foot 2 inches and more particularly shown on the survey M 1542-13-PWE prepared on January 10, 2020.

If and when the wall is rebuilt, it shall stand upon the same place and be of the same or similar materials and of the same proportions as the wall described above.

The Easement Agreement 1 may not be modified, amended or terminated without the prior written consent of the Department of Buildings. Further, applications for permits to demolish either of the buildings which are the subject of the Easement Agreement 1 and/or removal of the party wall provided for in the Easement Agreement 1 must clearly indicate the party wall on application plans.

The covenants set forth herein shall run with the land and be binding upon and inure to the benefit of the Parties and their respective heirs, legal representatives, successors and assigns.

Failure to comply with the terms of the Easement Agreement 1 may result in the revocation of a building permit or certificate of occupancy.

The Easement Agreement 1 was recorded on April 1, 2021 in the Office of the City Register of the City of New York in CRFN 2021000118404. The cross-reference number and title of the Easement Agreement 1 shall be cited on each temporary and permanent certificate of occupancy hereafter issued to Parcels A and B.

(b) The Party Wall Easement Agreement was dated December 23, 2020 and recorded on April 1, 2021 in the Office of the City Register of the City of New York in CRFN 2021000118405 (hereinafter called "Easement Agreement 2").

The Easement Agreement 2 was made between Gigi Realty Co., LLC, the owners of and their successors in interest to the property located at 321 East 79th Street, New York, NY 10075 (Lot 12 in Block 1542) (hereinafter called "Parcel A") and SR79 LLC, the Sponsor's predecessor in interest and its successors in interest to the property, located at 323 East 79th Street, New York, NY 10075 (Lot 13 in Block 1542) (hereinafter called "Parcel B"), (hereinafter collectively called the "Parties").

Parcel A adjoins Parcel B. There presently exists a wall lying on the line dividing the parcels of land of the Parties, which is the Easterly wall of Parcel A. SR79 LLC, the Sponsor's predecessor in interest and its successors in interest to Parcel B, desired to use the Easterly wall of Parcel A as the Westerly wall of Parcel B, so that the wall shared by Parcels A and B was to become a party wall.

The Parties mutually covenanted and agreed for themselves, their respective heirs, legal representatives, successors and assigns, as follows:

The wall shared by Parcels A and B shall be used and maintained as a party wall forever and the Parties shall be licensed and permitted to enter upon the premises of Parcels A and B to make necessary excavations for the construction, maintenance and repair of the wall.

The location of the wall is more particularly described as follows:

BEGINNING at a point on the Northerly side of East 79th Street, distant 343 feet 5 inches from the corner of 79th Street and First Avenue, running parallel with East 79th Street, 1 foot 4 inches and more particularly shown on the survey M 1542-13-WPWE prepared on January 10, 2020.

If and when the wall is rebuilt, it shall stand upon the same place and be of the same or similar materials and of the same proportions as the wall described above.

The Easement Agreement 2 may not be modified, amended or terminated without the prior written consent of the Department of Buildings. Further, applications for permits to demolish either of the buildings which are the subject of the Easement Agreement 2 and/or removal of the party wall provided for in the Easement Agreement 2 must clearly indicate the party wall on application plans.

The covenants set forth herein shall run with the land and be binding upon and inure to the benefit of the Parties and their respective heirs, legal representatives, successors and assigns.

Failure to comply with the terms of the Easement Agreement 2 may result in the revocation of a building permit or certificate of occupancy.

The Easement Agreement 2 was recorded on April 1, 2021 in the Office of the City Register of the City of New York in CRFN 2021000118405. The cross-reference number and title of the Easement Agreement 2 shall be cited on each temporary and permanent certificate of occupancy hereafter issued to Parcels A and B.

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

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

CONTROL BY SPONSOR

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

Sponsor or Sponsor-designee will retain the right to designate the members of the Board of Managers for three (3) years after the closing of title to the first Unit or whenever the Unsold Units constitute less than 50% of the Common Interests, whichever is sooner (hereinafter called "Sponsor Control Period").

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

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

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

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

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

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

- (a) amend the Declaration, the By-Laws or the Rules and Regulations attached hereto so as to limit in any way or eliminate rights of Sponsor or Sponsor-designee under the Declaration, the By-Laws or the Rules and Regulations attached hereto; or
- (b) interfere with the offer and sale or leasing of Units or the operation of general, sales or leasing offices at the Property or interfere with actions necessary for construction, renovation, repair or correction at the Property, as required by Sponsor or Sponsor-designee.

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

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

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

The By-Laws of the Condominium do not contain a provision that after the expiration of initial sponsor voting control period, a majority of the Board of Managers must be owner-occupants or members of an owner-occupant's household who are unrelated to Sponsor and its principals.

Because Sponsor is reserving the right to rent Residential Units after the Offering Plan has been consummated in the event that offers to buy all Unsold Residential Units are decreased by at least 25% from the offering prices listed in Schedule A, Purchasers for their own occupancy may never gain control of the board of managers under the terms of the Plan, and Owner-occupants and non-resident owners, such as Sponsor, may have inherent conflicts on management of the Condominium.

BOARD OF MANAGERS

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

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

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

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

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

After the expiration of initial sponsor voting control period, a majority of the Board of Managers does not have to be owner-occupants or members of an owner-occupant's household who are unrelated to Sponsor and its principals.

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

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

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

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

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

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

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

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

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

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

The principal officers of the Condominium shall be the President, the Secretary, and the Treasurer, all of whom shall be elected by the Board of Managers. The Board of Managers may appoint a Vice President, Assistant Treasurer, an Assistant Secretary, and such other officers as in its judgment may be necessary. The President must be both a member of the Board of Managers and either a Unit Owner, the principal or officer of a Unit Owner, or the spouse of a Unit Owner. If appointed, the Vice President must be a Unit Owner, the principal or officer of a Unit Owner, or the spouse of a Unit Owner.

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

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

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

The Treasurer will have the responsibility for Condominium funds and securities and will be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. He will be responsible for the deposit of all moneys and other valuable effects in the name of the Board of Managers, or the managing agent, in such depositories as may from time to time be designated

by the Board of Managers, and he will, in general, perform all the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

If appointed, the Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If the Vice President is not appointed, or if neither the President nor the Vice President is able to act, the Board of Managers shall appoint some other member of the Board of Managers to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Managers or by the President.

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

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

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

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

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

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

The By-Laws may be modified or amended by the vote of 66 2/3% in number and in Common Interest of all Unit Owners at a meeting of Unit Owners duly held for such purpose. No amendment of a material adverse nature to mortgagees will be made unless agreed to by mortgagees that represent at least 51% of the votes of units that are subject to mortgages. A mortgagee will be deemed to have consented to any amendment, which requires the consent of such mortgagee when the mortgagee fails to submit a response to any written proposal for an amendment within sixty (60) days after it receives proper notice of the proposal, provided that

the notice was delivered by certified or registered mail, with a “return receipt” requested. However, for as long as Sponsor or Sponsor-designee remains the Owner of one or more Units, the By-Laws, including the Rules and Regulations of the Condominium attached hereto, may not be amended or modified in any way so as to adversely affect Sponsor or Sponsor-designee, in Sponsor’s sole discretion, without Sponsor’s prior written consent.

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

- (a) no amendment which will change the percentage of Common Interests allocated to any Unit or Units may be made without the written consent of such Owner(s); no amendment which will increase the percentage of Common Interests allocated to any Unit or Units may be made without the written consent of the mortgagees of such Unit, or Units, if any;
- (b) no amendment, modification, addition or deletion of or to the Declaration will be effective in any respect against Sponsor, Sponsor-designee, or any Unsold Unit until Sponsor or such designee will consent thereto in writing;
- (c) no amendment of a material adverse nature to mortgagees will be made unless agreed to by mortgagees that represent at least 51% of the votes of Units that are subject to mortgages.

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

Sponsor hereby reserves to itself and Sponsor-designees the right to amend the Declaration at any time without the requirement of a vote and without the approval or consent of any Unit Owners or mortgagees for the sole purpose of filing the Floor Plans required by Section 339-p of the Real Property Law of the State of New York for any portion or portions of the Building and appurtenances which are incomplete at the time the Declaration is recorded and the filing along with said amendment to the Declaration and the Floor Plans, the verified statement of a registered architect or licensed professional engineer certifying that the plans being filed simultaneously with such amendment, fully and fairly depict the layout, location, unit designations and approximate dimensions of the particular Unit or Units as built, as provided in said Section 339-p. No such amendment will be effective until recorded in the Office of the Register of the City of New York. Any changes to the Floor Plans will necessitate an amendment to the Plan.

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

The By-Laws of the Condominium do not contain a provision that after the expiration of initial sponsor voting control period, a majority of the Board of Managers must be owner-occupants or members of an owner-occupant's household who are unrelated to Sponsor and its principals.

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

Sale or lease of Units by Unit Owners

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

Mortgaging of Units by Unit Owners

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

Common Charges and Assessments

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

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

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

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

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

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

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

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

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

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

In the event of default by any Unit Owner in paying to the Board of Managers the Common Charges or any assessment as determined by the Board of Managers, such Unit Owner will be obligated to pay interest at the highest legal rate on such Common Charges or assessments from the due date thereof, together with all expenses, including late fees charged by the Board of Managers and attorneys' fees incurred by the Board of Managers in any proceeding brought to collect such unpaid Common Charges or assessments. The Board of Managers will have the right and duty to attempt to recover such Common Charges or assessments, together with interest thereon, and the expenses of the proceeding, including attorneys' fees, in an action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit granted by Section 339-z of the Real Property Law of the State of New York, in the manner provided in Section 339-aa thereof. A Unit Owner defaulting in the payment of Common

Charges or assessments will not be permitted to vote at any regular or special meeting of Unit Owners.

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

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

Repairs

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

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

Maintenance, repair and replacements in or to the Limited Common Elements as defined in the Declaration will be performed:

- (a) by the Board of Managers as a Common Expense, if such Limited Common Element involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, all necessary waterproofing of the Limited Common Elements except as set forth below, and the repair of any leaks that are not caused by the acts or omissions of the Unit Owner, having direct and exclusive access thereto), or
- (b) the Unit Owner having direct and exclusive access thereto at his or her sole cost and expense, if involving non-structural ordinary maintenance, repairs or replacements, including but not limited to painting, decorating

and/or maintenance, waterproofing, repair and/or replacement of decking, tile or railings and/or means of terrace or balcony access constructed or installed by or at the request of the Unit Owner, or as a result of the Unit Owner's negligence, misuse or neglect.

A Unit Owner must grant a right of access to his or her Unit or Limited Elements appurtenant to the Unit, to the other Unit Owner, to the manager and/or the managing agent and/or any other person authorized by the Board of Managers, for the purpose of making inspections or for the purpose of correcting any condition originating in his or her Unit and threatening another Unit, a Common Element or a Limited Common Element, or for the purpose of performing installations, alterations or repairs to the Common Elements the Limited Common Elements or elsewhere in the Building, or remedying any condition which would violate the provisions of any mortgage encumbering another Unit, or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof, or to cure any defaults by a Unit Owner, or to cure any violations of a building code, or for any other purposes permitted by the By-Laws, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. In the event of the exercise of the right of access provided for in Section 15 of the By-Laws, any costs for repairs shall be borne in accordance with the provisions of Section 10 of Article VI of the By-Laws. Please see Sections 10 and 15 of Article VI of the By-Laws in Part II of the Plan.

Unit 15 shall be subject to an easement in favor of the Board of Managers of the Condominium to provide access to perform periodic washdown of the trash chute. The Owners of Unit 15 will be given at least seven (7) day prior written notice of such access.

Additions, Alterations and Improvements

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

Except as provided below, no Unit Owner shall make any addition, alteration or improvement in or to his or her Unit which is structural or which affects the exterior of the Building or the value of other Units, without the prior written consent thereto of the Board of Managers which consent shall not be unreasonably withheld. Any requests for consent to make additions, alterations or improvement in a unit which is structural in nature, or affects the exterior of the Building of the value of other unit, must be made via certified mail with return receipt. The Board of Managers must grant or deny such consent within thirty (30) days of

receiving a request for such consent. If such request is neither granted nor denied within forty-five (45) days of receipt of the notice, such request shall be deemed granted. In connection with the approval of any addition, alteration or improvement by a Unit Owner as required herein, the Board of Managers may require that such Unit Owner enter into a written agreement, reasonably satisfactory to the Board of Managers, regarding such work. Such agreement may include, but shall not be limited to, provisions for adequate insurance, indemnification of the Condominium and the Board of Managers, submission of all plans and specifications to the Board of Managers, and restrictions on the hours during which the work may be done. Any application to any department of the City of New York or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any Unit shall be executed by the Board of Managers only, without, however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom.

In the event the Board of Managers grants its consent to any addition, alteration or improvement to be made by a Unit Owner in accordance with the provisions of Section 13 of Article VI of the By-Laws, such consent shall be deemed to provide that any such work shall be at the Unit Owner's sole cost and expense, that work shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances, that all work shall be done by reputable contractors with adequate liability, property damage and worker's compensation insurance (certificates of which shall be delivered to the Board of Managers prior to the commencement of construction), that any additions, alterations or improvements, shall be maintained in their entirety by said Unit Owner who shall also be responsible for any repairs, including structural repairs, to such area in any event, and to the Unit and any Common Elements where such repairs become necessary, due to additional stresses caused by such addition, alteration, or improvement, or due to improper design or construction of such addition, alteration, or improvement, and such approval shall further provide that the Unit Owner shall reimburse the Board of Managers for any out-of-pocket expenses incurred by the Board of Managers in connection with the granting of such approval and for any services provided in connection with such addition, alteration, or improvement; such expenses may include, but shall not be limited to, any fees of an attorney and/or fees of an architect consulted in connection with any request by a Unit Owner for approval of such work.

The provisions of Section 13 of Article VI of the By-Laws which require the consent of the Board of Managers in connection with an addition, alteration or improvement in or to a Unit, which is structural or which affects the exterior of the Building or the value of other Units shall not apply to Units owned by Sponsor or Sponsor-designee. Sponsor or Sponsor-designee shall not need such consent. All other provisions of this Section 13 shall apply to all Units. For example, with respect to such addition, alteration or improvement to a Sponsor-owned Unit, such work shall be at the sole cost and expense of Sponsor or Sponsor-designee, and shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances. All work must be done by reputable contractors with adequate liability, property damage and Workers Compensation insurance (certificates of which shall be delivered to the Board of Managers prior to the commencement of construction). Any such additions, alterations or improvements, shall be maintained in their entirety by Sponsor or Sponsor-designee who shall

also be responsible for any repairs, including structural repairs, to such area in any event, and to the Unit and any Common Elements where such repairs become necessary, due to additional stresses caused by any addition, alteration, or improvement, or due to improper design or construction of the structural addition, alteration, or improvement. Additionally, Sponsor or Sponsor-designee shall reimburse the Board of Managers any reasonable out-of-pocket expenses incurred by the Board of Managers for any services provided in connection with such addition, alteration, or improvement.

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

Insurance

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

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

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

Board of Managers, and if more than \$50,000.00, will be payable to the Insurance Trustee, if any.

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

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

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

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

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

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

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

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

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

Restrictions on Occupancy and Use

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

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

Each Storage Unit S1-S10 may be used solely for storage of personal effects of the Owners of the Storage Unit. In no event shall any (a) valuable items, (b) animals, (c) food or other perishable items, (d) hazardous substances, (e) flammable, combustible, explosive or other dangerous items, (f) items which have an objectionable odor or which may spoil or decay, or (g) items which may impose a health or safety threat or cause dirt or other sanitary problems or create a nuisance, be stored therein. The Storage Units may not be legally used for any residential uses including bedroom, dining room, or any other use considered to be a habitable space as defined by the New York City Building Code. The use of a Storage Unit as a living or sleeping space may result in a building code violation being issued against the Building and the imposition of fines against the Building. The Unit Owner, who caused the violation, will be obligated to remove it and pay all fines associated with the violation.

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

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

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

B. The Common Elements and the Limited Common Elements may only be used for the furnishing of the services and facilities for which they are reasonably suited and which are incidental to the use and occupancy of Units. However, the Common Elements and the Limited Common Elements may not be used as a dwelling space, and for kindling, building, maintaining or using an open fire, including, without limitation, charcoal, piped natural gas or LPG fired barbeques. The use of balconies and terraces as contemplated in the Plan will comply with the requirements set forth in the New York City Department of Building's Buildings Bulletin 2018-002.

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

D. No unlawful use will be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof will be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, will be

eliminated, by and at the sole expense of the Unit Owners, or the Board of Managers, whichever will have the obligation to maintain or repair such portion of the Property.

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

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

G. [A] Inhaling, exhaling, burning or carrying any lighted or heated cigar, cigarette, little cigar, pipe, water pipe or hookah, herbal cigarette, non-tobacco smoking product (e.g., marijuana or non-tobacco shisha), or any similar form of lighted object or device designed for people to use to inhale smoke, and [B] use of battery-operated devices that heat a liquid, gel, herb or other substance and produces vapor for people to inhale are not permitted:

- [i] inside of the Units;
- [ii] anywhere in the Limited Common Elements of the Units;
- [iii] anywhere inside of the Building;
- [iv] outdoor Common Elements, including play areas, rooftops, courtyards, patios, porches or yards; and
- [v] outdoors within 15 feet of entrances, exits, windows, and air intake units in the Building.

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

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

Ability of Board of Managers to Borrow Money

Should monies be required by the Condominium for capital expenditures such as renewal or replacement of Building components or systems or to remedy major Building defects, the Board of Managers will be able to borrow the moneys as provided in Section 339-jj of the Real Property Law of the State of New York, which states, in pertinent parts, as follows:

“1. To the extent authorized by the declaration or the by-laws, the board of managers, on behalf of the unit owners, may incur debt. In addition, subject to any limitations set forth in the declaration or the by-laws, the board of managers, on behalf of the unit owners, may incur debt for any of the purposes enumerated in paragraph (b) of subdivision two of section three hundred thirty-nine-v of this article, provided that (a) such debt is incurred no earlier than the fifth anniversary of the first conveyance of a unit and (b) the incurrence of such debt shall require the consent of a majority in common interest of the unit owners.

2. In connection with a debt incurred by it, the board of managers, on behalf of the unit owners, may (a) assign the rights in and to receive future income and common charges, (b) create a security interest in, assign, pledge, mortgage or otherwise encumber funds or other real or personal property that it holds, (c) agree that, to the extent of any amounts due under any of the provisions of the agreements under which the debt was incurred and subject to the provisions of subdivision two of section three hundred thirty-nine-1 of this article, all common charges received and to be received by it, and the right to receive such funds, shall constitute trust funds for the purpose of paying such debt and the same shall be expended for such purpose before expending any part of the same for any other purpose, and (d) agree that at the lender’s direction it will increase common charges to the extent necessary to pay any amount when due under any of the provisions of the agreements under which the debt was incurred. The preceding sentence shall not be construed to authorize the board of managers to create a lien on the common elements. Any such assignment may provide that, in the event of a default, the lender shall have the right of the board of managers to file liens in the lender’s name on units for unpaid common charges pursuant to sections three hundred thirty-nine-z and three hundred thirty-nine-aa of this article and the right to foreclose such liens pursuant to section three hundred thirty-nine-aa of this article.”

The Condominium’s By-Laws contain a provision authorizing the Board of Managers to incur debt on behalf of the Condominium. Please see Article II, Section 2 of the By-Laws.

General

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

2. Pursuant to the By-Laws of the Condominium, any matter arising out of the Condominium Documents, except for an action to foreclose a lien for unpaid common charges by the Board of Managers or an action seeking injunctive relief, shall be submitted for resolution by a panel of three (3) arbitrators in a proceeding held in the City of New York, which arbitrators shall be appointed as follows: One arbitrator shall be chosen by the Board of Managers, one

arbitrator shall be chosen by the Unit Owner and the third arbitrator shall be chosen by the two aforementioned arbitrators. The decision of the arbitrators so chosen shall be given within thirty (30) days after his or her selection or appointment. The decision shall be enforceable in a court of law of competent jurisdiction. There is no right of appeal from the arbitrator's decision. The decision, however, may be vacated if the court finds that the rights of the party were prejudiced by:

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

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

Options for appeal are limited for matters submitted to arbitration.

The arbitration provision does not relate to Purchase Agreements.

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

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

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

REAL ESTATE TAXES

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

In the event that the Units have not been separately assessed for real estate tax purposes prior to the closing of title to the first Unit, Sponsor will place in escrow in the name of the Board of Managers an amount equal to the real estate taxes attributable to the Unsold Units, which will be levied against them for the six (6) month period following the first closing, or until the Units are separately assessed, whichever is sooner, and will collect at each Unit closing the estimated amount of taxes attributable to such Unit for the balance of the six (6) month period. The Board of Managers will pay the real estate taxes from the escrow account when taxes are due and payable and Sponsor will be entitled to reimbursement from Unit Owners to the extent of the actual assessment. It is anticipated that Units will be separately assessed for the 2024/2025 tax year, and that individual Unit Owners (whether Purchasers or Sponsor) will pay the taxes thereof. The amount of real estate tax escrow will be disclosed in the initial post-closing amendment to the Plan.

The Property is taxed by the City of New York through the Department of Finance, which through the Department of Finance, has assessed the Property at a pre-construction value of \$398,700.00.

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

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

Sponsor anticipates that the construction will be completed by March 31, 2023.

It is anticipated that Units will be separately assessed for the 2024/2025 tax year. The anticipated date of reassessment after completion of construction is January 5, 2024.

No real estate tax abatement benefits will be available to the Units.

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

The projected real estate taxes in Schedule A for the Units are calculated based on the Units being in Tax Class 2, the estimated tax rate of 12.50% of the post-completion assessed value of the Property, and the post-completion assessed value of the Property estimated by Jerome Mazursky, M.A.I., C.A.E. to be \$4,500,000.00 for the 2023/2024 tax year. Based on this information, the projected real estate taxes in Schedule A are expected to be \$558,450.00 for the 2023/2024 tax year.

The letter of Jerome Mazursky, M.A.I., C.A.E., dated April 4, 2022, is located on pages 137-143 of Part I of the Plan.

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

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

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

There are no tax certiorari proceedings currently pending. Individual Unit Owners may challenge the assessment of their units by filing a tax protest in accordance with the rules of the New York City Tax Commission. The Board of Managers may also file a protest on behalf of all Unit Owners. While there is no specific section of the By-Laws dealing with review of real estate tax assessments, the general grant of power in the Board of Managers to operate the Property in the best interests of all Unit Owners is sufficient to delegate to the Board of Managers a right to file tax protests on behalf of all Unit Owners. The Building benefits from the limitations imposed by Sections 581 and 1805 of the Real Property Tax Law of the State of New York.

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

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

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

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

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

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

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

Real Estate Tax Estimate
for
323 East 79th Street
New York, New York

Prepared for:

Boomerang 79 LLC
c/o Boomerang Development Group
68 34th Street, #514
Brooklyn, N.Y. 11232

April 4, 2022



April 4, 2022

Boomerang 79 LLC
c/o Boomerang Development Group
68 34th Street, #514
Brooklyn, N.Y. 11232

Re: 323 East 79th Street, New York, N.Y.

I, JEROME MAZURSKY, CERTIFY:

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

THAT I have been retained by the sponsor, to estimate for inclusion in an Offering Plan to be submitted to the Attorney General, the assessed valuation of the above-captioned property after completion of construction of a 15-story and cellar, residential condominium;

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

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

I have discovered the following:

- 1) The subject property is located at 323 East 79th Street in the Upper East Side of the borough of Manhattan. The sponsor is in the process of constructing a 15-story and cellar, elevator apartment house on the site. After completion of construction, the property will be declared a condominium and apportioned into fourteen (14) residential units.

The site has 27.08' frontage on the northerly side of East 79th Street and extends 102.17' in depth. It is rectangularly-shaped and contains 2,767 square feet of ground area. It is known on the city tax records as Block 1542 Lot 13.

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

FLOORS	AREA	USE
Cellar		Mechanical and Meter Rooms, Storage
1-2	2,670	1-4BR Duplex Apartment
3-6	7,424	4-3BR Apartments
7	1,907	1-3BR Apartment
8-11	7,640	4-3BR Apartments
12-15	7,640	4-3BR Apartments

- 3) The property is currently assessed in Tax Class 4. After completion of construction, units will be assessed in Tax Class 2 under the classification system adopted by the State Legislature in its revision of the Real Property Tax Law (Section 305, Article 1802, and Section 581, applicable to the assessment of cooperative apartments and condominiums).

3) continued

Tax Class 2 is comprised of primarily residential rental, cooperatives and condominiums containing more than ten units. The city's assessment ratio policy is to assess Class 2 properties at 45% of market value based upon value as an income-producing property. Increases to value are unlimited, but except for increases due to physical changes, are required to be phased-in over a five-year period. The taxable value is the lower of the actual or transitional values.

The 2021/22 Class 2 tax rate is \$12.235 per \$100. I estimate the tax rate after completion of construction at \$12.50 per \$100.

4) The recent history of assessed valuation of 323 East 79th Street is as follows:

<u>2021/22</u>	<u>Land</u>	<u>Total</u>
Actual:	\$ 346,500	\$ 721,350
Transitional:	\$ 346,500	\$ 679,500
Market Value:	\$ 770,000	\$ 1,603,000

<u>2022/23</u>	<u>Land</u>	<u>Total</u>
Actual:	\$ 398,700	\$ 398,700
Transitional:	\$ 356,940	\$ 356,940
Market Value:	\$ 886,000	\$ 886,000

5) It is my judgment that after construction is completed, the property will be assessed as follows:

<u>2023/24</u>	<u>Land</u>	<u>Total</u>
Actual:	\$ 400,000	\$ 4,500,000
Transitional:	\$ 367,600	\$ 4,467,600
Market Value:	\$1,179,000	\$10,000,000

6) The tax liability after completion of construction, is estimated at \$ 558,450. The calculation is as follows:

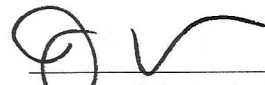
$$\begin{array}{l} \text{7/1/23 - 6/30/24} \\ \$ 4,467,600^1 \times .125^2 = \$ 558,450 \end{array}$$

1. Estimated taxable assessed value after completion of construction
2. Estimated Class 2 tax rate.

6) continued

Each unit will be given a separate tax lot number. Individual tax liability may be estimated by apportioning the total tax among the unit owners in proportion to the unit's percentage of common interest as indicated in Schedule A of the Offering Plan.

- 7) The co-op/condominium real estate tax abatement law has had a favorable effect on the real estate tax burden of residential co-op and condominium unit owners. The Legislature indicated its intention in passing this law was to address the disparity between the tax burden of one to three family homeowners and that of residential co-op and condominium unit owners. Effective July 1, 2022 only "qualified properties" will be eligible for the abatement. A "qualified property" is defined in Section 467-a of the RPTL as (i) a property with an average unit AV of less than or equal to \$60,000; or (ii) a property with an average unit assessed value of more than \$60,000 and less than or equal to \$100,000, and less than 30 dwelling units; or (iii) a property in which all building service employees employed or to be employed at the property receive the applicable prevailing wage for the duration of the tax abatement. If a property qualifies and the abatement is granted, the law may allow up to a 17.5% abatement of the real estate tax bill of a unit owner for whom the unit is his or her primary residence on the city's taxable status date of January 5, 2024. Excluded from receiving the abatement benefits are co-ops and condominiums that receive tax exemption benefits.
- 8) This estimate of the assessed valuation has been prepared for inclusion in the Offering Plan, and I consent to its use for this purpose. Although the aforesaid estimate of the Actual Assessed Valuation is a good-faith estimate, it is not possible to estimate same with any degree of certainty. Assessed valuations, when actually made, may be lesser or greater based on our interpretation of the administrative code and the applicable rules and regulations of the City of New York. Although I believe my opinions are well-founded, they are not intended, and should not be construed as warranties as to future assessed valuations of the property under discussion. In no event will this firm be liable if the assessed valuation, when actually made, is lesser or greater than that estimated above, or if the administrative code and the applicable rules and regulations of the City of New York are changed in the future, or if the facts as represented prove to be untrue.



Jerome Mazursky, MAI, CAE



JEROME MAZURSKY, MAI, CAE
President

QUALIFICATIONS

EDUCATION

N.Y.U. School of Commerce - B.S.

Real Estate Courses

Appraising I, II

Advanced Assessing

Appraising Problems

Computerized Mass Assessing

Various Appraisal Courses

CUNY

Cornell University

University of Connecticut

I.A.A.O.

Appraisal Institute

PROFESSIONAL DESIGNATIONS EARNED

MAI (Member of the Appraisal Institute)

CAE (Certified Assessment Evaluator, IAAO)

IAO (Institute of Assessing Officers, NYSAA)

EMPLOYMENT

Assessor - Manhattan

Interim Acting Tax Commissioner for Staten Island

Assistant Commissioner (in charge of the Real Property Assessment Division
 of the Department of Finance)

Real Estate Tax Consultant/Fee Appraiser

MEMBERSHIPS HELD IN PROFESSIONAL ORGANIZATIONS

International Association of Assessing Officers

N.Y.S. Association of Assessors

Appraisal Institute

American Arbitration Association

ARTICLES PUBLISHED

"The Future of Assessed Valuations in New York City"
Assessment Digest
The Valuer's Line

Book Review of "You Can Get Your Real Estate Reduced"
Real Estate Review

"Reflections of an Acting Tax Commissioner"
Real Values

"Real Estate Taxes and the Review Process"
C.P.A. Journal

"The New Real Estate Tax in New York City"
C.P.A. Journal

"Battling Taxes From a Different Vantage Point"
Real Estate Weekly

"Forecast of Real Estate Taxes in NYC"
Real Estate Weekly

"Real Estate Tax Burden Shifting in New York"
REW - Review & Forecast

SCOPE OF APPRAISAL EXPERIENCE

Over a period of twenty-five years, I have valued thousands of properties of almost every conceivable type in New York City. Some of the more notable properties for which I have performed tax projections for offering plans are:

The Plaza Hotel Condominium
500 West End Avenue
350 West 42nd Street
The Corinthian Condominium
Trump Parc Condominium
The Stanhope Condominium
330 East 72nd Street
823 Park Avenue
123 West 44th Street

INCOME TAXES DEDUCTIONS TO UNIT OWNERS AND
TAX STATUS OF CONDOMINIUM

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

Unit Owners who itemize their deductions should, for Federal income tax purposes, be entitled to a deduction for mortgage interest on a principal of up to \$750,000.00 and real estate taxes up to \$10,000.00 in the year paid, or accrued, under Section 11043 and 11042 of the Internal Revenue Code. The \$10,000.00 limit includes other state and local taxes besides real estate taxes. These deductions are subject, however, to certain exceptions and limitations that are more particularly discussed in the Tax Opinion of Counsel, attached hereto and made a part hereof.

The affairs of the Condominium will be governed by the Board of Managers. The Board of Managers will assess and collect Common Charges from the Unit Owners, and will have certain discretionary powers over the operating expenses and the application of the assessments. Sponsor's counsel is of the opinion that the Condominium will be eligible to qualify as an exempt homeowner's association under Section 528 of the Internal Revenue Code if the Condominium elects to do so. As a result, the Condominium will not be subject to Federal corporate income tax.

The statements set forth herein are based upon an analysis of the Internal Revenue Code of 1986, as amended, the New York State tax law, the Administrative Code of the City of New York, the applicable regulations promulgated or proposed thereunder, the current position of applicable administrative agency, in particular, the position of the IRS stated in published Revenue Rulings and Procedures, and judicial decisions. It is emphasized, however, that legislative, judicial or administrative changes may be made which would require modifications of such statements, or that, the IRS or other applicable administrative agency may disagree with counsel's interpretations and conclusions.

A more detailed statement of the tax factors involved may be found in the Tax Opinion of Counsel.

No warranty or guaranty is made that the United States Treasury Department or the New York State Department of Taxation and Finance or the New York City Department of Finance will allow the aforementioned deductions, and no representation or warranty is made that the tax law or the regulations or rulings issued thereunder, or any judicial interpretation thereof, may not change so as to disallow the deductions in whole or in part. Neither Sponsor nor Sponsor's attorney shall be liable if, for any such reason, it is held that the Unit Owners are not entitled to such income tax deductions or to special exemptions as aforesaid.

Each Purchaser should consult with his or her own attorney or tax adviser with regard to tax consequences of this purchase.

TSYNGAUZ & ASSOCIATES, P.C.
 225 Broadway, Suite 2640
 New York, NY 10007
 (212) 337-9770

OPINION OF COUNSEL

March 28, 2023

Marco Auteri
 Boomerang 79 LLC
 68 34th Street, Suite 514
 Brooklyn, NY 11232

Re: The Matteo Condominium
 323 East 79th Street
 New York, NY 10075

Dear Mr. Auteri:

You have requested my opinion concerning (i) the availability of certain deductions for Federal, New York State, and New York City income tax purposes to persons who purchase units for residential use, (hereinafter called the “Unit Owners”), under a Condominium Offering Plan, (hereinafter called the “Plan”), for The Matteo Condominium, (hereinafter called the “Condominium”), (ii) the Federal income tax treatment of the common charges received by the board of managers of the Condominium, (hereinafter called the “Board”), and (iii) the availability of real estate tax abatement and exemption benefits for this project.

In connection with rendering this opinion, I have prepared the Plan and the Schedules and Exhibits thereto, the Declaration of the Condominium, (hereinafter called the “Declaration”), the By Laws of the Condominium, (hereinafter called the “By-Laws”), and reviewed the relevant sections of the Internal Revenue Code of 1986, as amended, (hereinafter called the “Code”), the Regulations promulgated thereunder by the Treasury Department, (hereinafter called the “Treas. Regs.”), the New York State Tax Law, the Administrative Code of the City of New York, revenue rulings, relevant case law and such other materials as I have deemed relevant.

Facts

The sponsor will apply to the Department of Law of the State of New York to convert the premises, located at 323 East 79th Street, New York, NY 10075 to a condominium ownership pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York, (hereinafter called the “New York Condominium Act”). The Condominium will consist of fourteen (14) residential units and ten (10) storage units in the Building, which Sponsor is currently constructing pursuant to New Building Application No. 123253273 filed with the Department of Buildings of the City of New York. Each Unit Owner will own his or her Unit and an interest in the elements common to all Units, (hereinafter called the “Common

Elements”). Each Unit Owner will be entitled to the exclusive ownership and possession of his or her Unit and will receive a separate deed to the Unit.

The affair of the Condominium will be governed by the Board which, pursuant to the By-Laws, will act only as an agent of all Unit Owners. The Board will be comprised of at least three (3) members, who shall each be elected by the Unit Owners. The primary function of the Board will be to supervise the maintenance and operation of the Common Elements, and collect charges necessary to maintain and operate the Common Elements, (hereinafter called the “Common Charges”).

Discussion

Deductibility of mortgage interest and real estate taxes

Under the New York Condominium Act, each Unit Owner will own his or her Unit and its appurtenant interest in the Common Elements in fee simple, and each Unit will be taxed as a separate tax lot for real estate tax purposes. Each Unit Owner may mortgage his or her Unit and become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness. Failure to pay his or her share of the Common Charges will result in the Board having a lien on the Unit for the unpaid Common Charges.

On January 1, 2018, the Tax Cuts and Jobs Act of 2017 went into effect. This federal law significantly changed the previously existing Internal Revenue Code, including the taxes and deductions related to homeownership.

The deductibility of the mortgage interest and real estate taxes paid or accrued by the Unit Owner during his or her taxable year will be governed by Sections 11043 and 11042 of the Code. Section 11043 of the Code allows a taxpayer to deduct all interest on a principal of up to \$750,000.00 paid or accrued during the taxable year on bona fide indebtedness. Section 11042 of the Code allows a taxpayer to deduct real estate taxes up to \$10,000.00 paid or incurred on his or her Unit during the taxable year. The \$10,000.00 limit includes other state and local taxes besides real estate taxes.

In my opinion, under Sections 11043 and 11042 of the Code, a Unit Owner should, for Federal income tax purposes, be entitled to a deduction for interest on a principal of up to \$750,000.00 paid or accrued with respect to mortgage indebtedness and for real estate taxes up to \$10,000.00 paid or accrued with respect to his or her method of accounting. The \$10,000.00 limit includes other state and local taxes besides real estate taxes.

It is also my opinion that each Unit Owner should, for New York State and New York City income tax purposes, be entitled to the same deduction which is allowed for Federal income tax purposes for the mortgage interest and real estate taxes paid or accrued during the taxable year. See Section 615 of the Tax Law of the State of New York.

It should be noted, however, that for New York City income tax purposes, the benefit of such deduction may be reduced if the Unit Owner has more than the specified amount of tax preference items. See Sections 615, 622 and 623 of the Tax Law of the State of New York.

Common Charges - Federal income taxation of the Condominium

Section 528 of the Code provides a tax exemption for an organization that qualifies as a “homeowners association” which term includes a “condominium management association”. A “condominium management association” is defined as an organization organized and operated to provide for the acquisition, construction, management, maintenance, and care of a condominium, provided substantially all of the units are used by individuals for residence. See Sections 528 (c)(1)(A) and 528 (c)(2) of the Code. “Substantially all” the units will be considered used by individuals for residences if at least 85% of the total square footage of all units within the project is used, or is intended to be used, by individuals for residential purposes or purposed auxiliary to residential use, such as storage rooms, laundry and maintenance areas. See Section 1.528-4(b) of Treas. Regs. The organization itself will be considered “organized and operated” for the acquisition, construction, management, maintenance, and care of such condominium, if the facts and circumstances indicate such to be the case. See Section 1.528-2 of Treas. Regs.

However, if the articles of the Condominium reflect that it is the purpose of the association, then the condominium management association will be presumed to be operated for such purpose. See Section 1.528-2(a) of Treas. Regs.

In addition to the organization and operation test, the tests set forth below must be satisfied under Section 528 (c)(1) of the Code in order for a condominium to qualify as a “homeowner’s association”.

- (1) 60% or more of the gross income of the organization must be “exempt function income,” that is, income derived from the payment of dues or fees from the residential unit owners in their capacity as owner-members rather than in the capacity as customers for services. See Section 528 (c)(1)(A) of the Code and Sections 1.528-5 and 1.528.9 of Treas. Regs. “Exempt function income” includes income which is attributable to assessments that arise as a result of the members’ ownership interest, either based on value or size of their units, and used for the purpose of enhancing or maintaining the value of the residence. See Section 1.528-9(a) of Treas. Regs. For example, the regulations indicate that assessments for the purpose of paying real estate taxes, removing garbage, or removing snow are “exempt function income”. See Section 1.528-9(b) of Treas. Regs. Income attributable to the use of laundry machines and interest earned on sinking funds is not exempt function income. See Section 1.528-9(c) of Treas. Regs. Any assessments attributed to special capital improvements, which are treated as capital contributions, are not included in gross income, and therefore, are not part of the calculation of the gross income test. See Section 1.528-9(a) of Treas. Regs.;
- (2) 90% or more of the expenditures of the organization for the taxable year must be used for the acquisition, construction, management, maintenance and care of the organization’s property. See Section 528(cc)(1)(c) of the Code. These

expenditures include operating and capital expenditures during the taxable year. Investments in reserve funds for future expenditures are not included in this calculation;

- (3) No part of the net earnings of the organization may inure to the benefit of any individual. See Section 528(c)(1)(D) of the Code. The Code expressly excludes benefits received by a unit owner attributable to the homeowners association performing its exempt function, such as the benefit from the homeowners association acquiring, constructing, managing and taking care of the associating property;
- (4) The organization must properly and timely elect to have Section 528 of the Code apply for the taxable year. See Section 528(c)(1)(E) of the Code.

It is my opinion that the Condominium should be eligible to qualify as a homeowners association within the meaning of Section 528(c)(1) of the Code and that, to the extent the Condominium has income in excess of its expenses, that income should not be subject to federal income taxation.

Real Estate Tax Benefits

I have reviewed the letter, heretofore set forth in the Plan, from the Sponsor's expert that no real estate tax abatement benefits are currently available to the Units. Based on existing statutes and practices, the opinion expressed therein that no real estate tax abatement benefits are currently available to the Units appear to be correct, and I hereby adopt said opinion as my own. This adoption is, of course, subject to the accuracy of the facts supplied to said expert in rendering his determination.

Compliance With Real Property Law Section 339-i

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

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

Conclusion

In my opinion, the Condominium will be eligible for tax-exempt status, if it elects such status, and Unit Owners will be entitled to income tax deductions described above. However, this opinion is not a guarantee. It is based on existing rules of law applied to the facts and documents referred to above. No assurances can be given that the tax laws upon which I base this opinion will not change. In no event the Sponsor, the Sponsor's counsel, the Board of

Managers of the Condominium, the Selling Agent or any other person be liable if there are changes in the facts on which I relied in issuing this opinion or if there are changes in the applicable statutes, regulations, decisional law or Internal Revenue Service rulings on which I relied which cause the Condominium to cease to meet the requirements of Section 528 of the Internal Revenue Code of 1986, as amended, or the New York State tax law, as amended, cause Unit Owners not to be entitled to income tax deductions.

Very truly yours,

Yevgeny Tsyngauz
Yevgeny Tsyngauz

WORKING CAPITAL FUND

The Condominium will have a fund for working capital, (hereinafter called the “Working Capital Fund”). At the time of the closing of title to the Units from Sponsor or Sponsor-designee to a bona fide Purchaser, Purchaser will be required to pay into the Working Capital Fund the sum equal to two (2) months’ Common Charges then applicable to each Unit being purchased. Sponsor will not contribute to the Working Capital Fund.

Upon the sale of all Units, it is anticipated that the Working Capital Fund will be equal to \$65,125.00 for the first year of the condominium operation.

The Working Capital Fund will be used only for payment by the Board of Managers of expenses authorized by the Declaration and the By-Laws of the Condominium, and for payment by the Board of Managers of any net adjustments for prepaid expenses owed to Sponsor at the closing of title to the first Unit. Sponsor will produce a proof of payment for prepaid expenses made by Sponsor for the benefit of the Condominium, such as an insurance premium, to be entitled to the net adjustments.

There will not be a minimum Working Capital Fund regardless of the amount of adjustments.

While Sponsor is in control of the Board of Managers, the Working Capital Fund will not be used to reduce the Common Charges.

The Working Capital Fund will be available for the Condominium after the closing of title to the first Unit.

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

RESERVE FUND

The Condominium will have a fund as a reserve for capital expenditures, (hereinafter called the "Reserve Fund").

The Reserve Fund will be used only for capital expenditures. The Condominium's By-Laws contain a provision authorizing the establishment of the Reserve Fund. Please see Article II, Section 2 of the By-Laws.

When established, the Reserve Fund will not have any funds. During the first year and subsequent years of Condominium operations, the Unit Owners, with their common charges, will make contributions to the Reserve Fund, the amount of which will be equal to 10% of the projected annual budget of the Condominium. The Reserve Fund will be sufficient to pay for capital expenditures likely to be needed within the first five years of operation following the first closing under the Plan.

The monthly contributions to the Reserve Fund will be deposited into a separate Reserve Fund Account.

Sponsor will not make an initial contribution to the Reserve Fund, and the Reserve Fund will be funded by common charges.

If additional funds are required, common charges may be increased or special assessments imposed.

While Sponsor is in control of the Board of Managers, the Reserve Fund will not be used to reduce the Common Charges.

Should monies be required by the Condominium for capital expenditures such as renewal or replacement of Building components or systems or to remedy major Building defects, the Board of Managers will be able to borrow the moneys as provided in Section 339-jj of the Real Property Law of the State of New York, which states, in pertinent parts, as follows:

"1. To the extent authorized by the declaration or the by-laws, the board of managers, on behalf of the unit owners, may incur debt. In addition, subject to any limitations set forth in the declaration or the by-laws, the board of managers, on behalf of the unit owners, may incur debt for any of the purposes enumerated in paragraph (b) of subdivision two of section three hundred thirty-nine-v of this article, provided that (a) such debt is incurred no earlier than the fifth anniversary of the first conveyance of a unit and (b) the incurrence of such debt shall require the consent of a majority in common interest of the unit owners.

2. In connection with a debt incurred by it, the board of managers, on behalf of the unit owners, may (a) assign the rights in and to receive future income and common charges, (b) create a security interest in, assign,

pledge, mortgage or otherwise encumber funds or other real or personal property that it holds, (c) agree that, to the extent of any amounts due under any of the provisions of the agreements under which the debt was incurred and subject to the provisions of subdivision two of section three hundred thirty-nine-1 of this article, all common charges received and to be received by it, and the right to receive such funds, shall constitute trust funds for the purpose of paying such debt and the same shall be expended for such purpose before expending any part of the same for any other purpose, and (d) agree that at the lender's direction it will increase common charges to the extent necessary to pay any amount when due under any of the provisions of the agreements under which the debt was incurred. The preceding sentence shall not be construed to authorize the board of managers to create a lien on the common elements. Any such assignment may provide that, in the event of a default, the lender shall have the right of the board of managers to file liens in the lender's name on units for unpaid common charges pursuant to sections three hundred thirty-nine-z and three hundred thirty-nine-aa of this article and the right to foreclose such liens pursuant to section three hundred thirty-nine-aa of this article."

The Condominium's By-Laws contain a provision authorizing the Board of Managers to incur debt on behalf of the Condominium. Please see Article II, Section 2 of the By-Laws.

NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENT AGENCY HAS PASSED UPON THE ADEQUACY OF THE RESERVE FUND.

MANAGEMENT AGREEMENT

The Board of Managers will enter into a management agreement with Taube Management Realty, LLC, having an address at 733 Third Avenue, 16th Floor, New York, NY 10017, (hereinafter called "Taube"), a real estate management firm, as Managing Agent, with respect to the Building at or prior to the first closing. The principal of Managing Agent is Joseph Taube. Sponsor and its principals are not, in any way, affiliated with Taube or any of its principals.

Managing Agent has managed approximately thirty (30) buildings in the last twenty (20) years.

The management agreement between the Board of Managers and Taube Management Realty, LLC will provide for a term of one (1) year commencing on the first closing and thereafter, if not otherwise terminated by either the Board of Managers or Managing Agent on ninety (90) day written notice of election not to extend or renew the term after the expiration of the initial term or the then annual extension. The Board of Managers has a right to cancel the management agreement if Managing Agent defaults under the management agreement.

During the first year, Managing Agent will receive an annual fee for the first year of operations of \$24,000.00 payable in advanced in equal monthly installments of \$2,000.00 due and payable on the first day of each month. The management fee for the initial year of building operations is based on prevailing rates for similar services for similar types of buildings.

The Board of Managers will also be required to reimburse Managing Agent for its reasonable and customary out-of-pocket expenses incurred in managing the Building.

The duties and services to be rendered by the Managing Agent include, among others:

- (a) billing and collecting Common Charges payable by Unit Owners;
- (b) causing the Common Elements to be maintained, repaired and altered in the manner deemed advisable by the Board of Managers;
- (c) contracting for necessary services and purchasing all supplies necessary to properly maintain and operate the Building and its Common Elements subject to the approval of the Board of Managers;
- (d) checking all bills received in connection with the maintenance and operation of the Common Elements and causing all such bills and other expenses to be paid;
- (e) supervising, hiring and discharging employees necessary for the proper maintenance and operation of the Building;
- (f) rendering monthly statements of receipts and disbursements to the Board of Managers or other designated entity, upon request;
- (g) maintaining payroll records and filing withholding tax statements for employees;
- (h) maintaining accurate sets of books for the Board of Managers;

- (i) cooperating with the Board of Managers' accountants in preparing and submitting annually to the Board of Managers an operating budget of the anticipated income and expenses for the ensuing year;
- (j) attending meetings of the Board and Unit Owners, and preparing agendas and sending notices relating to such meetings; and
- (k) generally, doing all things deemed reasonably necessary or desirable by the Boards for the proper management of the Building.

According to the management agreement, the Board of Managers shall indemnify and pay for defense (as duty to defend versus reimbursement) on behalf of the Managing Agent, and hold the Managing Agent harmless from and against all claims, damages, and costs (including counsel) arising out of or in connection with the management of the Building and the operation thereof including, but limited to, all actions taken by the Managing Agent pursuant to the instructions of the Board of Managers, and by virtue of the Managing Agent's status of a managing agent of the Building, except for acts of negligence or other misconduct of the Managing Agent.

The Board of Managers will be able to select another managing agent at the expiration of interim control period.

There will be no other agreements that will be binding on the Condominium. Sponsor represents that the future contracts or agreements will be disclosed in an amendment to the Plan.

The management agreement is not assignable by Managing Agent.

IDENTITY OF PARTIES

Sponsor

Sponsor is Boomerang 79 LLC, having an address at 68 34th Street, Suite 514, Brooklyn, NY 11232. Sponsor is a New York limited liability company.

Its principals are Marco Auteri, having an address at [REDACTED], [REDACTED], Daniel Pipitone, having an address at [REDACTED], and Giovanni Ferrara, having an address at [REDACTED].

They are all principals of Sponsor. All principals are the managers of Sponsor.

Giovanni Ferrara is a president and Daniel Pipitone is a vice-president of TBTTS, Inc., having an address at 98 4th Street, Brooklyn, NY 11231. TBTTS is a fintech company whose primary business line is the creation and licensing of real-time market data and trading platforms. The day-to-day duties of Giovanni Ferrara are technical troubleshooting and client support. The day-to-day responsibilities of Daniel Pipitone include the management of software development projects, technical sales and relationship management.

Marco Auteri is a consultant at BFC Partners, having an address at 150 Myrtle Avenue, Brooklyn, NY 11201. BCF Partners is a real estate development company responsible for the acquisition, development, financing, construction, marketing, and management of New York City's properties. Prior to joining BFC Partners, Marco Auteri was a licensed sales person at The Corcoran Group, a full-service real estate firm.

There are no prior felony convictions of Sponsor, Marco Auteri, Daniel Pipitone, and Giovanni Ferrara.

There are no prior bankruptcies, convictions, injunctions, judgments or liens against Sponsor, Marco Auteri, Daniel Pipitone, and Giovanni Ferrara or entities in which they were principals that may be material to the Plan or an offering of securities generally, that occurred within fifteen (15) years prior to the submission of the Offering Plan.

Marco Auteri, Daniel Pipitone, and Giovanni Ferrara:

- i. as principals of Boomerang Building Fund LLC, took part in a public offering of condominium units in The Alfred on Fleet Condominium, located at 112 Fleet Place, Brooklyn, NY 11201. The offering plan, having file number CD20-0104, was accepted for filing on October 9, 2020. The first unit closing took place on January 21, 2022. The sponsor and principals of sponsor of this condominium are current in their financial obligations under this offering;
- ii. as principals of 150 Luquer, LLC, took part in a public offering of condominium units in The Francesca Condominium, located at 150 Luquer Street, Brooklyn, NY 11231. The offering plan, having file number CD21-0009, was accepted for

filing on April 29, 2022. No closings took place yet. The sponsor and principals of sponsor of this condominium are current in their financial obligations under this offering.

Boomerang Building Fund LLC, where Marco Auteri, Daniel Pipitone, and Giovanni Ferrara are the principals, own more than ten (10) percent of the unsold units in The Alfred on Fleet Condominium, located at 112 Fleet Place, Brooklyn, NY 11201. Boomerang Building Fund LLC, Marco Auteri, Daniel Pipitone, and Giovanni Ferrara, are current in their financial obligations under this offering.

150 Luquer, LLC, where Marco Auteri, Daniel Pipitone, and Giovanni Ferrara are the principals, own more than ten (10) percent of the unsold units in The Francesca Condominium, located at 150 Luquer Street, Brooklyn, NY 11231. 150 Luquer, LLC, Marco Auteri, Daniel Pipitone, and Giovanni Ferrara, are current in their financial obligations under this offering.

The properties listed above comprise all the other properties in which the Sponsor's principals own 10% or more shares/units.

Neither Sponsor nor its affiliate have taken part in real estate syndications of securities consisting of participation interests or investments in real estate, including limited partnership interests or private or public offerings of cooperative interests in realty, including condominiums, in or from New York, which were initially offered during the preceding five (5) years.

Selling Agent

The Selling Agent for the Property is Sponsor, having an address at 68 34th Street, Suite 514, Brooklyn, NY 11232. Sponsor is a New York limited liability company.

The principals of Selling Agent are Marco Auteri, Daniel Pipitone, and Giovanni Ferrara.

Sponsor has no prior experience as a selling agent. Marco Auteri has prior experience as a licensed sales person at The Corcoran Group, a full-service real estate firm.

Sponsor's Attorney

TSYNGAUZ & ASSOCIATES, P.C., having an address at 225 Broadway, Suite 2640, New York, NY 10007, represents Sponsor in connection with this Plan. Yevgeny Tsyngauz, Esq. of TSYNGAUZ & ASSOCIATES, P.C. prepared the Plan. Sponsor's attorney has no beneficial interest in Sponsor.

Managing Agent

Managing Agent for the Property is Taube Management Realty, LLC, having an address at 733 Third Avenue, 16th Floor, New York, NY 10017. The principal of Managing Agent is Joseph Taube. Managing Agent and its principals are not, in any way, affiliated with Sponsor or its principals.

Managing Agent has managed approximately thirty (30) buildings in the last twenty (20) years.

Managing Agent and all of its principals have no prior felony convictions.

There are no prior bankruptcies, convictions, injunctions or judgments against Managing Agent or any of its principals that may be material to the Plan or an offering of securities generally, that occurred within fifteen (15) years prior to the submission of this Plan.

Sponsor's Architect

David Brown, R.A., having an address at 30 Broad Street, 7th floor, New York, NY 10004, prepared the report included in Part II of the Plan.

Mr. Brown has been a registered architect since 2012. He is not affiliated with Sponsor.

Below is a list of some of the projects, Mr. Brown was an architect of record for:

120 Nassau Street
Brooklyn, NY 11201

2455 Third Avenue
Bronx, NY 10451

2457 Third Avenue
Bronx, NY 10451

510 Driggs Avenue
Brooklyn, NY 11211

225 East 19th Street
New York, NY 10003

215 East 19th Street
New York, NY 10003

2239 Nostrand Avenue
Brooklyn, NY 11210

REPORTS TO UNIT OWNERS

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

- (a) a financial statement of the Condominium prepared by a certified public accountant or public accountant by March 1 of each year; such statement shall be certified while Sponsor is in control of the Board of Managers;
- (b) prior notice of the annual Unit Owners' meeting at least ten (10) days but not more than thirty (30) days prior to such meeting; and
- (c) a copy of the proposed annual budget of the Condominium at least thirty (30) days prior to the date set forth for adoption hereof by the Board of Managers; while Sponsor is control of the Board of Managers such budget shall be certified by an expert in compliance with Section 20.4(d) of Part 20 of Title 13 N.Y.C.R.R.

DOCUMENTS ON FILE

Sponsor will keep copies of the Plan, all documents referred to in the Plan and all Exhibits submitted to the Department of Law in connection with the filing of the Plan, on file and available for inspection without charge and copying at 25 cents per page at the office of Sponsor's attorney, TSYNGAUZ & ASSOCIATES, P.C., having an address at 225 Broadway, Suite 2640, New York, NY 10007, for six (6) years from the date of first closing.

Sponsor will deliver to the Board of Managers a copy of all documents filed with the Office of the Register of the City of New York at the time of the closing of the first Unit.

GENERAL

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

The Property was not, to Sponsor's knowledge, the subject of any prior cooperative or condominium offerings. Sponsor has not entered into any preliminary binding agreements. Sponsor has not collected money from prospective purchasers.

In accordance with the provisions of the laws of the United States and the State of New York, Sponsor represents that Sponsor and its agents will not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law in the sale of Units offered by the Plan or in the leasing of any Unit.

If there is a material amendment to the Plan that adversely affects Purchasers, Sponsor will offer Purchasers a right of rescission until the midnight of the fifteenth day following service of the amendment. Purchaser or Purchaser's attorney must either [i] personally deliver a written notice of rescission to Sponsor's attorney prior to the midnight of said fifteenth day, [ii] mail the notice of rescission by certified or registered mail, return receipt requested, to Sponsor's

attorney, so that mailing is post-marked by post-office prior to the midnight of said fifteenth day, or [iii] send the notice of rescission to Sponsor's attorney by an email set forth in the Purchase Agreement, prior to the midnight of said fifteenth day.

Neither Sponsor nor anyone acting on its behalf has entered into any contracts or agreements, written or oral, for the sale or transfer of any of the Units offered in the Plan, as of the date the Plan is accepted for filing.

Neither Sponsor nor anyone acting on its behalf has taken any deposits or advances of funds in connection with the reservation, sale or transfer of such Units, as of the date the Plan is accepted for filing.

All of the Units offered in the Plan are newly built and will be delivered vacant.

SPONSOR'S STATEMENT OF SPECIFICATIONS

Sponsor adopts the Description of Property and Specifications set forth in Part II of the Plan. Sponsor represents that it has no knowledge of any material defects or need for major repairs to the Property except as set forth in the Description of Property and Specifications.

The number of Units offered is identical to the number of units that will be stated in the certificate of occupancy of the Property.

The proposed use of the Units is the same as the use that will be indicated in the certificate of occupancy of the Property.

The property interests that are offered, such as cellar facilities, will be provided for in the certificate of occupancy of the Property.

PART II

323 East 79th Street
NEW YORK, NY 10011

DESCRIPTION OF PROPERTY AND SPECIFICATIONS

Date: 03/13/2023

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A. Location and Use of Property

- (1) Address: 323 East 79th Street, New York, NY 10075
- (2) Block and Lot Number: Block 1542, Lot 13
- (3) Zoning: The property is located within zoning map 9A, zoning district R10-A "Contextual Residential District", and community board 8.
 - (i) No zoning variances or equivalent waivers.
 - (ii) There are two (2) easements regarding the party walls. Adjacent properties to the east (325 E 79th Street) and west (321 E 79th Street) of the subject property contained footings that encroached within the subject property's property line. These footings were left in place and the new construction project built around them at the cellar level.
 - (iii) Quality Housing Requirements and Compliance:
 - (a) Refuse storage: 40.6 cubic feet required, 534.93 cubic feet provided, refuse disposal room provided within each unit, main refuse room provided in cellar

- (b) Laundry: Washer and dryer provided in each individual unit; no zoning deduction taken
- (c) Daylight in Corridors: No daylight deduction taken for levels 2-15; deduction taken at 1st floor lobby corridor
- (d) Recreation Space: Provided at roof terrace, 692.61 SF required, 694 provided
- (e) Planting: Street wall and street line are in alignment, no planting provided.
- (f) Density Per Corridor: 50% of corridor deducted since only 1 unit per floor which is less than 8
- (g) Parking: No parking provided as the project site is located within the Manhattan Core
- (4) Permissible Use(s): Residential Use Groups 1-4
Proposed Residential UG 2

The property and proposed use will comply with all zoning and use requirements at closing.

B. Status of Construction:

- (1) Year built: New Construction 2021/2022, Excavation and foundation work began in November 2021. It is anticipated that the first condominium unit will be substantially completed on or about March 2023 unless delayed by weather, strikes, lockouts, acts of God, shortages, or inability to obtain materials, equipment or labor, governmental restrictions, approvals or pre-emption, damage by fire or the elements or any other cause over which the Sponsor has no control.
- (2) Class of Construction: The building will be classified as Class 1B (Non-Combustible) and will conform to all applicable regulations of the Building Code of the city of New York ("Building Code"). The building will comply with the Americans with Disabilities Act ("ADA"), Fair Housing Act ("FHA") and local building code for handicap accessibility requirements. The plans were filed under application # 123253273 with the Department of Buildings ("DOB"). The building will conform to all applicable regulations of the 2014 Building Code of the City of New York ("Building Code") and fair housing. All Exterior bearing walls have a fire-rating of 2 hours. Lot line exterior non-bearing walls are required to have a fire-rating of 1-hour. This has been provided.
- (3) Certificate of Occupancy, Type and Number:
 - (i) The proposed occupancy classification is Residential (Use Group 2). After completion of construction, a Certificate of Occupancy will be issued for the condominium. The Sponsor will obtain a Temporary Certificate of Occupancy for each unit prior to the closing of such unit. The Sponsor shall complete construction and obtain a permanent Certificate of Occupancy for the entire condominium or for all individual units that have been sold at the later of two years subsequent to the first unit closing or prior to the expiration of the Temporary Certificate of Occupancy, as may be renewed, replaced or extended as provided in the plan. Buyers are advised to visit the DOB website for further recommendations when purchasing unit(s) in a building that does not have a final Certificate of Occupancy.
 - (ii) Temporary Certificate of Occupancy: A Temporary Certificate of Occupancy ("TCO") is issued by the Building Department of New York City and indicates that the property is safe for occupancy, but it has an expiration date. TCO's typically expire 90 days after they are issued. The Sponsor will apply for and obtain a Temporary Certificate of Occupancy for the Building and each Residential Unit to be sold. The Sponsor will use its best efforts to continually renew the Temporary Certificate of Occupancy until the final certificate of occupancy for the building is issued. While the Sponsor is not aware of any present conditions at the building that could interfere with the issuance of the final certificate of occupancy, open permits for work performed by unit owners could result in delays. If any issues arise in connection with the issuance of the temporary or final certificate of occupancy, they will be resolved in accordance with applicable laws, codes, rules and regulations.
- (4) Alteration Permit Numbers: Not Applicable (NB #123253273)

- (5) Where materials, appliances, equipment, fixtures, furnishings and other construction and design materials and details are specified in this report and or on the construction documents, the Sponsor has reserved the right, in all cases stated or unstated to substitute in their place materials, appliances, equipment and or fixtures as stated in the plan of substantially equal or better quality. Construction conditions may mandate the changing of locations of building systems.
- (6) 13th Floor: The NYC DOB has designated the floors beginning with the ground level floor, as Floor 1, with each floor above numbered sequentially. For purposes of this plan, the option agreement and any related documents, Sponsor has used the same designation, except that for selling purposes, no 13th floor designation will be used, and that the floors designated by the DOB as Floor 13 and above are designated herein as Floor 14 and above. All references to floors in the unit floor plans will be to Construction Floors. All references to floors in the Description of Property and Specifications (A+E Report) and its drawings will be to 'Construction Floors'.

Construction Floor (Actual)	Selling Floor
Cellar	Cellar
1 (Ground)	1 (Ground)
2	2
3	3
4	4
5	5
6	6
7	7
8	8
9	9
10	10
11	11
12	12
13	14
14	15
15	16
Roof	Roof
Mechanical Bulkhead	Mechanical Bulkhead
Elevator Machine Room	Elevator Machine Room
Roof Over Elevator Machine Room	Roof Over Elevator Machine Room

C. Site

- (1) Size: The total zoning lot area is 2,767 square feet.
- (2) Number of Buildings and Use: The building, which will be the only structure on the property, is bounded by East 79th Street to the south, the adjacent property (325 East 79th Street) to the east, the adjacent property (321 East 79th Street) to the west, and the adjacent property (330 East 80th Street) to the north; in the Borough of Manhattan, City, County and State of New York. The new building will consist of 14 residential units and a roof terrace amenity space.
- (3) Streets owned or maintained by the project: No streets are owned or maintained by the Condominium.
- (4) Drives, sidewalks and ramps: East 79th street is owned and maintained by the City of New York. The sidewalks adjacent to the property shall be new-sloped concrete with no tripping hazards or ponding. In accordance with DOT regulations tree pits, fire hydrants, bollards, streetlights, canopies, posts, vaults, gratings, and similar items will exist on the sidewalks. There are no new drives, ramps, curb cuts and aprons located on the property. The condominium shall be responsible for maintaining the sidewalks in accordance with applicable codes rules and regulations. Access to building is from NYC sidewalk directly to lobby at same elevation.
- (i) Paving: The roadway surfaces consist of bituminous asphalt paving
 - (ii) Curbing: Existing NYC curbing to remain.

- (iii) Catch basins, drainage: The streets are presently pitched to drain through existing cast iron catch basins into the New York City storm water drainage system. Catch basins are located on East 79th street at the intersection of 1st Avenue.
- (iv) Street Lighting: Not Applicable, no street lighting to be added in scope.
- (v) To the best knowledge of the sponsor there is not a source of substantial noise over and above noises typically heard in an urban setting in the immediate vicinity. Sponsor is aware the closest fire-stations are at 221 E 75th Street and 159 E 85th Street.

D. Utilities

- (1) Utility services: Generally, services will enter the building from East 79th Street. All utility services serving the project are provided by Utility Companies and are directly metered by the respective Regulated Utility Company with sub-metering provided as described herein.
- (2) Electricity: Will be provided by Consolidated Edison. The incoming electrical service for the building will be provided at 120/208 volts, 3 phase, 4 wire, and will enter the building from East 79th Street. (1) 4" PCD conduit and 4-4/0 service cable will be located at the electrical service POE shown on drawings. Service switchboards will be located within a dedicated Electrical Service Room in the cellar. Electrical distribution will extend from this Electrical Service Room to serve all electrical loads throughout the building. Meters will be provided as follows: The electrical consumption for each residential apartment will be separately sub-metered and billed to each residential unit owner. Electric consumption for the common areas will be separately sub-metered and the cost of same will be shared as a common expense.
- (3) Natural Gas: Gas service for the project will be provided by Con Edison via one 4" house gas service and one 3" generator gas service brought from East 79th street. The gas house valves and PRV are in the meter room (cellar) and are made of SCH40 black steel. The emergency generator gas service will have a dedicated Con Edison utility meter. The building gas service will branch to multiple direct Con Edison utility meter as follows: one (1) new meter will serve the gas-consuming equipment for the Condominiums, including cooking gas, and residential amenities (terrace barbeque) as a shared common expense; one (1) new gas meter will be provided for the heating mechanical makeup air unit.
- (4) Water: Water services for the project will be provided by one copper 3" DIA domestic water services & one iron ductile 6" DIA fire service from East 79th Street. Domestic water house valve, meter inlet control valve, meter and strainer, and meter outlet control valve are located in the meter room (cellar). The 3" DIA RPZ assembly is located on the 1st floor (closet). Fire service house valve and 6" DIA DCDA are located in the meter room (cellar). All water services will be protected by NYC DEP approved backflow prevention devices as approved by the NYC DEP cross connection control unit.
- (5) Sewer: The project sanitary and storm systems will connect to City of New York public combined sewer drainage system, as follows:
 - (i) One (1) 8 in. DIA combined sanitary/storm sewer connected to 96"x60" combined city sewer on East 79th street. 8" cast iron storm house trap and 6" sanitary trap located in meter room (cellar).
 - (ii) The charges for sewer service provided to the building including Residential Units and in the public areas of the buildings will be levied based on the domestic water consumption described above. The combined sanitary/storm connections are in accordance with New York City Department of Environmental Protection regulations.
- (6) Telephone service: Telephone service will enter the building from East 79th street; be fed to a main Telephone Room located in the cellar and then distributed through conduits to all areas of the building. (3) 4" empty conduits/sleeves for incoming telecom service are provided for the building. Each Residential Unit will receive telephone service wires running in a closet in the unit. Within each Residential Unit, there will be two adjacent central panels (NID) for the interface of carrier service to the multimedia panel (MMP) where all apartment low-voltage wiring will terminate. Depending on the Condominium Unit Owner's choice from available providers for voice, data and TV content services, that provider will energize service to the Residential Unit, which will be extended to numerous telephone jack positions within each Residential Unit.

- (i) Each Residential Unit Owner will be responsible for arranging final connections, obtaining a service account, for maintenance of wiring within the Residential Unit and for the cost of telephone use for their individual Residential Unit.
 - (ii) The telephone charges with respect to the public areas of the building (such as the lobby attendant, elevator alarm, fire alarm, etc.) will be a common expense.
- (7) Television: Television service will be available to each Residential Unit through wiring provisions which extend from each Residential Unit's MMP panel to various TV coaxial jack locations throughout the unit. Available television service providers in the building shall be Spectrum and Verizon Fios. Verizon Fios will be provided from the front of the building and spectrum will be provided from the back of the building. Each Residential Unit Owner will be responsible for arranging final connections, obtaining a service account, for maintenance of wiring within the Residential Unit, and for the cost of television service for their Unit. The Condominium will not be equipped with a master television antenna system.
- (8) Internet Service: Internet service will be available to each Residential Unit through wiring provisions which extend from each unit's NID and MMP panels to various RJ-45 (CAT 6A four [4] pair UTP or shielded) jack locations throughout the Unit. Each Residential Unit Owner will be responsible for arranging final connections, obtaining a service account, for maintenance of wiring within the Residential Unit and for the cost of Internet service for their Unit.

E. Sub-Soil Conditions

- (1) Geotechnical Conditions: Based on the results from test borings, the subsurface conditions above the bedrock generally consist of less than 5 feet of uncontrolled fill, NYCBC Class 7, and approximately 20 to 30 feet of dense sand, NYCBC Class 3a and 3b. The 5 feet of uncontrolled fill was removed during construction. The bearing capacity of the dense sand is 4tsf. The top of soft rock was encountered at one boring at a depth of approximately 30 feet below the sidewalk. The top of mica schist intermediate rock was encountered at the other boring at a depth of approximately 20 feet below the rear yard slab. The geotechnical borings did not encounter expansive soils or land subsidence. Groundwater was measured at a depth of approximately 17 feet.
- (2) Environmental Conditions: According to information in a December 2020 *Phase I Environmental Site Assessment* that was prepared for the site, the property was first developed prior to 1896, and is shown on the 1896 Sanborn® fire insurance map as a 4-story building that by 1911 had been identified as residential. Subsequent uses that were identified for the site included a restaurant and meeting space for a cultural/social club. The site is located in a predominantly residential area of Manhattan. No environmental concerns associated with historic uses of the Site were identified.

A regional plume of groundwater contaminated by volatile organic compounds (VOCs) and several current and former dry-cleaning facilities were identified within the vicinity of the site. These items were identified as potential sources of VOCs that could migrate into a building at the site via a process known as vapor intrusion.

According to the July 2010 report describing investigation of the regional VOC plume, chlorinated VOCs, specifically tetrachloroethene (a degreasing agent and dry-cleaning solvent), and its breakdown products trichloroethene, cis-1,2-dichloroethene, and vinyl chloride, were detected in groundwater at concentrations exceeding New York State groundwater standards; the sources of these VOCs have not identified by the New York State Department of Environmental Conservation (NYSDEC). Based on sampling conducted in 2010 on behalf of the NYSDEC, the plume was determined to be generally bounded by East 78th Street to the north, East 75th Street to the south, FDR Drive to the east, and 2nd Avenue to the west. The plume area does not underlie the site and the impacted groundwater is not expected to migrate beneath the site. Since the use of groundwater for potable purposes is prohibited in New York City, no impacts from the impacted groundwater are expected to people, animals, and plants via ingestion or direct exposure (the 2010 sampling report for the NYSDEC also concluded that exposure to impacted groundwater is unlikely).

However, based on levels of VOCs that exceed New York State groundwater standards in the site vicinity (approximately 300 feet), the potential existed that the VOCs in groundwater could be transferred to soil vapor, which could then migrate into the site building via a process known as vapor intrusion. In order to assess whether the regional VOC plume and any undiscovered releases from the identified historic and current dry cleaners in the site vicinity were negatively impacting indoor air quality within the site building, a Soil Vapor Intrusion Investigation was conducted by Athenica in January 2021. This investigation included installing two temporary soil vapor sampling points through the basement foundation, and collecting two soil vapor samples, one indoor ambient air sample, and one outdoor ambient air sample. Each of these samples was submitted to a New York State Department of Health-approved environmental laboratory for analysis of VOCs. The analytical results showed that vapor intrusion is not a concern for the site, and no further actions were recommended regarding environmental conditions at the site. As a result, there are no restrictions or actions that are required for the site due to environmental conditions.

- (3) Flood Zone Designation & Design Flood Elevation: According to FEMA National Flood Hazard maps, the site is located outside of designated 100-year and 500-year flood plains. As listed in the NYC Flood Hazard Mapper section of the New York City Department of City Planning (DCP) website, the site is located in an area designated as an “X” flood zone. This zone has the least risk of flooding of the five flood zones designated by FEMA and is defined as having a less than 0.2% annual chance of flood waters reaching the area (which is equivalent to a 500-year flood).

As required by Appendix G of the NYC Building Code, the subject building will be dry flood proofed as the primary means of flood mitigation with the use of flood resistant glazing and structural knee walls where the walls are solid, removable flood shields at loading docks and doorways. At locations of exits, wet flood proofing will be provided to accommodate required means of egress during a flood, where water can freely enter and recede while allowing building occupants to enter and exit the building. Secondary measures such as sump pumps will be provided to address seepage of water into the interior, and certain critical building systems and components will be located above the design flood elevation.

- (i) PFIRM Map 3604970182G, (12/5/2013)
- (ii) Flood Zone: Zone AE (Elev. 12 & 11)
- (iii) Preliminary Base Flood Elevation (BFE): 12 feet (NAVD88)
- (iv) Structural Occupancy Category II
- (v) Design Flood Elevation (DFE) BFE + 1 foot = 13 (NAVD88)
- (vi) Survey Elevation (Langan, 8/17/15) 7.17 to 10.61
- (vii) Design Flood Water Height 1.39 to 5.83 (NAVD88)

Spot Elevation location	Exposure (FT)	DFE (NAVD88)	Survey Elevation (NAVD88)	Design Flood Water height
NE	450.98' FRONTING W 18 TH STREET	13	9.87	3.13
RETAIL NE		13	9.25	3.75
RAMP NE		13	8.28	4.72
N		13	8.23	4.77
RAMP NW		13	8.06	4.94
NW		13	7.68	5.32
W	197.25' FRONTING Eleventh AVE	13	8.03	4.97
SW	379.89' FRONTING W 17 TH STREET	13	7.17	5.83
RAMP SW		13	8.29	4.71
S		13	8.46	4.54
RAMP SE		13	8.81	4.19
RETAIL SE		13	10.29	2.71
SE		13	10.17	2.83

E	184' FRONTING Tenth AVE	13	10.61	2.39
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F. Landscaping and Enclosures

- (1) Grass Cover: Not Applicable
- (2) Plantings: Terrace will include large, built-in planters with diverse trees, shrubs and groundcovers that will create useful outdoor spaces. Adequate drainage will be provided and coordinated with Architectural and MEP elements. Irrigation is not provided. Lighting that accentuates the landscape plantings will be integrated in the design of all communal areas.
- (3) Trees: The existing trees on East 79th Street will remain undisturbed and one (1) new street tree is required. Payment to Parks for planting will meet requirement. Sidewalk finish will be standard for New York City sidewalks.
- (4) Fencing: Fencing will be provided at the north rear private terrace at level 1. Fence to be natural wood untreated at 8'-0" height.
- (5) Gates: Not applicable
- (6) Garden walls: Not applicable
- (7) Retaining walls: Not applicable
- (8) Display pools and fountains: Not applicable

G. Building Size

- (1) Total Height:
 - (i) Approximately 150'-2" at Street, +/- from average curb level to the top of slab at main roof level (should be from ground level to highest part of roof)
- (2) Crawl Spaces: Not Applicable
- (3) Number of Sub-Cellars and Cellars: 1 Cellar Floor. Floor-to Floor height varies throughout.
- (4) Number of Floors above Grade:
 - (i) There are 15 stories above grade, plus a main roof and bulkheads.
- (5) Equipment Rooms: Equipment rooms are located in the bulkheads on the roof and in the Cellar Floor.
- (6) Parapet: Proposed Parapet/railing assemblies will extend a minimum of 3'-6" above any finished roof at terraces as required by NYCBC and are an extension of the exterior wall.
- (7) Façades: All building facades are subject to Local Law 11 inspection requirements. These façades will need to be inspected at least once every five years in accordance with Local Law 11 and the regulations and schedule set forth by the Department of Buildings reports. Reports from such required inspections must be made in accordance with the regulations. Necessary repairs must be made as required by the regulations and the findings of such inspections and reports.
- (8) Location & Use:
 - (i) Cellar Floor: Mechanical, Electrical, and Plumbing Rooms, Residential Storage with 10 Units, Bike Storage with 8 Spaces, Refuse Room.
 - (ii) Floor 1(Ground): Residential Lobby and lower floor of residential duplex unit.
 - (iii) Floors 2 thru 15: Residential units.
 - (iv) Roof: Roof Terrace Amenity and Mechanical equipment.
 - (v) Bulkhead: Elevator Machine Room, Mechanical equipment, Generator.

H. Structural Systems

Foundations: The foundation consists of a combined system. The columns are supported on 30" thick reinforced cast in place concrete mat which is set on the 4-ton soil at site. Shear walls are supported on reinforced cast in place concrete mat over caissons drilled to rock. A bathtub, consisting of cellar pressure slabs (30") and perimeter foundation walls (10" cast in place concrete) to create a resist hydrostatic pressure. A layer of water proofing membrane is installed at the outside face of the foundation walls and at the bottom of the cellar pressure slab. Sump pits are cast integrally into foundation and provided throughout the cellar level. South property line contains drilled soldier piles 9-5/8"x0.545 @ 5.5' spacing and lagging, north part of property will not be excavated fully and requires no soldier piles or underpinning. East and West property line contain adjacent properties party walls. During excavation these walls were reinforced by rakers and concrete foot blocks until new foundation and walls were constructed. In areas of the east and west property line walls where there was no party wall drilled soldier piles with lagging was used.

Superstructure: The new structure consists of a conventionally reinforced cast in place concrete flat plate construction supported on reinforced concrete columns and shear walls. The residential flat plate is generally 9 inches thick. Thicker 12-inch slabs have been provided at the roof where heavier loads are dictated by program requirements. A number of column transfers are required to accommodate the program layouts. Some transfers are achieved using “walking columns”, which means introducing one or multiple story “walls” that transfer the load from one location above to a different location below. load - bearing Shear walls are placed around the elevator shaft and egress stairs to act as the central ‘spine’ of the building and resist lateral loads arising from wind loads, seismic loads, code defined notional loads as well as occupancy loads, all in accordance with the New York City Building Code. The lateral system is designed to control lateral drifts as well.

Sound insulation: Where required by the NYCDOB Code, residential floor-ceiling assemblies will achieve a minimum IIC 50 rating. Floor assemblies consist of 9” concrete slab with either wood flooring with an acoustic underlayment or marble tile over mortar bed. Corridors, bathrooms, and closets have dropped gypsum ceilings below floor assembly. Floor impact noise will comply with BC 1207.3. Interior cellar walls are constructed of CMU block and metal stud.

(1) Exterior of buildings:

- (i) Walls: The planned development at 323 East 79th Street includes a new construction 15-story residential building with 3-stories of bulkhead for a total of 18 stories. The current facade design for the building includes storefront and brick rain screen wall with punched windows for the residential tower. The current design of the building includes mechanically ducted air to each living room and bedroom of each residential unit. Exterior walls shall comply with local law 11. Local law 11 report will be performed prior to the issuance of the Temporary Certificate of Occupancy. Inspections are required at least once every five years for exterior walls and appurtenances. The initial report shall be filed in the applicable two-year filing window for the next five-year cycle. Sponsor shall prepare Cycle 10A Local Law 11 reports. It shall be the Condominium’s responsibility, at the Condominium’s cost and expense, to have prepared all future Local Law 11 reports and cause to be performed all work noted in the future reports. No curtain walls are present. No EIFS system is present. The exterior walls consist of 5 wall types. Wall layers are listed from exterior to interior:
 - (a) Typical Concrete Party Wall: 9” poured concrete with krystol internal membrane admixture load bearing wall with 2.5” insulation within a 2.5” metal stud cavity with a layer of 5/8” gypsum wall board on the interior. R-value is 9.28. 3-hour fire rating.
 - (b) Typical CMU Party Wall: 6” concrete masonry unit, non-load bearing, air/vapor barrier with 2.5” insulation within a 2.5” metal stud cavity with a layer on 5/8” gypsum wall board on the interior. R-value is 9.84. 3-hour fire rating.
 - (c) Typical Brick Wall Assembly: 3-5/8” brick with 1-3/4” air gap(varies), 2” insulation, air/vapor barrier, 5/8” densglass, 6” metal stud cavity with 4” insulation and 5/8” gypsum wall board. R-value is 22.2. 3-hour fire rating.
 - (d) Typical Cellar Wall: 2” XPS insulation, with 12” poured concrete with krystol internal membrane admixture. R-value is 10.96. 3-hour fire rating.
 - (e) Typical Below Grade Party Wall: 9” poured concrete with krystol internal membrane admixture, with 2” insulation and 5/8” gypsum wall board. R-value is 9.28. 3-hour fire rating.
 - (f) No existing walls, new construction project.
- (ii) Windows: Residential windows will be acoustically rated, STC 33 and OITC 27. Window manufacturer is Skyline Windows. Extruded aluminum mullion designed to support glazing. Window frame to be thermally broken and finished with Duranar bronze-color fluoropolymer coatings by PPG or similar. Aluminum mullions reinforcement with steel where required. Custom

extruded interior mullion extensions at jambs, sill, and head. Aluminum finish to match exterior. All trims to match. All exposed sealants shall be silicone. All exterior flashing material shall be stainless steel. Operable windows are provided with Giesse Keyed Casement Handle, Giesse Bridge Hinges, Giesse Child Falls w/ DOH approved limit arms stamp, and with Weatherguard straight washer bolts. Residential windows contain insulated glass with a u-value of .38, they do not contain screens, they are casement style windows. Windows contain limiters that allow the window to only open 4". Warranties included: Warranty for Fluoropolymer Resinous Coatings (10) years, Warranty for Acrylic Paint Finishes (10) years, Warranties for Glass (10) years. Storefront system to be located at 1st floor north and south facades. Storefront has yet to be finalized but will likely be by Intertek 5100T. Storefront master aluminum window and door with glazing option 13, overall u-factor of 0.37 and overall SHGC of 0.36. Warranty period 5 years from date of substantial completion. Special finish warranty 20 years from date of substantial completion.

- (a) Lot Line Windows: Lot line windows are provided on the west façade starting at level 7 up to level 15. West lot line windows do not count toward light and air calculations. Lot line windows are protected by an approved water curtain using automatic sprinklers approved for that use and installed in accordance with NFPA 13 as modified in Appendix Q (per section BC 705.8.2 of the 2014 code). Building is fully sprinklered. Lot line windows within a 60'-0" diameter from the adjacent building comply with percentage of glazed area allowable per each story. Levels 7-11 are within 60'-0" diameter of the adjacent building and each story has a 9% glazed area which does not exceed the 10% of façade area of the story in which they are located. Dimensions and locations of lot line windows provided in A+E plan drawings. Architects understanding is that adjacent building area and air rights have been utilized by (301 E79th Street) and additional development on adjacent lot it not likely. In the event of additional construction, windows will be required to be removed and infilled with fire rated materials. The wall construction type is to match the adjacent wall type (3-5/8" brick, air space, insulation, air/vapor barrier, exterior sheathing, 6" stud with insulation, and interior gypsum wallboard) and is to be 3-hour fire rated. The owner shall file a lot line window restrictive declaration against the tax lot in accordance with Buildings Bulletin 2015-008 or its successor bulleting, requiring that the owner shall immediately close such openings if any neighboring building is later altered or constructed to come within the 60-foot distance limitation. The Schedule A/Certificate of Occupancy for the subject building shall recite the CRFN number for the declaration recorded against its lot.
- (b) Light and Air: The adequacy of the windows for code-required light and air quantities have been checked as shown on the documents that have been filed with the DOB
- (iii) Landmarked Status: The property is not Landmarked.
- (2) Parapets and Copings: Roof Parapet construction is a continuation of the typical brick assembly exterior wall. Roof to be a watertight system that includes waterproofing, insulation flashing and finished with pavers. Parapet heights and/or railing assemblies extend a minimum of 3'-6" above the finished roofs as required by NYCBC. Coping located at following locations: Roof terrace (Level 16), coping material is precast concrete.
- (3) Chimneys and Caps: There are no chimneys or flues. The trash chute terminates at the roof terrace with integrated cap per RCNY 24-01. Cap is 6'-0" above finish floor, lower part of chute is enclosed in CMU wall. There is a plumbing vent pipe adjacent to trash chute which also terminates 6'-0" above finish floor. Within the mechanical area (open to the exterior) at

the roof terrace the kitchen exhaust (KF-1 Greenheck USF-16-B2), toilet exhaust (TF-1 Greenheck USF-10-B5), and general exhaust (EF-1 Greenheck USF-10-B2) termination points are located. Exhaust fans are supported on dunnage. Smoke purge fans are located at the roof of Stair A/B (Greenheck AX-41-160-0416-M30).

- (4) Balconies and terraces:

Deck Finish: Terraces consist of a concrete slab with insulation, waterproofing, and paver; Terraces are located at roof and ground level. Balconies are located at levels 3-15 and are concrete with painted traffic coating on all over. Traffic coating is by Sikalastic Deck Pro System in the color Petoskey. Sikalastic can withstand foot traffic. Balconies contain no drains but are sloped away from the building. Adequate drainage for all terraces will be provided, per New York City Building Code. All terraces have drains connected to the building storm water management system. Flow control roof drains (4" ZURN Z-105-cast iron) with secondary/emergency roof drains (4" ZURN Z-164-VP-cast iron) are provided on terrace roof.

 - (i) Balustrades: n/a
 - (ii) Railings: Glass railing and continuation of exterior wall at roof terrace and metal railings at balconies.
 - (iii) Copings: Stone
 - (iv) Soffits: Concrete with traffic coating by Sikalastic Deck Pro System in the color Petoskey. Drip edge formed into the concrete slab. Balcony slab slopes away from building and water sheet drains into rear yard.
 - (v) Doors to Balconies and terraces: Glass Storefront Doors as manufactured by TBD; Glass doors as manufactured by Skyline Windows at balconies. All hardware as per manufacturers noted above.
- (5) Exterior Entrances:
 - (i) Exterior Doors and Frames: Extruded aluminum mullion designed to support glazing. Window frame to be thermally broken and finished with Duranar bronze-color fluoropolymer coatings by PPG or similar. Aluminum mullions reinforcement with steel where required. Sliding and swing doors with fixed glazing system with aluminum mullions. Full height operable with safety glazing. All trims to match, all exposed sealant to be silicone. All exterior flashing material shall be stainless steel. Operable Doors: Doors are provided with Giesse Prima Plus handles, Fulcra hinges, Glynn Johnson restrictor, and key in blank out. No sliding doors included in project.
 - (ii) Vestibule Doors and Frames: No vestibule provided.
 - (iii) Exterior Stairs: Not applicable. Ladders provided for access to bulkheads.
 - (iv) Railings: No railings provided at doors.
 - (v) Mailboxes: Mailboxes are located on the ground level within the mail room. Mailboxes to be Florence or equal, mailboxes will meet all USPS regulations.
 - (vi) Lighting: Lighting for main entrance off of E 79th street is located adjacent to lobby entry doors and above building numbers. There will be a single exterior sconce (dweLED icon outdoor wall sconce 3000K in color bronze) at the balconies (levels 3-15) that can be switched from the interior primary bedrooms and at the 1st floor rear yard of the duplex unit, there will be (2) sconces (dweLED icon outdoor wall sconce 3000K in color bronze) on either side of the storefront.
- (6) Service entrances:
 - (i) Doors and Frames: Extruded aluminum mullion designed to support glazing. Window frame to be thermally broken and have a metallic painted custom color to match exterior window mullions. Aluminum mullions reinforcement with steel where required. Custom extruded interior mullion extensions at jambs, sill, and head. Metallic painted custom color to match exterior window mullions. Insulated, formed, and painted aluminum back pans. All exposed Sealant shall be silicone All Exterior flashing material shall be Stainless SteelGlass door hardware: Dorma floor closer and intermediate pivots and custom pull or equal with panic hardware where required Flush Aluminum door hardware: Legacy hinge and Sargent exit device or equal.

- (ii) Gates: Not applicable.
 - (iii) Exterior Stairs: Not applicable.
 - (iv) Railings: Not applicable.
- (7) Roof and Roof Structures: The roof terrace is allocated as an accessory to the residential space and the maximum occupancy permitted is 21 occupants.
- (i) Type Roofs for all areas:
 - (a) Material: Modified bituminous Membrane Roofing system, with pitched concrete topping slab.
 - (b) Insulation: Roof insulation will be 4" minimum of extruded polystyrene. The roof insulation shall have an R value of 5.0 per inch of thickness, for a total R value of 20 for the insulation. Overburden assemblies shall include drainage mat material beneath the insulation and filter fabric above the insulation. Overburden types include porcelain pavers and wood decking. Roof terrace paver/deck material is appropriate for daily foot traffic.
 - (c) Surface Finish: Roof warranty maintained with selected paver. Porcelain pavers by Deco Vita, Epiro Anthracite (24"x48") with pedestals, or equal & planting. Planting to be within planter boxes of various sizes set atop paver system, plants at roof terrace include Arborvitae Evergreen, Agastache, Pugster Dwarf Butterfly Bush, White Panicle Hydrangea, Dwarf River Birch, Fall Feathers Sedge, Maiden Grass, Lavender, Liriope 'Silver Dragon', Green Mountain Boxwood Evergreen, Dwarf Arborvitae Evergreen, and Variegated Vinca Minor Evergreen.
 - (d) Bond or Guarantee: Modified bituminous membrane roofing system, manufacturer's warranty-limited-service warranty issued by manufacturer for 20 years from date of substantial completion, includes all roofing assembly components regardless of manufacturer of individual components with no dollar limit. Installer's Warranty- Issued by installer for period of 2 years, includes entire installation and roofing membrane assembly, including base flashing with no dollar limit. Manufacturer of roofing systems is Siplast or equal.
 - (e) Flashing materials: Stainless steel metal flashing with counter flashing, located at all parapets.
 - (f) Drains: There are multiple roof drains provided, adequate for area drainage of the roof, which are connected to internal leaders. The roof drains and overflow drains are Duco cast iron and are piped to cast iron roof leaders located within the building envelope. Adequate drainage is also provided for each residential balcony and terrace. Primary and secondary scuppers provided for Bulkhead (ZURN Z-187-IP). Flow control roof drains (4" ZURN Z-105-cast iron) with secondary/emergency roof drains (4" ZURN Z-164-VP)- provided for main roof. Balconies contain no drains but are sloped away from building. Two scupper drains provided for ground floor terrace (ZURN Z-187-IP). Drain materials are cast iron standard weight no hub.
 - (ii) Skylights: Not Applicable
 - (iii) Bulkheads: Mechanical bulkhead exterior walls to be open metal mesh siding secured to concrete slabs. The elevator bypass, machine room and exit stairs will be part of the roof bulkheads. Access to bulkhead will be by an internal ladder.
 - (a) Equipment Mounting: All equipment to be set on vibration pads.
 - (b) Dunnage: all dunnage to be painted with Tnemec brand primer and finish paint.

- (c) Stairs: Poured in place concrete, walls of stair are poured concrete with krystol internal membrane admixture, cladding is thin brick.
 - (d) Elevator: Exterior walls of elevator enclosure are poured concrete with krystol internal membrane admixture or CMU walls with the cladding being either thin brick or stucco.
 - (iv) Metal Work at roof levels: All metal work at roof floors including dunnage, railings, railing's material and fasteners and the like shall be of corrosion resistant material or painted with Themec brand primer and finish paint.
 - (a) Exterior, metal stairs: n/a
 - (b) Vertical ladders: Ladder to be at 75-degree angle, model H75 from Alaco or approved equal. Provided for access to bulkhead levels 17 and 18. Safety railing system around ladder opening is provided along with self-closing gate at ladder access point from Babcock Davis or approved equal.
 - (c) Railings: Mounted on interior side of exterior metal mesh screen. 42" from finish surface below.
 - (d) Hatches to roof: Roof hatches shall be comprised of galvanized sheet metal with insulated double wall lid and insulated single wall curb frame.
 - (v) Rooftop Facilities:
 - (a) No rooftop antennae, cell phone towers, satellite dishes, or lightening protection equipment provided.
 - (b) No damping system provided.
 - (c) The building does not have a building maintenance unit, all windows are cleaned from the interior.
- (8) Fire Escapes: None.
- (9) Yards & Courts:
 - (i) Rear Yard: One rear yard at grade will consist of a private terrace for the duplex unit. The rear yard is accessed through the duplex unit's 1st floor. Paving material consist of porcelain pavers by Deco Vita Epiro Anthracite (24"x48") with pedestals, or equal. Material and finish are able to withstand daily foot traffic.
 - (ii) Drainage: Adequate drainage will be provided with discharge to existing sewer main. Concrete slab slopes to two scupper drains by Zurn, model Z-187, dura coated cast iron.
 - (iii) Railings: n/a
 - (iv) Stairs: n/a
 - (v) Fencing: Fence to be natural wood untreated at 8'-0" height along the perimeter of the rear yard.
 - (vi) Walls: n/a
- (10) Interior Stair:
 - (i) Egress Stairs: Stairs A and B serve the cellar through roof floors. Emergency lighting shall be provided.
 - (ii) Enclosure: Egress stair enclosure, will be enclosed with 2-hour rated CMU block partitions painted and 2-hour rated shaft wall construction painted or 2-hour rated concrete shear walls.
 - (iii) Stair Construction: All egress stairs to be Cast in Place Concrete treads, risers and landings.
 - (iv) Guard Rails at Egress Stairs: Painted Steel.
 - (v) Convenience Stairs: The Duplex unit on Floors 1 and 2 will have a convenience stair between floors: Unit 1. The convenience stair handrails will be wood mounted recessed to the wall. The stairs will be steel with finished wood treads and risers.
- (11) Interior Doors & Frames:
 - (i) Unit Entry doors and frames (Ground Floor Only): Unit Entry doors will be hollow metal with a wood veneer finish or painted. The frames will be hollow

- metal with a custom metal finish. The unit entry doors will meet all applicable NYCBC requirements and fire rating requirements.
- (ii) Hold-open doors and frames: Hold-open doors will be hollow metal with a painted finish. The frames will be hollow metal with a custom metal finish. Hold-open doors are 90-minute fire rated. The hold-open doors will meet all applicable NYCBC requirements and fire rating requirements.
 - (iii) Unit interior doors and frames: Door to half bath (Bath 1 in AG drawings) on levels 3-15 is a 90-minute fire rated hollow metal door and frame with a painted finish. Door from stair vestibule to corridor on 2nd floor is a 90-minute fire rated hollow metal door and frame with a painted finish. All other interior unit doors will be solid core wood with painted finish. Frames will be painted hollow metal.
 - (iv) Corridor doors and frames: At rated residential corridors, the doors in the corridor will be painted hollow-metal doors with painted hollow metal frames. The corridor doors will meet all applicable NYCBC requirements & fire rating requirements. Doors within the corridor will have self-closers and be rated 90-mins.
 - (v) Stair doors and frames: Stair doors that open to a residential corridor will be painted hollow-metal and the frames will be painted hollow metal. The stair doors will meet all applicable NYCBC requirements and fire rating requirements. Stair doors will be 90 min. rated.
 - (vi) Entry vestibule: The entry vestibule doors will be glass and metal doors with a metal frame.
 - (vii) Back-of-house doors and frames: Mechanical, service and storage doors in the Cellar, on mechanical floors and in mechanical areas on residential floors will be hollow metal doors with hollow metal frames and meet all applicable NYCBC requirements and fire rating requirements.
 - (viii) Roof doors and frames: These doors and frames shall be hollow-metal and will meet fire rating requirements.
 - (ix) All doors requiring a fire rating shall be appropriately labeled.
- (12) Elevators: Elevator opens directly into unit on Levels 2-15. There will be a fob system that allows access to a given floors. The elevator doors are not zero clearance. The elevator door opens to a 2-hour rated corridor. In case of emergency magnetic hold open doors will release and separate corridor from rest of unit. The elevator will use and AC, gearless motor. The manufacturer is Imperial Electric.
- (i) There is one (1) passenger/service elevator (PE1) servicing the residential units.
 - (ii) The elevator manufacturer will be HM Elevator. Sponsor will provide documentation of maintenance contract.
 - (iii) The elevator shall have a capacity as follows:
 - (a) PE1: 3,500 LBS Capacity.
 - (iv) The type of operation for PE1 will be as follows:
 - (a) Simplex, collective automatic.
 - (v) The elevator type of controls will be microprocessor variable voltage variable frequency. Elevator controller is the Pixel AC by Elevator Controls.
 - (vi) PE1 will contain motion control, elevator controls and computerized elevator controls.
 - (vii) The elevator will have stops at floors as follows:
 - (a) PE1 – Cellar, 1-16(Roof Terrace)
 - (viii) The elevator speeds are as follows:
 - (a) PE1: 350 FPM.
 - (ix) The elevator machine types will be as follows:
 - (a) PE1: Gearless Traction.
 - (x) The elevator doors will be as follows:
 - (a) PE1: One Speed Side Open Horizontal Sliding Type.
 - (xi) The elevator machine rooms are located as follows:
 - (a) PE1: Above last served floor at Level 18.
 - (xii) Elevator Machine Room will be adequately insulated and isolated.

- (xiii) Elevator Machine Room to be temperature and humidity controlled to maintain the required range of temperature and humidity recommended by the elevator control manufacture and per all New York City, New York State and Federal Code requirements.
- (13) Elevator Cabs:
 - (i) Kind: Passenger elevator cabs (PE1): The elevator cabs will be manufactured by HM Elevator with HM Elevator controls. Sponsor will provide documentation of maintenance contract.
 - (ii) Floors: Stone
 - (iii) Walls: Metal and wood paneling, Mirror
 - (iv) Ceiling: Metal paneling
 - (v) Lighting: (4) overhead lights, manufacturer TBD
 - (vi) Alarm & Safety System: An electric signal bell will be provided in the elevator shaft at the lobby and under the elevator cab platform. The bell will be connected to the alarm and stop button in the cab operating panel. Fireman Service Phases I and II.

I. Auxiliary Facilities

- (1) Laundry Rooms: Washer and dryers are located within individual units, there is no communal laundry room.
- (2) Refuse Disposal:
 - (i) Incinerators: None
 - (ii) Compactors: There will be one refuse chute and compactor servicing the residential units. The compactor shall be Precision Machinery Systems Inc. or approved equal, located in the cellar. The compactor room will be ducted to the roof. A twin sorter will be used. Utilizing a diverter plate whose position is controlled by the user, the recyclables are diverted into a 96-gallon toter while all other waste is diverted into a trash compactor. The trash compactor is the Gobbler-1 from the auto-pak gobbler series by Precision Machinery Systems Inc. The unit will compact and extrude up to 500lbs. of trash before bag removal is required. Operation is automatic, activate with the presence of trash in the hopper and shuts down when receptable is full.
 - (iii) Approvals: None required
 - (iv) Storage Location: The compacted bags will be stored in the refuse room in the cellar.
 - (v) Pick-up Schedule: Building personnel collect compacted refuse and deposit compacted refuse curbside for pick-up by New York City Department of Sanitation.
- (3) Common Residential Amenities:
 - (i) Tenant Storage Room: Located in the Cellar Floor. The storage lockers will be metal cages that provide enclosure on five sides. Each storage locker is to be sold as a Storage Unit (transferred by deed). Storage lockers are equipped with sprinklers. Tenant storage lockers are enclosed on all side with metal mesh and provided with a door that can be locked via residential owner's key. Security cameras will monitor the storage lockers.
 - (ii) Bicycle Storage Room: Tenants will have bicycle storage in the Cellar Floor. Wall mounted racks by Dero will be provided. Walls of bicycle room are CMU block. Access will be via key locked entry door to bike room. Security camera will monitor exterior door and interior. Bike room provides spots for 8 bicycles which is 1 space over the required 7 spaces.
 - (iii) 24-hour doorman/concierge.
 - (iv) Roof Terrace

J. Plumbing and Drainage

- (1) Domestic Water System:
 - (i) There is (one) DEP approved 6-inch fire protection water service and (one) 3-inch domestic water services. The domestic water supply to the buildings from street water main will be metered. After the water meter assembly and DEP code required back flow preventer device water is distributed as follows:

- (a) Duplex domestic booster pumps will be provided, each pump 50 GPM, 127.05 TDH capacity for the 5th floor thru 15th floor. The pumps will be directly connected to the street water service. Water Booster Pump: Quantum Flo Prodigy, Duplex QES_2-120/306 with a 5-year warranty.
 - (b) The rest of the building in its entirety will be served from the street water service.
 - (ii) Water pipes are to be copper type "L" insulated as per specifications.
 - (iii) Hose bibs and trap primers on the first floor and cellar operate on street pressure.
 - (iv) Maximum pressure at any fixture will not exceed 85 PSI as required by NYC code.
 - (v) Complete domestic cold-water distribution system serving all base building fixtures and equipment requiring cold water. All domestic water piping shall be copper type "L", insulated and sized as required.
 - (vi) Hot water system will consist of central multi-zoned electrical hot water heaters with recirculation loop balanced as required to maintain water temperature in loop as per NYC Code.
 - (vii) Piping to be pressure tested per New York City Building Code.
 - (viii) Main shut off valve will be located at the cellar floor not more than 24 inches from the point of entry and the back-flow preventers will be located on Floor 1 above flood level.
 - (ix) Irrigation systems at the roofs will be provided with a protected domestic water connection. The water supply will be protected against backflow as per NYC DOB and NYC DEP requirements.
- (2) Fire Protections System:
- (i) An automatic Peerless fire pump rated for 500 GPM at 100 PSI 50 HP is provided for the combined sprinkler/standpipe system.
 - (ii) Each floor will be provided with new sprinkler control valve assembly and standpipe valve located within the stairs. Combined Sprinkler/standpipe system will have all new risers, valves, heads and sprinkler distribution as required per New York City Building Code.
 - (iii) All residential units (except bathrooms smaller than 55 SF and closets smaller than 12 SF) will be sprinkler protected.
 - (iv) All common spaces, and below grade spaces are to be fully sprinkler protected.
 - (v) Rated electrical switchgear rooms will not be sprinkler protected.
 - (vi) Trash compactor and Trash chute will be sprinkler protected in accordance with NYC code.
 - (vii) Any Floor openings from one floor to the next and any lot line windows will have closely spaced sprinkler heads around the opening spaced 6 feet on center as required by code to protect the opening.
 - (viii) Fire standpipe riser shall be 6" black steel pipe schedule 40 with Victaulic couplings or equal located in stair core. Sprinkler mains 2-1/2" or larger to be Schedule 10 steel pipe, all others to be schedule 40 steel pipe. Drain risers are to be galv. Schedule 40 pipe. Risers are located within stair enclosure.
 - (ix) Sprinkler cabinet will be provided within the residential lobby cabinet for use by fire department as required by NYC Code.
 - (x) Sprinkler Head: UL approved residential and commercial quick response type pendant and sidewall sprinkler heads. Location: Provided throughout the building. Entire building is protected by sprinklers, accept as noted. Wet sprinkler system provided with a combination of exposed and concealed head types and a heat element temperature rating of 165 degrees Fahrenheit.
 - (xi) Fire Department Connection: Combined fire standpipe and sprinkler dual connections located as per NYC Building Department requirements at the first-floor facade. The finish to be polished bronze or brass with caps painted yellow.
 - (xii) Hose racks, hoses and nozzles: Not provided.
- (3) Water Storage Tanks: n/a

- (4) Water Pressure: 65psi street water pressure, 95psi boosted water pressure
- (5) Sanitary Sewage System:
- (i) (1) New 8-inch combined sewer will provide sanitary waste drainage for all new plumbing fixtures in the buildings.
 - (ii) Sewer piping materials shall be standard weight cast iron with no-hub fittings and ductile iron piping and fittings; sanitary waste gravity discharge to street combined sewer shall be sized as required per NYC code.
 - (iii) Building will have multiple stacks and vent system with all areas above grade flowing by gravity to adjacent sewers in street.
 - (iv) House Sewer will discharge into New York City sewer system into East 79th street.
There will be simplex ejector pumps system located in the cellar that will discharge all sanitary waste collected from below the elevation of the sanitary gravity sewer.
Ejector Pump:
EP-1 (simplex ejector pump) FEDERAL PUMP VSS-3P-0.75-4 50GPM/25ft, 1 year warranty
EP-2 (simplex ejector pump) FEDERAL PUMP PIB SERIES 20GPM/25ft, 1 year warranty
 - (v) Piping systems will be pressure tested per code.
- (6) Permit(s) Required:
- (i) DEP approval and permit required for Domestic water and fire services backflow preventer devices including required filing of GEN 236 and 215B forms.
 - (ii) Backflow preventer devices are to be tested and certified annually by certified plumbing contractor.
- (7) Storm Drainage System:
- Storm drainage will be collected and stored via roof retention and drained from roof drains with control flow discharging to the combined sewer at a rate as approved by NYC DEP into the street main.
- Storm Drainage System:
- Primary and secondary scuppers provided for Bulkhead (ZURN Z-187-IP).
2x Flow control roof drains (4" ZURN Z-105-cast iron) with 2x secondary/emergency roof drains (4" ZURN Z-164-VP- provided for main roof.
Balconies contain no drains but are sloped away from building.
Two scupper drains provided for ground floor terrace (ZURN Z-187-IP)
Materials-cast iron standard weight no hub
- (i) Elevator sump pits will have sump pumps with connection to the storm drainage systems.
Sump pumps:
SP-1 (simplex elevator sump pump) FEDERAL PUMP 1-1/2P-1/3-4 20GPM/20(ft) - 1 year warranty
Also provided sump pumps to storm system:
SP-2,3,4 (simplex sump pump) FEDERAL PUMP B-1.5R-1/2-2-1A 20GPM/20(ft) - 1 year warranty
 - (ii) The building storm drainage system will be designed and sized as per NYC DOB requirements. All leaders will be new cast iron standard weight with no-hub drainage fittings.

K. Heating

- (1) Space Heating:
- (i) The heating system is designed to maintain an indoor temperature of 73° F indoors when outside temperature is 15° F in accordance with ASHRAE standards and NYC building code.
 - (ii) The building will have electric heater for heating of the residential, amenity and common areas. Each residential unit will be heated through variable refrigerant flow (VRF) units. One or more VRF units will be provided for each condominium to serve, bedroom and/or bedrooms, living area/ dining

area and kitchen area along with corridor spaces within the condominium. Electric heat provides for the perimeter bathroom. VRF units will be mostly installed above the ceilings of walk-in closets, secondary bathroom and kitchen and corridors. Units will be horizontal concealed and low-profile type units. Units will require only one ceiling access panel for service at either side of the units. Ceiling access panels shall be provided based on the final piping connections to VRF units. VRF units will be factory pressure tested and equipped with factory tested piping assembly consisting of water auto-flow/self-balancing valves and control and shut-off valves. Control valves will be a two position, ON and OFF type valves. Each VRF will be equipped with a factory extended stainless steel condensate drain pan and water detection leak overflow switch. Also, VRF units will be equipped with factory electric/control box. Fan motors of the fan coil units will be ECM type of motors. In addition, each VRF unit will be provided with a local 7-day programmable heating and cooling thermostat with a fan modulation capability and ability to activate piping ON/OFF control valves to maintain the space comfort condition based on the temperature set-point. Temperature set-point shall be adjustable. Thermostats shall be compatible to home automation (HA) system which will be furnished and installed by VRF unit manufacturer. Units will be air and balanced at medium fan speed by the mechanical contractor in the field. VRF units shall be manufactured by Mitsubishi or approved equal unit with similar performance data and capacities. Energy efficiency rating 7.7 HSPF (3.3 COP @ 47F, 2.25 COP @ 17F). Mitsubishi 5-year parts warranty, 1 year installer labor warranty.

- (iii) Electric Heater system: Berko, SED1024C, located on wall, capacity 750 watts, controlled by built in thermostat. No energy efficiency rating, 1-year warranty. Units will be provided with a supply ductwork, return air through the ceiling plenum, and piping distribution systems. Units shall be ducted to the ceiling or soffit linear architectural slot diffuser to distribute the required air flow to designated spaces. There is one condenser unit for each residential unit. Condenser units are mounted on metal stand on roof. Support structure for units is corrosion resistant. No units below condensing units, vibration and noise from reverberation is not an issue. Insulation for outdoor/exposed piping/ducts consists of 2" insulation for ducts and 1" insulation on refrigerant lines.
- (iv) VRF Unit Nominal Capacities: VRF quantity and capacities will depend on the residential unit size and actual space layouts. Units are based on Mitsubishi manufacturer with various model numbers as per their capacities and performance ratings. Base model number is "PEFY".
- (v) Indoor Heating and Cooling Units: Heating and air conditioning equipment are the same. Indoor units are ceiling mounted with concealed ductwork. There are 3 units for the duplex residential unit located on the 1st and 2nd floor and there are 3 units per residential unit located on floors 3-15.
 - (a) Living Room/Dining Room, Kitchen, and Bedroom: One (1) – 34,000 Btu/h FCU
 - (b) Primary Bedroom/Secondary Bedroom: One (1) - 9,000 Btu/h FCU
 - (c) Primary/Secondary Bedroom: One (1) – 13,500 Btu/h FCU

(2) Central Heating Plant: There is no central heating plant.

(3) Amenity Spaces and Public Common Areas:

- (i) A gas fired rooftop unit (MAU), or units will be provided to support the amenity spaces. Outside air shall be provided from exterior louvers connected to units to provide required ventilation rates based on code requirements. The gas fired rooftop unit (MAU) will supply and return fans, mixing plenum and MERV 13 filters. All units greater than 2,000 cfm will be provided with VFD's for fan modulation. MAU, 1 year parts warranty, 5 year compressor parts only warranty, 10 year heat exchanger parts only warranty, 1 year installer labor warranty.

- (4) Building Lobby and entrances:
 - (i) A dedicated VRF unit shall be provided to serve the lobby and entrance. VRF for these spaces will be equipped with cooling coil supply fan and MERV 13 filters (with MERV 8 pre-filters). Refrigerant piping connections with their associated valve rings and control valves shall be provided.
 - (ii) VRF units shall be manufactured by Mitsubishi with various model numbers based on capacities and performance rating.
 - (iii) A static pressure monitoring for each lobby shall be provided.
 - (iv) Air handling units shall be provided with their DDC controls for control and monitor of the units' operation.
- (5) Heating for the stairwells will be provided with electric cabinet unit heaters located as indicated on the plans. It shall be similar to Ouellet manufacturer or approved equal manufacturer.
- (6) Heating for other support spaces including telecom room, electric room, and trash room will be provided by with heat from wall mounted VRF units.
- (7) Domestic Hot Water:
 - (i) The domestic hot water for the high zones will be generated by one electrical hot water heater with storage tanks located in the cellar mechanical room. Heaters manufacturer shall be AO Smith model DRE-120-54 or approved equal manufacturer. Storage tank and heating surfaces shall have a 15-year warranty covering manufacturing or material defects, leaks, and/or the production of rusty water. Tank and heating surfaces shall have a three-year warranty against failure due to scale buildup. The heater shall have a first-year service policy, which shall cover labor and freight costs under certain conditions for warranty covered services. Burner and all heater parts shall have a 1-year warranty.
 The domestic hot water for the lower zones will be generated by one electrical hot water heater with storage tanks located in the cellar mechanical room. Heaters manufacturer shall be AO Smith model DSE-100-60 or approved equal manufacturer. Storage tank and heating surfaces shall have a 15-year warranty covering manufacturing or material defects, leaks, and/or the production of rusty water. Tank and heating surfaces shall have a three-year warranty against failure due to scale buildup. The heater shall have a first-year service policy, which shall cover labor and freight costs under certain conditions for warranty covered services. Burner and all heater parts shall have a 1-year warranty.
 HWH-1 (low zone: Cellar-4th floor) Electric water heater
 Model: DSE-100-60
 100gal capacity
 Energy Efficiency Rating: 0.57SL
 HWH-2 (high zone: 5th floor-15th floor) Electric water heater
 Model: DRE-120-54
 120gal capacity
 Energy Efficiency Rating: 0.41SL
 Domestic hot water and hot water return insulation shall be the following:
 NPS 1-1/4 and smaller: Mineral fiber, Performed pipe insulation,
 Type I: 1 inch thick
 NPS 1-1/2 and larger: Mineral-Fiber, Performed pipe insulation
 Type I: 1-1/2 inch thick

L. Gas Supply

- (1) Natural gas metered service is supplied by Con Edison from East 79th Street.
 - (i) Low pressure gas provided by utility company.
 - (ii) Gas booster provided for generator:
 - (a) GENPAC /HB-3314-0.5-UPS-REG, 5300 CFH & 9" W.C. differential
- (2) Gas meter will be provided for common house loads including residential cooking, residential amenities, and makeup air unit.

- (i) House gas service and generator gas service have main shut-off valves next to foundation wall.
- (ii) There is a gas shut off valve on each meter.
- (iii) There is a gas shut off valve on the bottom of gas riser feeding ranges and BBQ.
- (iv) There is a gas shut off valve next to mechanical equipment and generator.
- (v) There is a gas shut off valve before each range or BBQ.
- (3) Gas meter will be provided for the emergency generator located in the roof.
- (4) All gas pipes to be Schedule 40 as per New York City Building Code.
- (5) All Gas pipe fittings up to 3" in size shall be Schedule 40 ASTM, A53A black steel with threaded malleable iron fittings.
- (6) All gas piping 4" in size or larger shall utilize welded fittings.
- (7) All gas system shall be installed in accordance with NYC fuel gas code.
- (8) Gas system shall be pressure tested in accordance with NYC code.

M. Air Conditioning

- (1) The air conditioning systems are designed to maintain an indoor temperature of 75°F DB inside when 89°F DB/75°F WB outside.
- (2) Heating and air conditioning equipment are the same. VRF system will provide cooling for this building. The same will occur if thermostat is in the unoccupied mode or cooling of the space is satisfied.
- (3) VRF unit quantity and capacities will depend on the apartment size and actual layout.
- (4) Residential Unit VRF Indoor Unit Schedule

Tag	Service	Manufacturer Or Equal	Model	Capacity Cooling/Heating (BTU/H)	Remarks
AC-B	Residential Unit	Mitsubishi or Approved Equal	PEFY-P08NMAU-E3	8,000/9,000	Ceiling Concealed (Ducted)
AC-C	Residential Unit	Mitsubishi or Approved Equal	PEFY-P12NMAU-E3	12,000/13,500	Ceiling Concealed (Ducted)
AC-H	Residential Unit	Mitsubishi or Approved Equal	PEFY-P30NMAU-E3	30,000/40,000	Ceiling Concealed (Ducted)

- (i) Sheet metal work: Gauges and bracings shall conform to the latest issue of the A.S.H.R.A.E. guide and S.M.A.C.N.A. standard. Residential kitchen exhaust duct shall be minimum 18 gauge.
- (ii) Pipe Material: Piping for VRF refrigerant pipes, to be copper. Provide expansion loops for all piping systems. In addition, provide expansion/compression joint, guide, support, and anchor in all vertical risers.
 - (a) Provide all grilles, registers and diffusers as required for all supply and exhaust systems. Lobby and condominium areas to be provided with linear flow bar diffusers similar to Titus or approved equal.
 - (b) Provide all volume or COD (for non-accessible ceilings) dampers required for proper balancing of systems: Provide all fire dampers as required by code. All residential corridor supply to be provided with fire smoke dampers, kitchens and toilets shall be provided with fire dampers or boots/sub-ducts. (Boots/sub-duct for upwards flow only).
- (iii) Insulation shall be continuous through wall and ceiling openings and sleeves. Insulation shall have composite (insulation, jacket or facing, and adhesive used to adhere the facing or jacket to the insulation) fire and smoke hazard ratings as tested by procedures ASTM E 84, NRPA 255 or UL 723 not exceeding: flame spread 25 and smoke developed 50.
- (iv) Accessories such as adhesive, mastics, cements, tapes and cloth for fittings shall have the same component rating as listed above.
- (v) Insulation for sheet metal: Insulation on rectangular ductwork, where exposed shall be rigid type. All other duct insulation shall be flexible covering. Flexible

duct insulation shall be 1 lb. per cubic foot density glass fiber with a maximum K factor of 0.29 at 75 degrees F mean temperature, with reinforced foil-faced, flame-resistant Kraft vapor barrier. Rigid duct insulation shall be 4.2 lbs. per cubic foot density glass fiber with maximum K factor of .24 at 75 degrees F, mean temperature with vapor barrier facing. All OAI and exhaust plenums and ducts shall be insulated. All piping to be insulated as required by NYC energy code.

- (vi) Vibration Isolation: Provide vibration bases inertia blocks and equipment bases as required. Provide acoustical duct lining (conforming to NFPA 90A) in all fan plenums, in ductwork 25 ft. from fan discharge and return and exhaust inlet to fans. Lining to be 1". Spring isolators for fans, pumps and cooling towers. Provide spring hangers on all pipes in mechanical rooms and at a minimum of 25 ft. from rotating equipment.
 - (vii) Automatic Temperature Control: Furnish and install a complete automatic temperature control system of the DDC type. All controls shall be fully modulating type. All automatic dampers shall be by the automatic temperature control contractor/vendor. Provide a motorized damper (ALD) for each exhaust fan, supply fan and outside air intake. Each MAU, VRF, UH, CUH, FTR, etc. unit to be provided with unit mounted or remote mounted controls to control space temperature.
 - (viii) Provide alarms for critical items:
 - (a) High room temperature (elevator mechanical rooms, electrical rooms, etc.).
 - (b) High water (sump, ejectors, etc.).
 - (c) Low water (sump, ejectors, etc.).
 - (d) High water temperature (each domestic hot water heater).
 - (e) Common alarm from each package HVAC unit.
 - (f) Common alarms from CO and CO2 monitoring system.
 - (ix) VRF units serving residential units: Units shall be provided with local programmable thermostats. Each thermostat shall have the capability for individual programming on a 24 hour/7-day schedule. Each thermostat will automatically modulate unit fans speed based on space temperature requirements. These thermostats will be stand-alone. Building mechanical systems to be installed to meet seismic requirements.
 - (x) Testing and Commissioning: All required balancing tests and adjustments for all systems including air systems, automatic control and piping systems. Balancing of air systems shall be checked by a member of the Associated Air Balance Council. Provide manpower for testing all life safety systems and system supporting critical spaces such as communications rooms, etc. All plumbing and fire protection systems shall be tested as required.
- (5) Post Fire Smoke Purge Requirements
- (i) A reversible fan shall be provided at the top of each stairwell for use in post fire removal of smoke. This fan will be controlled manually from the fire alarm control panel at the fire command center. All motors that are 15 HP and more will have a VFD device.
- (6) Miscellaneous Systems
- (i) Elevator machine rooms will be mechanically cooled by VRF units. Automatic smoke venting and motorized damper (ALD) will be provided.
 - (ii) Elevator shafts shall be ventilated and activated by smoke dampers.
 - (iii) Switchgear room will be mechanically cooled by VRF.
 - (iv) Ventilation for pump room and mechanical rooms shall be provided.
- (7) Mechanical Support for the Emergency Generator System
- (i) Provide support systems for diesel-fired emergency generator.
 - (a) Gas Generator will be located on the 17th floor and will be provided with acoustical enclosure. (Generator to be provided by Generac). All required sound attenuation and louver controls are included in the generator enclosure package.

- (8) Life Safety Systems
 - (i) Post Fire Smoke Purge System
 - (a) A mechanical post fire smoke exhaust system will be provided as required by code. System will be sized to exhaust the largest smoke control zone with a capacity of 6 air changes. Fan will be located on the 17th floor. Automatic dampers to control purge to the fire zone.
 - (ii) Stair Pressurization System
 - (a) Each stairwell will be provided with a stair pressurization system and will consist of fans, ductwork, and air outlets. Fans will be connected to the emergency power system. A stair pressurization system will be provided for stairs serving all floors of the building.
- (9) Miscellaneous Systems
 - (i) Elevator machine rooms will be mechanically cooled by a VRF unit.
 - (ii) Top of each elevator shaft and stair shaft are to be smoke vented.
 - (iii) Dedicated ventilation system for switchboard room, mechanical rooms and maintenance areas shall be provided.
- (10) Variable Frequency Drives
 - (i) Variable frequency drives with noise reduction filters; by-pass capability, etc. shall be provided for the following systems:
 - (ii) Exhaust fans greater than 7.5 hp.
 - (iii) DX units.
 - (iv) All motors on equipment served with VFD's shall be inverter duty rated.

N. Ventilation

- (1) Ventilation: Greenheck Utility with 675 cfm (general), 1175 cfm (toilet), and 2,400 cfm (kitchen) capacity.
- (2) Residential Toilet Exhaust system:
 - (i) A vertical sheet metal toilet exhaust system for each vertical stack of toilets in apartments will deliver toilet exhaust to the outdoor air energy recovery units. Toilet exhaust will be connected to the outdoor air energy recovery units to allow for recovery of sensible and latent energy from this air before it is exhausted from the building. Bathrooms shall be ventilated at a rate of 25 CFM each. Register connections shall be provided with a 5" x 4" or 4" diameter connection to the riser and a sub-duct for noise control (length to be determined by acoustic consultant). Exhaust fans provided on the energy recovery units.
 - (ii) At each riser connection, a constant airflow regulator type (CAR) damper shall be provided to restrict air volume to the specified quantity for each connection.
- (3) Residential Kitchens Exhaust system:
 - (i) A vertical 18-gauge sheet metal kitchen exhaust riser will be provided for each interior stack of kitchens in condominium with fans on roof.
- (4) Residential Public Corridors:
 - (i) The building will be provided with ventilation air which will provide conditioned ventilation air (100% outdoor air –OA) for the public corridors. Conditioned outside air shall be mechanically ducted.
- (5) Common outside air duct shaft: will provide required ventilation and make up air for amenities spaces and stair pressurization system
- (6) Residential units: Ventilation is also via operable windows.
- (7) Elevator Machine Rooms: Ventilation will be provided as required for the elevator machine rooms.
- (8) Residential Clothes Dryer Exhaust
 - (i) Apartment will be provided with electric condensing or heat pump type dryers which require no venting.
- (9) Cellar: Cellar will be ventilated via supply air from roof top unit and exhaust fan located on roof. Supply capacity is 100CFM and exhaust capacity is 225 CFM. The supply vents are 6"x6" and the exhaust vents are 8"x8". This is code compliant.

O. Electrical Systems

- (1) Electrical System: New electrical service is provided into cellar electric switchboard room from East 79th Street. The Con Edison service will be sized as per building's electrical loads in accordance with the New York City adopted version of the National Electrical Code and applicable Amendments. Service to the building will be 120/208 volt, 3-phase, 4 wire and distributed to residential and base building distribution systems via distribution, power and lighting panels. Dedicated service and switchgear equipment for residential and base building distribution systems are sized based on their respective loads. All feeders and branch circuiting shall be copper as designed. Alternate Aluminum feeders are acceptable which provides similar voltage drops as per designed drawings. All branch circuiting and circuiting within the dwelling units shall be copper. Sizes as per electrical plans.
- (2) Distribution: One (1) 800A distribution switch mounted in the main switchboard will be exclusive for residential with separate sub-metered will serve the residential units. One (1) 800A and one (1) 600 A service switch will be used for common building loads and amenity spaces.
- (3) The main electrical switchgear room consolidating residential and common area switchgear equipment is located in the cellar of the building. Local distribution equipment for residential units and common spaces is situated in their respective spaces. Main service switchgear shall be provided with overcurrent protective devices as per electrical plans and furnish/install transient voltage surge suppression (TVSS) at the main switchboard.
- (4) Power for residential units is distributed from sub-metering panel in main electrical switchgear room in the cellar.
- (5) Service to Individual Residential Units: From sub-metering panel, individual and dedicated feeders are to run to each Residential Unit and be terminated at the apartment panel boards. Residential Unit feeders vary in size, as required by load and voltage drop. Each residential unit feed will be protected by individual circuit breaker at main distribution panel and consist of 100A single phase each except 1st floor duplex which will be provided with 100A three phase service.
- (6) Residential Unit Service: The residential panel board will be rated to comply with the New York City adopted version of the National Electrical Code and applicable Amendments, and takes into account all equipment provided in Residential Units such as washing machines, clothes dryers, dishwashers, microwaves, fan coil units, etc. All residential units will be supplied with 120/208V, single phase, 3 wire + ground, apartment panels with single and double pole circuit breakers in each unit except 1st floor duplex which will be provided with 120/208V, three phase, 4 wire + ground. All apartment panels will be supplied with 42 poles.
- (7) Common Areas: Power and Lighting panels will be provided to distribute electricity to the loads in this area. 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 and will be individually metered by Con Edison metering device.
- (8) Emergency Power Generator: A natural gas fired emergency power generator is provided on the roof to provide back-up power supply for the emergency, legally required and optional standby electrical loads as required by the NYC building code. The proposed 130kW standby gas generator shall be by Generac (SG-130) with weatherproof and sound attenuator enclosure (Level 2).
- (9) Adequacy; Residential:
 - (i) Service: Capacity provided for each Residential Unit will be in accordance with Code requirements, sized at 125Ampere at 120/208V, single/three phase, 3/4 wire, depending on the area of the unit, number of bedrooms, etc. Service will be adequate to meet normal apartment appliance, lighting, and air conditioning loads.
 - (ii) Lighting and Fixtures: Switched lighting fixtures will be provided in bathrooms, foyers, corridors, and kitchens. Fixtures will be LED, incandescent or fluorescent type in foyers, bathrooms, and kitchens. Switched outlets will be provided in bedrooms. Junction boxes will be provided in ceiling of living/dining room and bedrooms. See lighting schedule.
 - (iii) Convenience Outlets: Receptacles will be provided in all rooms to meet the New York City adopted version of the National Electrical Code and applicable

Amendments. All power receptacles in bedrooms, closets, hallways, dining, living rooms or similar rooms or areas will be protected with AFCI (Arc Fault Circuit Interrupting) type circuit breakers.

- (a) 20 amps, 120V circuits are provided to handle lighting and general-purpose receptacles.
- (iv) Appliance Outlets: Appliance receptacles will be provided in kitchens. Dedicated appliance receptacles will be provided for laundry equipment. Ground fault receptacles will be provided in all bathrooms, kitchens, and at Residential Unit terraces.
 - (a) 20 amps, 120V circuits are provided in the kitchen area for 120V kitchen appliances. Each appliance outlet above counter will be GFCI type.
 - (b) 20 amps, 208V, single phase circuits are provided to fan coil units
 - (c) 40 amps, 208V, single phase circuits are provided to outdoor condensing units
 - (d) 35 amps, 208V, three phase circuit is provided to outdoor condensing unit for 1st floor duplex unit
 - (e) 20 amps, 120V single phase circuit for dishwashing machines are provided.
 - (f) 30 amps, 208V single phase circuits are provided for electric washer/dryer combo units.
 - (g) 30 amps, 208V single phase circuit for electric oven are provided.
 - (h) 20 amps, 120V circuits are provided to handle bathroom lighting and receptacles
- (10) Tamper resistant receptacles will be provided for all receptacles in the apartment units.
- (11) Water resistant receptacles for exterior, kitchen and bathrooms to be GFI receptacles.

P. Intercommunication and/or Door Signal Systems, Security Closed Circuit TV

- (1) The building will be provided with a smart video intercom system manufactured by Butterfly MX or equal which operates with an internet and power connection. The occupants of the residential units can grant building access and see video of the front door from a smartphone. A 24/7 doorman concierge will be provided. (2) year warranty for hardware products that malfunction due to defective materials or workmanship.
- (2) Closed circuit television cameras will be provided in selective locations at main building lobby, and at selected entrance corridors to the elevators, with viewing monitors at the Concierge Desk. The cameras will be designated to cover the immediate area within the view of the cameras and will not necessarily cover all of the areas involved.
- (3) The building will be provided with an access control system. The card readers will be installed in selected locations to restrict access to critical areas such as BOH facility and service areas, Amenities, etc. The building personnel and residents will be provided with access fobs that will be programmed on individual and group basis for certain areas. The access control system will be controlled and administered from the concierge desk.
- (4) Security system by LTS. Standard equipment warranty (1) year after installation and initial run. Platinum Professional Level 8 Channel NVR – 4K.

Q. Public Area Lighting

- (1) Lighting shall be provided in public areas of the building by incandescent, LED, and/or fluorescent fixtures.
- (2) Lighting fixtures shall be UL/ETL listed and installed in accordance with the NEC.
- (3) Lighting shall be controlled via a centralized dimming system with automated timeclock control.
- (4) Lighting shall be used for emergency egress as specified by the electrical engineer.
- (5) Lighting shall be designed to Illuminating Engineering Society (IES) recommended standards and take into account illumination requirements of the Department of Transportation (DOT) and all other applicable agencies.
- (6) Lighting within lobby is as follows: LF-1 is by DMF, CAT #:M4NCRS recessed LED light, LF-03A (40'-10") is by Acolyte CAT#: RB90SWS2204.430, 6'-9"x13'-8" cove light, LF-03B (109'-9") is by SSL CAT#: (10) CVL-1' 10x40 3K cove light.

R. Fire & Smoke Detection System

- (1) Fire Detection Alarm Systems: A one-way voice evacuation system is provided as required in accordance with NYC code including speakers in all apartment & in stairwells. Water flow and tamper switches as required for the sprinkler system, and smoke detection in all mechanical, electrical & telephone closets including elevator recall. The main fire alarm panel will be located in the main entrance to each building.
- (2) These smoke detectors will be connected to the building's fire alarm control panel, which will transmit the signal to the central station.
- (3) Fire command center (FCC) with one way voice communication system, manual post-fire smoke purge and central station communication will be located in the lobby as required by the FDNY.

S. Swimming Pool(s): Not Applicable**T. Tennis Courts, Playgrounds and Recreation Facilities**

- (1) Roof Terrace: An assortment of outdoor furniture will be provided at the roof terrace. This includes lounge chairs, tables, chairs, and sofas. A BBQ grill will be provided along with a sink and small fridge. Maximum number of occupants for the roof terrace is 21.

U. Permits and Certificates

- (1) See below current list of Permits:

(i)	Demolition	#123362280-01-DM
(ii)	Plumbing	#123253273-03-PL
(iii)	Fire Protection Plan	#2022-EPPGFP-000511-PLAN
(iv)	Sprinkler/Standpipe	#140832311-01-EW-SP
		#140832311-01-EW-SD
(v)	Elevators	#M00642778
(vi)	Fire Alarm	#2021-TMFALM-010753-PLAN
(vii)	Curb Cuts & Sidewalks	To be obtained later (DOT Permit Only)
(viii)	Builder's Pavement Plan	#123785840
(ix)	Shoring	#M00530603
(x)	Site Safety Plan	#123253273
(xi)	Emergency Generator	
	(a)	Electrical permit including this, as well as NB construction permit. Pending clarification whether another construction permit is required.
(xii)	Fence	#M00549527
- (2) Home Occupational Use: Under the C of O to be obtained, residential use is permitted. Home Occupational use is permitted as an accessory use and must comply with the following regulations as set forth in Zoning Resolution section 12-10.
 - (i) A Home occupation is an accessory use which: is clearly incidental to or secondary to the residential use of a dwelling unit or rooming unit; is carried on within a dwelling unit, rooming unit, or accessory building by one or more occupants of such dwelling unit or rooming unit, except that, in connection with the practice of a profession, one person not residing in such dwelling unit or rooming unit may be employed; and occupies not more than 25 percent of the total floor area of such dwelling unit or rooming unit and in no event more than 500 square feet of floor area.
 - (ii) In connection with the operation of a home occupation, it shall not be permitted: to sell articles produced elsewhere than on the premises; to have exterior displays, or a display of goods visible from the outside; to store materials or products outside of a principal or accessory building or other structure; to make external structural alterations which are not customary in residential buildings; or to produce offensive noise, vibration, smoke, dust or other particulate matter, odorous matter, heat, humidity, glare or other objectionable effects.
 - (iii) Home occupations include, but are not limited to fine arts studios, professional offices, teaching of not more than four pupils simultaneously, or in the case of mental instruction, of not more than a single pupil at a time.
 - (iv) However, home occupations shall not include advertising or public relations agencies; barber shops; beauty parlors; commercial stables or kennels;

depilatory, electrolysis, or similar offices; interior decorators' offices or workshops; ophthalmic dispensing; pharmacy; real estate or insurance offices; stockbrokers' offices; veterinary medicine.

- (3) Applicants and Inspections
 - (i) The Architect of Record is Woods Bagot Architects PC.
 - (ii) The Mechanical Engineer of Record is Ventrop Engineering Consulting Group, PLLC.
 - (iii) The Structural Engineer of Record is WSP USA.
 - (iv) Controlled inspections: Sponsor will provide list of controlled inspections.
 - (v) Recurring permits and certificates: the renewal of all permits and certificates will occur every year, unless noted:
 - (a) Elevator 1 year, 2 year and 5 years
 - (b) FDNY elevator inspection
 - (c) Boiler/Burner inspections
 - (d) Fire safety plan
 - (e) Sprinkler
 - (f) Standpipe
 - (g) Backflow prevention device
 - (h) HVAC maintenance (6 times a year)
 - (i) Façade (local law 11)
 - (j) Water & energy Benchmarking
 - (k) Gas meter room inspections

V. Violations

- (1) No 'open' violations at the time of this report.
- (2) Any future violations shall be cleared prior to the issuance of the permanent Certificate of Occupancy.

W. Unit Information

- (1) Address: 323 East 79th Street
- (2) There will be 14 residential units
- (3) A typical duplex unit will contain:
 - (i) Four bedrooms
 - (ii) 3.5 bathrooms
 - (iii) A kitchen
 - (iv) A living/dining room
 - (v) A utility room
- (4) A typical duplex unit will contain:
 - (i) Four bedrooms
 - (ii) 3.5 bathrooms
 - (iii) A kitchen
 - (iv) A living/dining room
 - (v) A utility room
- (5) A typical unit will contain:
 - (i) Three bedrooms
 - (ii) 2.5 bathrooms
 - (iii) A kitchen
 - (iv) A living/dining room
 - (v) A utility room

Note: Please refer to the floor plans in Amendment 3 of the offering plan for the specific lay-out and room description of a particular unit.
- (6) Ceiling heights vary in height between similar Units located on different floors and within a single Unit due to structural, mechanical, and architectural systems. Ceiling heights within Units may range between 7'-9" and 9'-3" and vary from floor to floor based on actual field conditions. Ceiling heights in foyers, powder rooms and bathrooms will be approximately 7'-10". Ceiling heights in kitchen will be approximately 8'-0". Ceiling heights in the public corridors will be approximately 7'-9" to 8'-2 1/2". At beam drops and /or where there are concealed mechanical pipes or ducts or dropped ceilings, heights may be lower than the above stated heights and may also vary from room to room.

Note: all ceiling heights are approximate and may vary.

(7) Finish Schedule (All of the below or equal shall be provided):

(i) All apartments:

- (a) Flooring: Artisano custom engineered French white oak chevron and wide plank pattern (14mm approx. 9/16") over sound solution premium acoustic underlayment (0.085", Sound Rating Impact Insulation Class (ASTM E492-90)), Warranty: 25-year residential, 3-year light commercial, and lifetime structural warranty.
- (b) Walls: Gypsum wallboard primed and painted (1 coat primer, 2 coats finish paint)
- (c) Ceilings: Gypsum wallboard primed and painted (1 coat primer, 2 coats finish paint)
- (d) Baseboard and door trim: Wood primed and painted
- (e) Laundry appliances: LG electric stacked washer and dryer, Washer: WM1455H_A, 24", 2.4 cu.ft. capacity, compact front load washer, energy star certified in white, power source electric, Dryer: DLHC1455_, 24", 4.2 cu. ft. capacity compact front load dryer with dual inverter heat pump technology in white, power source heat pump

(ii) Typical Kitchen

- (a) Flooring: Artisano custom engineered French white oak wide plank pattern over sound solution premium acoustic underlayment (0.085", Sound Rating Impact Insulation Class (ASTM E492-90)), Warranty: 25-year residential, 3-year light commercial, and lifetime structural warranty.
- (b) Kitchen Cabinetry: Custom wood cabinetry, door finish matte white, color A1374.M with double profile detail, interior of cabinetry white melamine
- (c) Countertops and Backsplash: 1-3/16" Honed Italian Carrara marble countertop from Premium Marble Imports, LLC.
- (d) Lighting: Undercabinet lighting P21, 2700K Temp non dimmable driver
- (e) Kitchen Appliances: Description provided in table below
- (f) Plumbing Fixtures: Faucet by Brizo, 63075LF-SSLHP, Odin 1.8 GPM Single Hole Pull Down Kitchen Faucet, Undermount sink by Kohler K-3895

(iii) Typical Primary Bathroom:

- (a) Floors: 12"x24" Honed Italian Carrara marble tile
- (b) Walls: 12"x24" Honed Italian Carrara marble tile, 2"x24" Honed Italian Carrara marble chair rail tile and gypsum wall board primed and painted (1 coat primer, 2 coats finish paint)
- (c) Ceilings: Gypsum wallboard primed and painted (1 coat primer, 2 coats finish paint)
- (d) Shower: 12"x24" Honed Italian Carrara marble tile with chevron pattern Carrara marble tile inset at shower niche
- (e) Shower doors and sidelights: Glass
- (f) Bathroom Fixtures: Signature Hardware, Exira Widespread Bathroom Faucet 362794, Tosca Thermostatic Shower System with Rainfall showerhead and hand shower 379999 (shower only), Kohler K-3814-RA-0, Corbelle 1.28 GPF Comfort Height Two-Piece Elongated Toilet, Undermount Sink by Kohler Verticyl Rectangle K-2882 in white
- (g) Bathroom Accessories: Signature Hardware, Rotunda 4-piece bathroom package with 24" towel bar, robe hook, towel ring, and toilet paper holder 437344

(iv) Typical Secondary Bathroom:

- (a) Floors: 12"x24" Honed Italian Carrara marble tile
- (b) Walls: 12"x24" honed Italian Carrara marble tile and gypsum wall board primed and painted (1 coat primer, 2 coats finish paint)
- (c) Ceiling: Gypsum wall board primed and painted (1 coat primer, 2 coats finish paint)
- (d) Bathroom Fixtures: Signature Hardware, Ruscello 1.2 GPM widespread bathroom faucet with zinc level handles and pop-up drain assembly 461705, Wingfield Pressure Balances tub and shower trim package with 6" rain shower head 416165 (tub/shower), Kohler K-3814-RA-0, Corbelle 1.28 GPF Comfort Height Two-Piece Elongated Toilet, Kohler K-848-0, Bellwether Bath Tub 66"x32" Cast Iron Wall Alcove with Integral Apron, Undermount Sink by Kohler Verticyl Rectangle K-2882 in white
- (e) Bathroom Accessories: Signature Hardware, Steffin 4-piece Bathroom Package with 24" towel bar, robe hook, towel ring, and toilet paper holder 431926, Robern P2C2440D4FBBA PL Portray 23-1/4" x 39-3/8" Beveled Frameless Single Door Medicine Cabinet with slow close hinges
- (v) Powder Rooms:
 - (a) Floors: Artisano custom engineered 27 French white oak wide plank pattern over sound solution premium acoustic underlayment (0.085", Sound Rating Impact Insulation Class (ASTM E492-90)), Warranty: 25-year residential, 3-year light commercial, and lifetime structural warranty.
 - (b) Walls: 12"x24" Honed Italian Carrara marble tile or gypsum wall board primed and painted (1 coat primer, 2 coats finish paint)
 - (c) Ceiling: Gypsum wall board primed and painted (1 coat primer, 2 coats finish paint)
 - (d) Bathroom Fixtures: Signature Hardware, Exira Widespread Bathroom Faucet 362794, Kohler K-3814-RA-0, Corbelle 1.28 GPF Comfort Height Two-Piece Elongated Toilet, Undermount Sink by Kohler Verticyl Rectangle K-8189 in white
 - (e) Bathroom Accessories: Signature Hardware, Rotunda singles Post Tissue Holder 317897, Rotunda 24" Towel Bar 317862 or Rotunda Towel Ring
- (vi) Residential Corridors and Elevator Lobby:
 - (a) Floors: Artisano custom engineered French white oak chevron and wide plank pattern over sound solution premium acoustic underlayment (0.085", Sound Rating Impact Insulation Class (ASTM E492-90)), Warranty: 25-year residential, 3-year light commercial, and lifetime structural warranty.
 - (b) Walls: Gypsum wallboard primed and painted with painted wood baseboard. (1 coat primer, 2 coats finish paint)
 - (c) Ceilings: Gypsum wallboard primed and painted (1 coat primer, 2 coats finish paint)

Note: No Chinese drywall or drywall material that contains sulphide has been specified by Architect.

(8) Appliance Schedule (All of the below or equal shall be provided):

KITCHEN APPLIANCES			
LOCATION	APPLIANCE	MANUFACTURER	FINISH
1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15	REFRIGERATOR/FREEZER 36" FRENCH DOOR WITH WIFI	THERMADOR T36IT905NP, 19.4 CU. FT.	CUSTOM OVERLAY TO MATCH CABINETRY

KITCHEN APPLIANCES			
LOCATION	APPLIANCE	MANUFACTURER	FINISH
1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15	SLIDE-IN GAS RANGE 36" 6-BURNER	THERMADOR PRG366WH PRO HARMONY 5.1 CU. FT.	STAINLESS STEEL
1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15	VENTILATION HOOD 36"	FABER CRIS36SS300	STAINLESS STEEL
1	WINE COOLER - UNDERCOUNTER 24"	ZEPHYR PRW24C01BG 53 BOTTLE CAPACITY	STAINLESS STEEL
1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15	DISHWASHER 24"	THERMADOR DWHD650WPR	CUSTOM OVERLAY TO MATCH CABINETRY
1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15	BUILT IN MICROWAVE DRAWER 24"	THERMADOR MD24WS, 1.2 CU. FT. 950 WATT	STAINLESS STEEL

- (9) Lighting Fixtures: Ambient lighting shall be provided in foyers, bathrooms, kitchens and closets. Junction boxes for future lighting provided by Residential unit owners shall be provided in bedrooms and living rooms.
- (i) Lighting shall be provided in interior residential units of the building by incandescent, LED, and/or fluorescent fixtures and by the use of switchable outlets.
 - (ii) Lighting fixtures shall be UL/ETL listed and installed in accordance with the NEC.
 - (iii) Lighting shall be used for emergency egress as specified by the electrical engineer.
 - (iv) Lighting shall be designed to Illuminating Engineering Society (IES) recommended standards.
- (10) All construction within the units and/or roof terraces by Residential unit owners shall be subject to approval by the Condominium Board and subject to the provisions of Title 26 and Title 27 of the Administrative Code of New York City.

X. Finish Schedule of Spaces Other than Residential Units

- (1) Lobby and Vestibule:
- (i) Floors: 12"x24" Carrara marble tile
 - (ii) Walls: Mirror, millwork paneling and gypsum wall board primed and painted
 - (iii) Ceiling: Gypsum wallboard or plaster
- (2) Back of house Corridors and Cellar:
- (i) Floors: Concrete.
 - (ii) Walls: Painted concrete masonry units and gypsum wallboard.
 - (iii) Ceilings: Concrete painted.
- (3) Stair:
- (i) Floor: Concrete
 - (ii) Walls: Painted concrete masonry units, poured concreted, gypsum wall board primed and painted
 - (iii) Ceiling: Concrete painted, or 2-hour rated gypsum ceiling

Y. Safety and Warning Devices

- (1) Smoke detection & sprinkler alarm system (life safety system) shall be installed complete with water flow and tamper switches, and control station reporting. Hard-wired interconnected combination smoke/carbon monoxide detectors are to be installed within each bedroom and within 15'-0" of all bedrooms within the residential unit, as required by NYCBC.
- (2) Smoke detectors are to be installed in all mechanical rooms (electrical room, gas meter room, etc.) and in all elevator shafts, connected to the building smoke detection and sprinkler alarm system. Fire dampers are to be installed at all shaft wall penetrations and/or ceiling penetrations. Separate ventilation system including a carbon monoxide system provided.

Z. Additional information required.

- (1) Where materials, appliances, equipment, fixtures, furnishings and other construction and design materials and details are specified in this report and or on the construction documents, the Sponsor has reserved the right, in all cases stated or unstated to substitute in their place materials, appliances, equipment and or fixtures of substantially equal or better quality. Construction conditions may mandate the changing of locations of building systems.
- (2) As set forth in the plan, the condominium association will have the responsibility and the obligation to maintain and service all equipment and common area installations at its own cost and expense and in accordance with all warranties and or operation guidelines or manuals.
- (3) The following documents shall be transferred to the Condominium Management by the Sponsor:
 - (i) Operation and Maintenance manuals for mechanical equipment
 - (ii) Equipment warranties
 - (iii) Roof warranty
 - (iv) Major equipment start-up sheets
 - (v) Control system as built
 - (vi) Commissioning reports for the HVAC system
 - (vii) Final contractor as-built drawings as available
 - (viii) Post construction asbestos report
 - (ix) Electronic system manual
- (4) Each Unit consists of the area measured horizontally from the exterior side of the exterior walls to the centerline of the partitions separating one unit from another unit or separating a unit from a public corridor or Common Element, and solely with respect to the roof, to the centerline of the partitions enclosing mechanical equipment spaces and elevator overrun shaft way. Elevator shaft, stairways, egress corridors, columns, mechanical pipes, shafts, shaft ways, chases, chase ways and conduits are not deducted from the measurement of the unit. Each unit consists of the area measured vertically from the top of the floor (located under the finished floor and sub-flooring materials) to the underside of the ceiling slab above. As is customary in New York, these square footages exceed the usable floor area of each unit. Floor area may include columns, mechanical pipe shafts, shaft ways, chases, chase ways, elevator shafts, stairways and conduits which may be incorporated behind protruding walls or may be separately enclosed as freestanding columns thereby reducing the available floor area.

The clearance between the top of the floor slab on one floor and the top of the floor slab on the next floor will vary among units, and certain units may have less or an area of lesser clearance because of the presence of beams and/or mechanical spaces than other similarly situated Units; similarly, wall configurations may vary between similarly situated Units because of the presence of beams and/or mechanical spaces. Certain rooms within a Unit may have lesser ceiling clearances or different wall configuration than other rooms within the Unit as a result of construction variances, the presence of beams and/or mechanical spaces within such Units, to accommodate facilities located above the same or otherwise to respond to field conditions. Such ceiling and wall variances between Units and rooms within Units to accommodate described facilities are normal and customary in construction of this nature and shall not be taken into account when calculating square footage, except to the extent of an actual loss of floor area in a Unit.

Terraces appurtenant to a Unit are measured from the exterior measurement line of the Unit to which they are appurtenant to the outside faces of the copings of the terrace wall or partition, and/or the center line of any dividing wall or partition between terraces.

AA. Additional Testing or Monitoring

- (1) n/a

BB. Further Development

- (1) Sponsor does not intend to add additional units to the building, either above the existing roof, outside the existing building development, or by altering space within the unit.

CC. Asbestos

- (1) The 4-story existing building on the site had an Asbestos Assessment Report performed in 2018/2019 and it was reported that the existing building which has now been demolished contained no Asbestos Containing Material (ACM). The new construction building contains no Asbestos Containing Material (ACM).

DD. Lead-Based Paint

- (1) No lead-based paint will be used on the project.

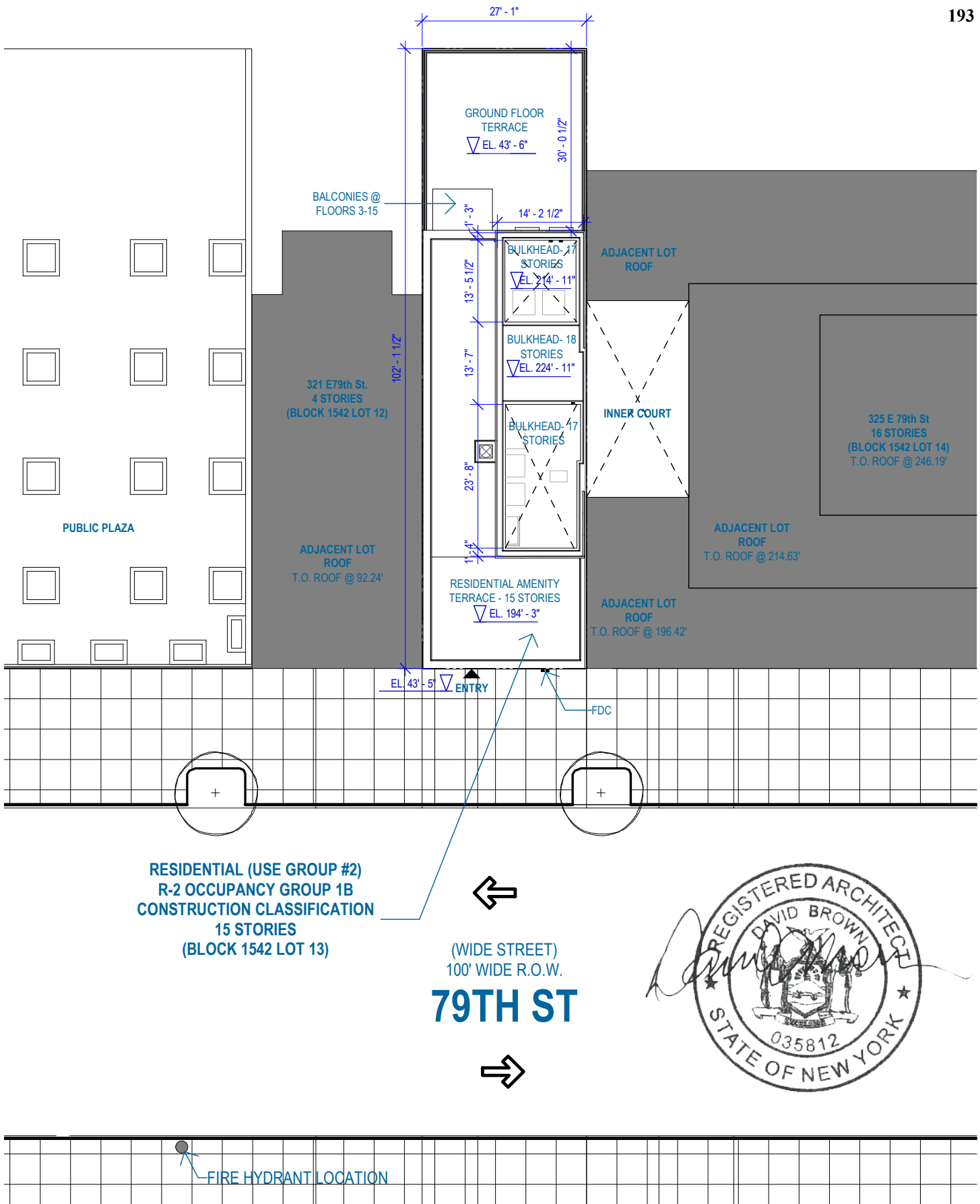
“To the best of my knowledge, belief, and professional judgment these plans, and specification are in compliance with Energy Conservation Construction Code of New York State, using Chapter 8”

Woods Bagot Architects P.C.



Seal:

By: David Brown, Principal



SITE PLAN

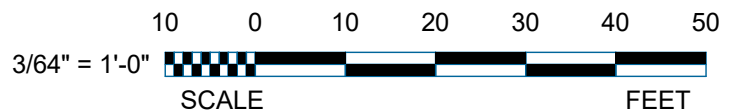
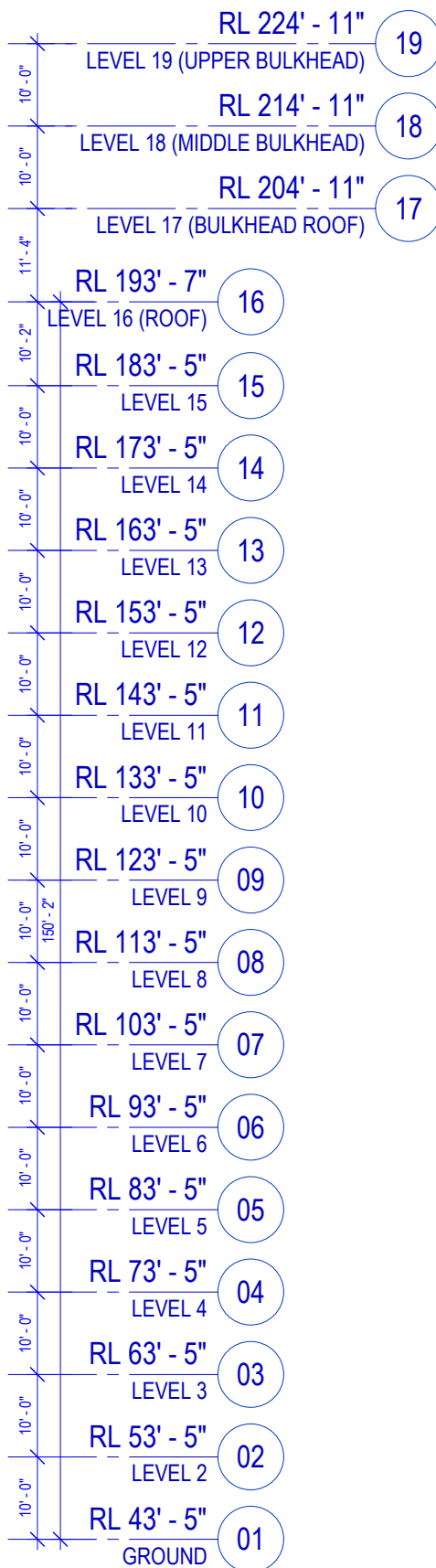
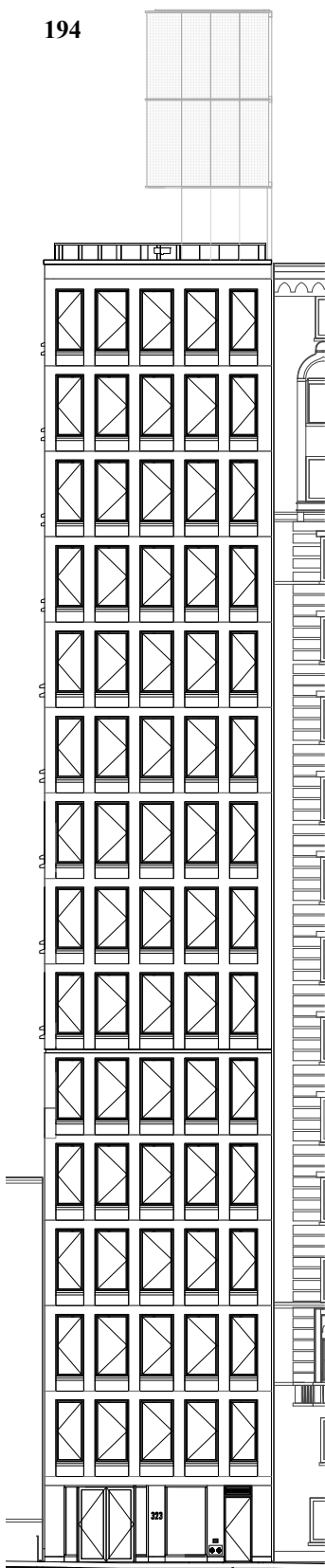
3/13/23



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SOUTH ELEVATION

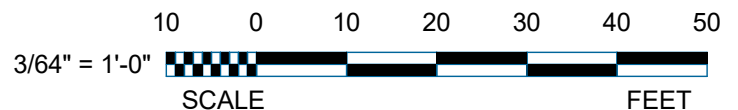
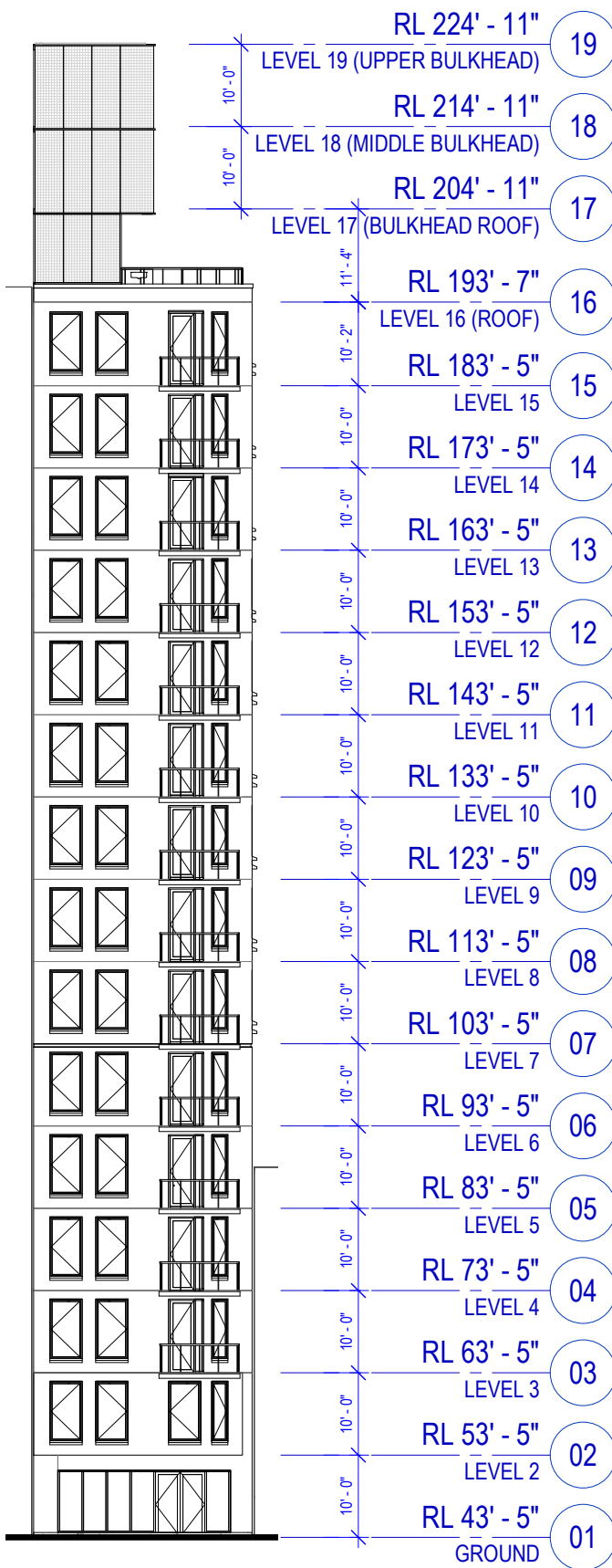
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NORTH ELEVATION

3/13/23



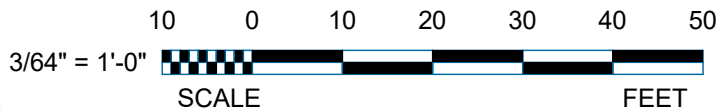
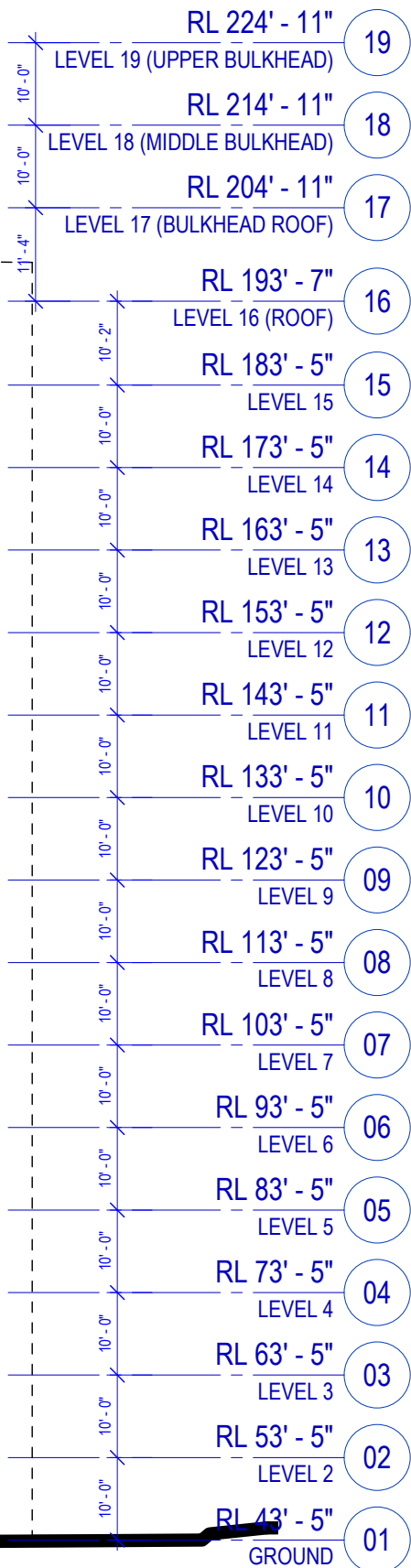
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ADJACENT BLDG. OUTLINE

E 79 STREET



EAST ELEVATION

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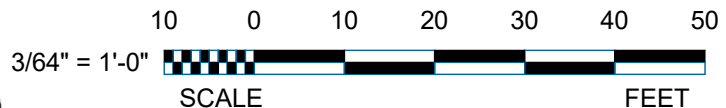
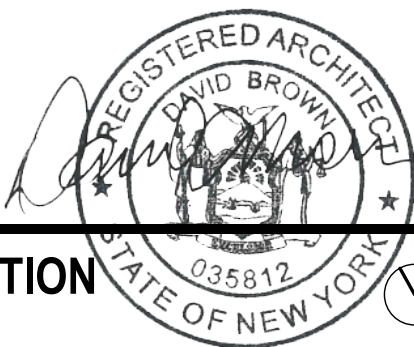
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LOT LINE WINDOW 60'
 DIAMETER FROM
 ADJACENT BUILDING

RL 224' - 11"	19
LEVEL 19 (UPPER BULKHEAD)	
RL 214' - 11"	18
LEVEL 18 (MIDDLE BULKHEAD)	
RL 204' - 11"	17
LEVEL 17 (BULKHEAD ROOF)	
RL 193' - 7"	16
LEVEL 16 (ROOF)	
RL 183' - 5"	15
LEVEL 15	
RL 173' - 5"	14
LEVEL 14	
RL 163' - 5"	13
LEVEL 13	
RL 153' - 5"	12
LEVEL 12	
RL 143' - 5"	11
LEVEL 11	
RL 133' - 5"	10
LEVEL 10	
RL 123' - 5"	09
LEVEL 9	
RL 113' - 5"	08
LEVEL 8	
RL 103' - 5"	07
LEVEL 7	
RL 93' - 5"	06
LEVEL 6	
RL 83' - 5"	05
LEVEL 5	
RL 73' - 5"	04
LEVEL 4	
RL 63' - 5"	03
LEVEL 3	
RL 53' - 5"	02
LEVEL 2	
E 79 STREET	
RL 43' - 5"	01
GROUND	



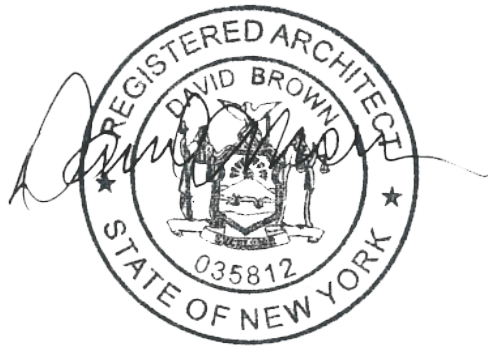
WEST ELEVATION

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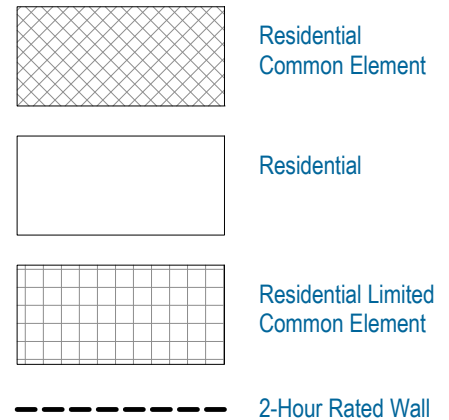
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Abbreviations:

AHU = Air Handling Unit
 ATS = Automatic Transfer Switch
 CL. = Closet
 CT = Cooktop
 CU = Condensing Unit
 DW = Dishwasher
 Elect = Electrical
 FDC = Fire Department Connection
 FD = Floor Drain
 LLW = Lot Line Window
 Mech. = Mechanical
 MW = Microwave
 OV = Oven
 Prim. = Primary
 Ref. = Refrigerator
 RM = Room
 RPZ = Reduced Pressure Zone
 SK = Sink
 Stor = Storage
 Ten't = Tenant
 Vest = Vestibule
 W/D = Washer/Dryer
 W.I.C = Walk-in Closet
 WC = Wine Cooler
 WTR = Water

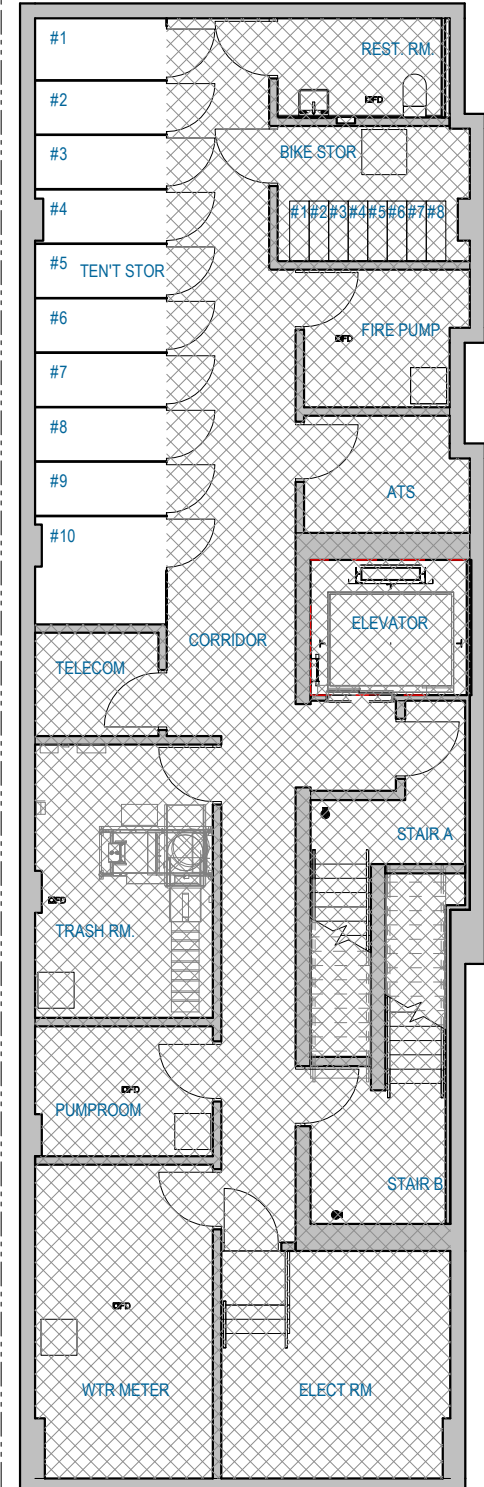
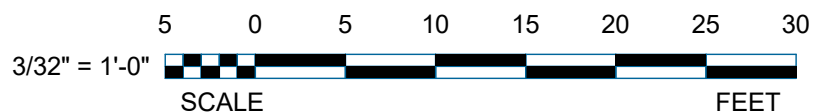
Legend:



323 E 79th Street

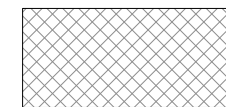
Cellar

All dimensions are approximate and subject to normal construction variances and tolerances. Square footages exceed the subable floor area. Noted dimensions reflect interior dimensions. Sponsor reserves the right to make changes in accordance with the offering plan.
 Plans and elevations are based on actual construction floors.



Abbreviations:

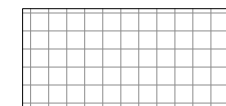
AHU = Air Handling Unit
 ATS = Automatic Transfer Switch
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 CT = Cooktop
 CU = Condensing Unit
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 LLW = Lot Line Window
 Mech. = Mechanical
 MW = Microwave
 OV = Oven
 Prim. = Primary
 Ref. = Refrigerator
 RM = Room
 RPZ = Reduced Pressure Zone
 SK = Sink
 Stor = Storage
 Ten't = Tenant
 Vest = Vestibule
 W/D = Washer/Dryer
 W.I.C = Walk-in Closet
 WC = Wine Cooler
 WTR = Water

Legend:

Residential
Common Element

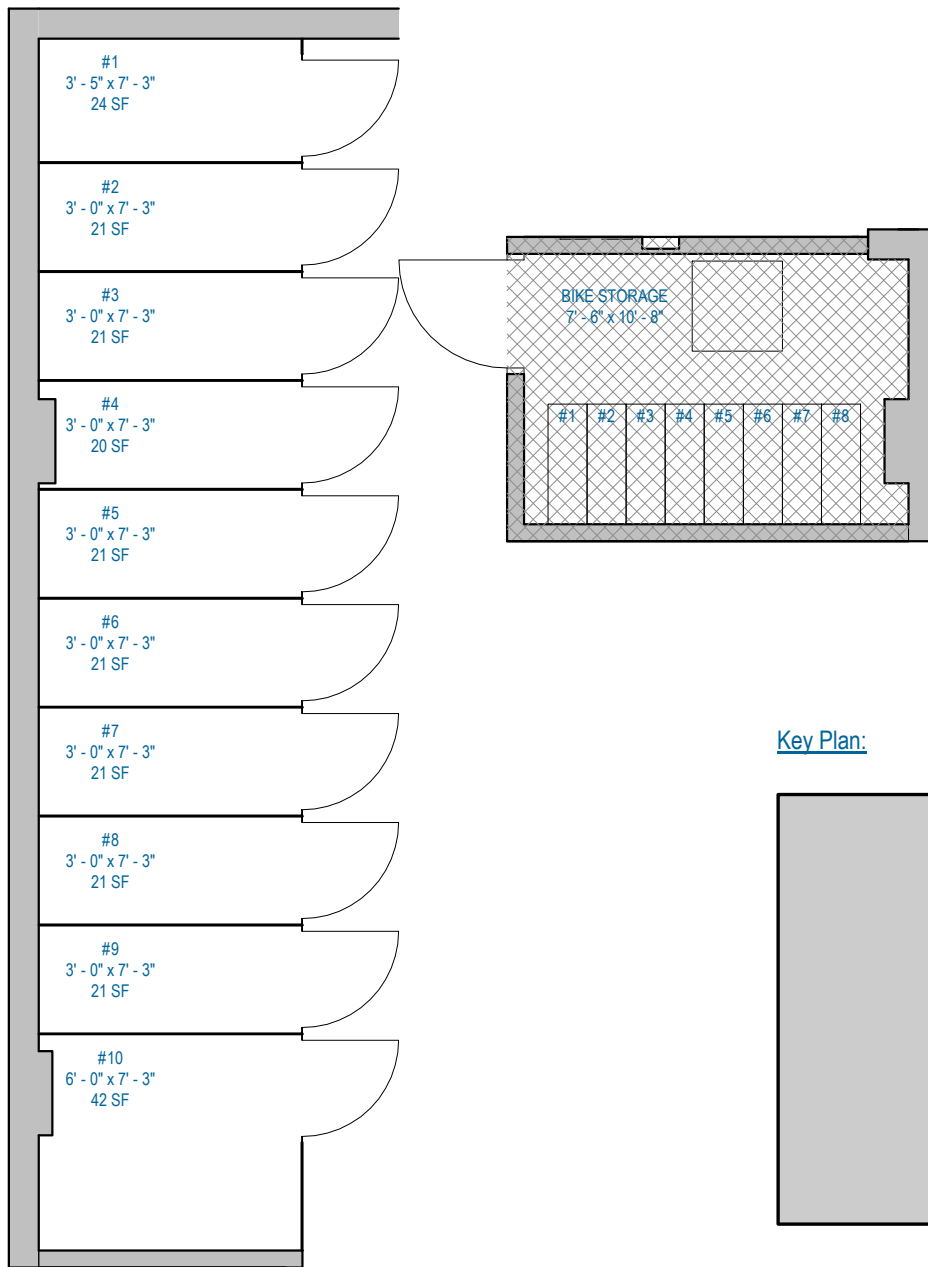
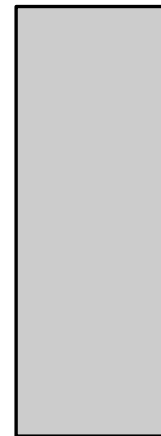


Residential



Residential Limited
Common Element

----- 2-Hour Rated Wall

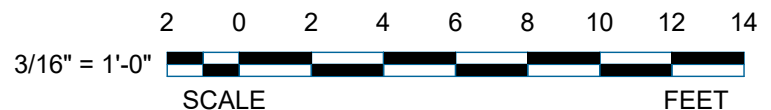
Key Plan:

323 E 79th Street

Tenant and Bike Storage - Cellar

All dimensions are approximate and subject to normal construction variances and tolerances. Square footages exceed the subable floor area. Noted dimensions reflect interior dimensions. Sponsor reserves the right to make changes in accordance with the offering plan.

Plans and elevations are based on actual construction floors.



BIKE AND TENANT STORAGE

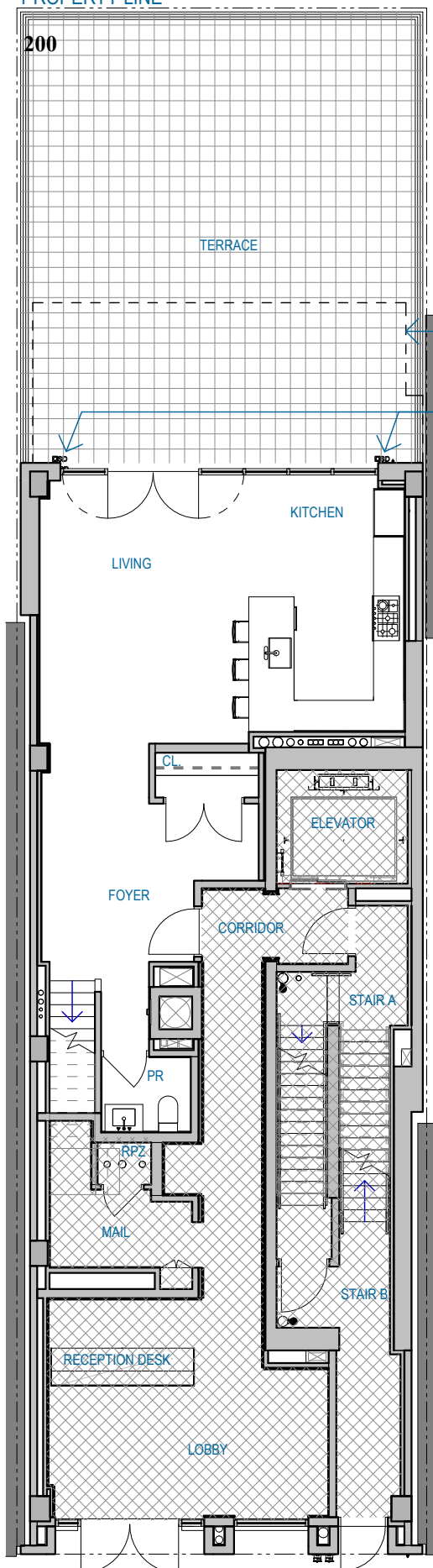
3/13/23



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BOOMERANG 79 LLC
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BROOKLYN, NY 11232

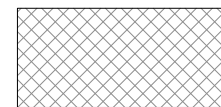
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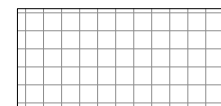
LINE OF CELLAR BELOW

SCUPPER DRAIN
LOCATED UNDERNEATH
PAVER SYSTEMAbbreviations:

AHU = Air Handling Unit
 ATS = Automatic Transfer Switch
 CL. = Closet
 CT = Cooktop
 CU = Condensing Unit
 DW = Dishwasher
 Elect = Electrical
 FDC = Fire Department Connection
 FD = Floor Drain
 LLW = Lot Line Window
 Mech. = Mechanical
 MW = Microwave
 OV = Oven
 Prim. = Primary
 Ref. = Refrigerator
 RM = Room
 RPZ = Reduced Pressure Zone
 SK = Sink
 Stor = Storage
 Ten't = Tenant
 Vest = Vestibule
 W/D = Washer/Dryer
 W.I.C = Walk-in Closet
 WC = Wine Cooler
 WTR = Water

Legend:Residential
Common Element

Residential

Residential Limited
Common Element

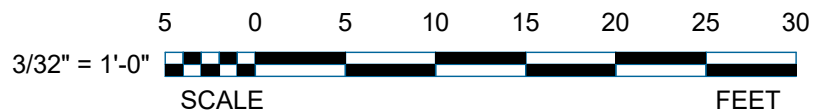
2-Hour Rated Wall

323 E 79th Street

Ground Floor

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Plans and elevations are based on actual construction floors.



GROUND FLOOR

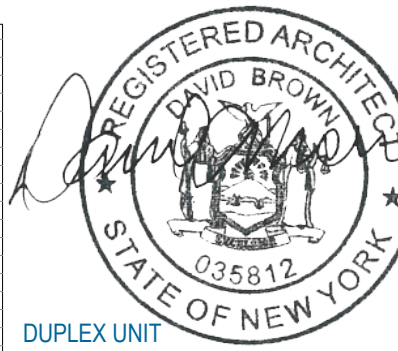
3/13/23



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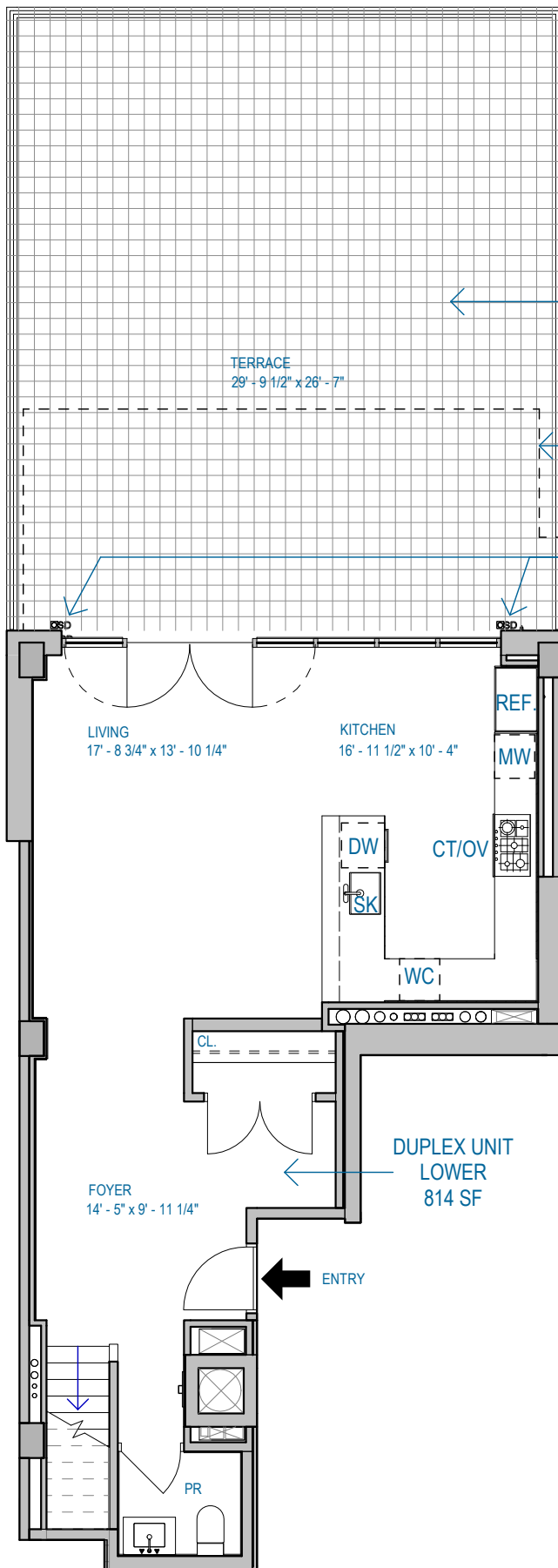
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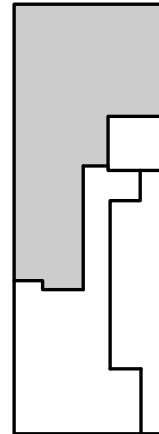
Abbreviations:

AHU = Air Handling Unit
 ATS = Automatic Transfer Switch
 CL. = Closet
 CT = Cooktop
 CU = Condensing Unit
 DW = Dishwasher
 Elect = Electrical
 FDC = Fire Department Connection
 FD = Floor Drain
 LLW = Lot Line Window
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 RM = Room
 RPZ = Reduced Pressure Zone
 SK = Sink
 Stor = Storage
 Ten't = Tenant
 Vest = Vestibule
 W/D = Washer/Dryer
 W.I.C = Walk-in Closet
 WC = Wine Cooler
 WTR = Water

201



Key Plan:



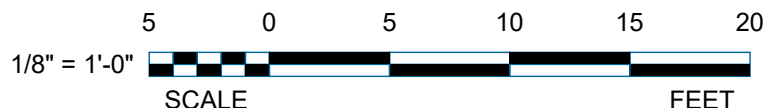
Legend:

	Residential Common Element
	Residential
	Residential Limited Common Element
	2-Hour Rated Wall

323 E 79th Street

Residence Duplex TOTAL (Interior Area): 2670 SF
 4 Bedroom 3.5 Bath UPPER: 814 SF
 Terrace 792 SF

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GROUND FLR LOWER DUPLEX

3/13/23



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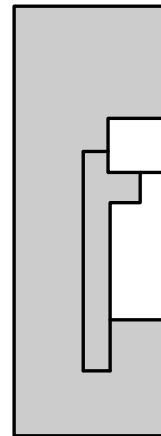


Abbreviations:

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 ATS = Automatic Transfer Switch
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 CT = Cooktop
 CU = Condensing Unit
 DW = Dishwasher
 Elect = Electrical
 FDC = Fire Department Connection
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 Stor = Storage
 Ten't = Tenant
 Vest = Vestibule
 W/D = Washer/Dryer
 W.I.C = Walk-in Closet
 WC = Wine Cooler
 WTR = Water

DUPLEX UNIT
 UPPER
 1856 SF

Key Plan:



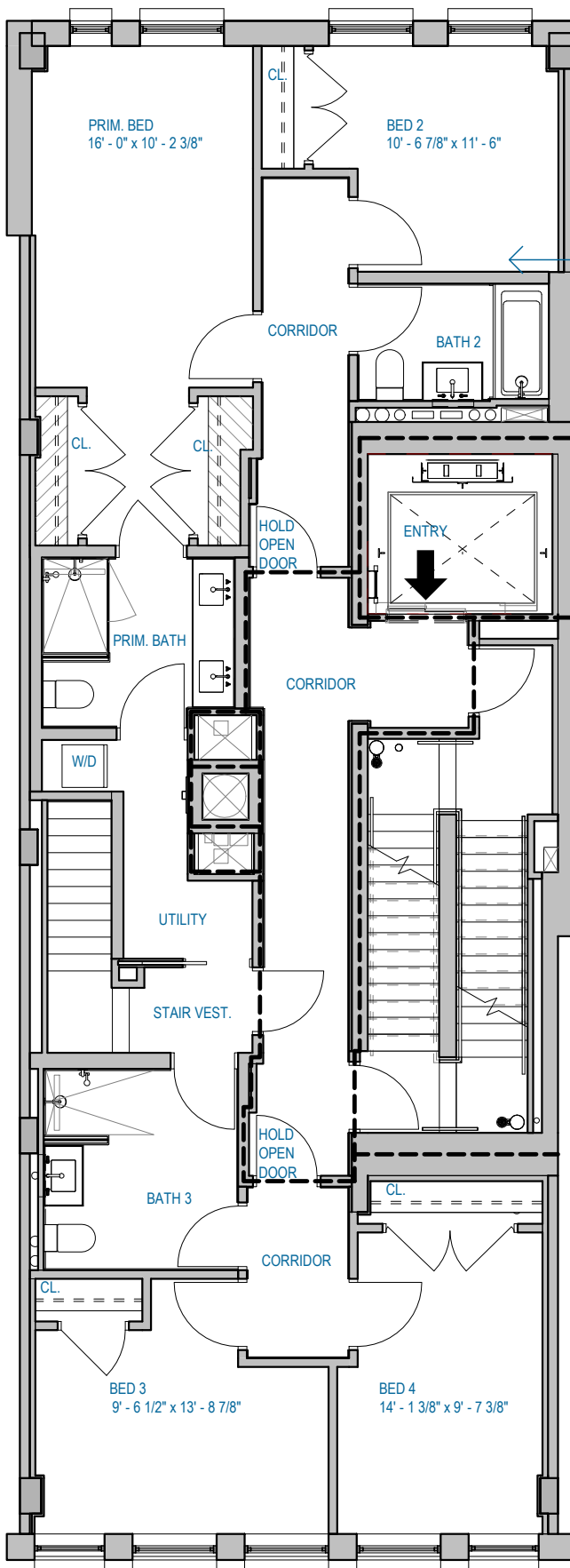
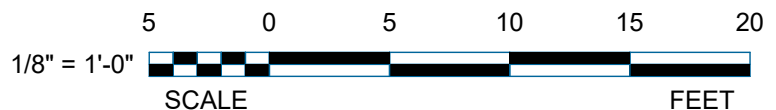
Legend:

	Residential Common Element
	Residential
	Residential Limited Common Element
	2-Hour Rated Wall

323 E 79th Street

Residence Duplex TOTAL (Interior Area): 2670 SF
 4 Bedroom 3.5 Bath UPPER: 1856 SF
 Terrace 792 SF

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2ND FLR UPPER DUPLEX

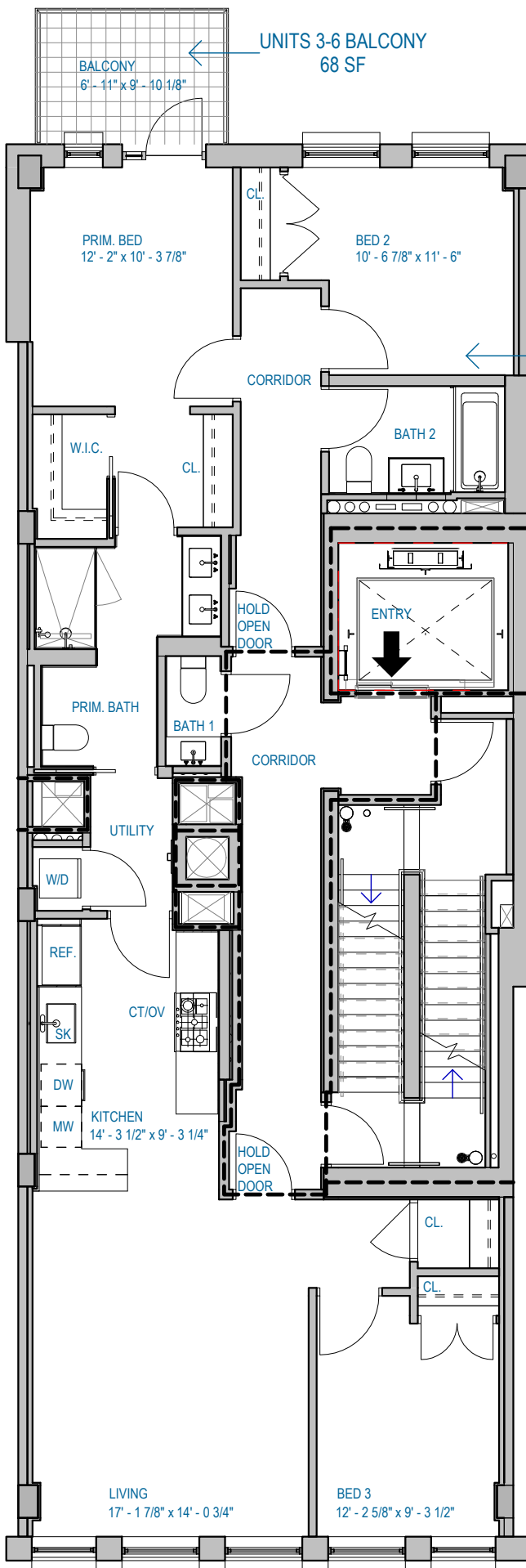
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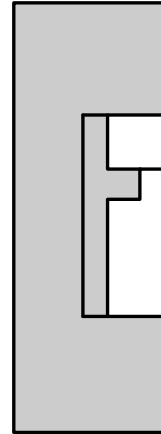


Abbreviations:

AHU = Air Handling Unit
 ATS = Automatic Transfer Switch
 CL. = Closet
 CT = Cooktop
 CU = Condensing Unit
 DW = Dishwasher
 Elect = Electrical
 FDC = Fire Department Connection
 FD = Floor Drain
 LLW = Lot Line Window
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 MW = Microwave
 OV = Oven
 Prim. = Primary
 Ref. = Refrigerator
 RM = Room
 RPZ = Reduced Pressure Zone
 SK = Sink
 Stor = Storage
 Ten't = Tenant
 Vest = Vestibule
 W/D = Washer/Dryer
 W.I.C = Walk-in Closet
 WC = Wine Cooler
 WTR = Water

203

Key Plan:



Legend:

	Residential Common Element
	Residential
	Residential Limited Common Element
	2-Hour Rated Wall

323 E 79th Street

Residence 3rd - 6th Floor

3 Bedroom

2.5 Bath

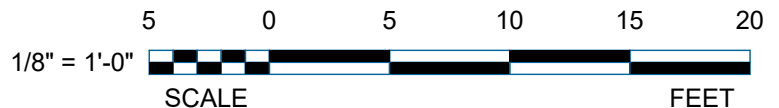
1856 SF

Balcony

68 SF

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3RD - 6TH FLOOR RESIDENCE

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204

BALCONY
6'-11" x 9' - 10 1/8"

UNIT 7
68 SF

PRIM. BED
12' - 2" x 10' - 3 7/8"

BED 2
10' - 6 7/8" x 11' - 6"

CORRIDOR

BATH 2

UNIT 7
1907 SF

ELEVATOR

ENTRY

BATH 1

CORRIDOR

PRIM. BATH

UTILITY

STAIR A

STAIR B

LLW
3'-11" x
6'-4"

LLW
3'-11" x
7'-4"

LLW
3'-11" x
7'-4"

KITCHEN
14' - 3 1/2" x 9' - 3 1/4"

LIVING
17' - 1 7/8" x 14' - 2 1/4"

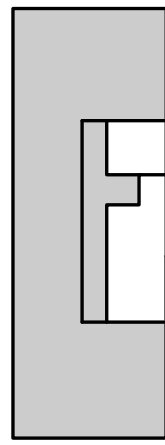
BED 3
12' - 2 5/8" x 10' - 0"



Abbreviations:

- AHU = Air Handling Unit
- ATS = Automatic Transfer Switch
- CL. = Closet
- CT = Cooktop
- CU = Condensing Unit
- DW = Dishwasher
- Elect = Electrical
- FDC = Fire Department Connection
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- Vest = Vestibule
- W/D = Washer/Dryer
- W.I.C = Walk-in Closet
- WC = Wine Cooler
- WTR = Water

Key Plan:



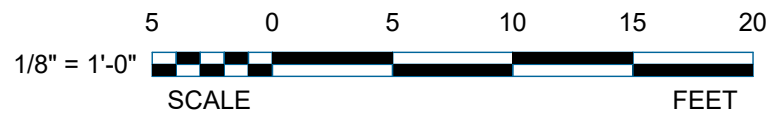
Legend:

- Residential Common Element
- Residential
- Residential Limited Common Element
- 2-Hour Rated Wall

323 E 79th Street

Residence 7th Floor
 3 Bedroom 2.5 Bath 1907 SF
 Balcony 68 SF

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 Plans and elevations are based on actual construction floors.



7TH FLOOR RESIDENCE

3/13/23



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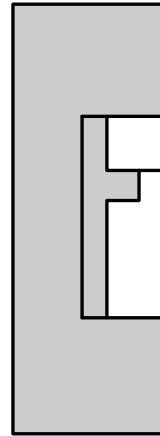
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Abbreviations:

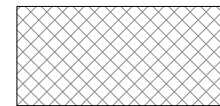
AHU = Air Handling Unit
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CU = Condensing Unit
DW = Dishwasher
Elect = Electrical
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Ten't = Tenant
Vest = Vestibule
W/D = Washer/Dryer
W.I.C = Walk-in Closet
WC = Wine Cooler
WTR = Water



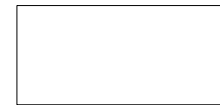
Key Plan:



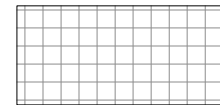
Legend:



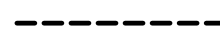
Residential
Common Element



Residential



Residential Limited
Common Element



2-Hour Rated Wall

323 E 79th Street

Residence 8th-11th Floor

3 Bedroom

2.5 Bath

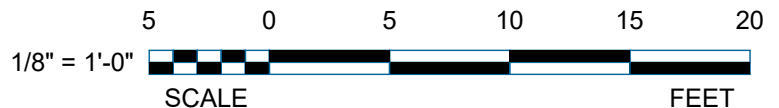
1910 SF

Balcony

68 SF

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Plans and elevations are based on actual construction floors.



8TH - 11TH FLOOR RESIDENCE

3/13/23

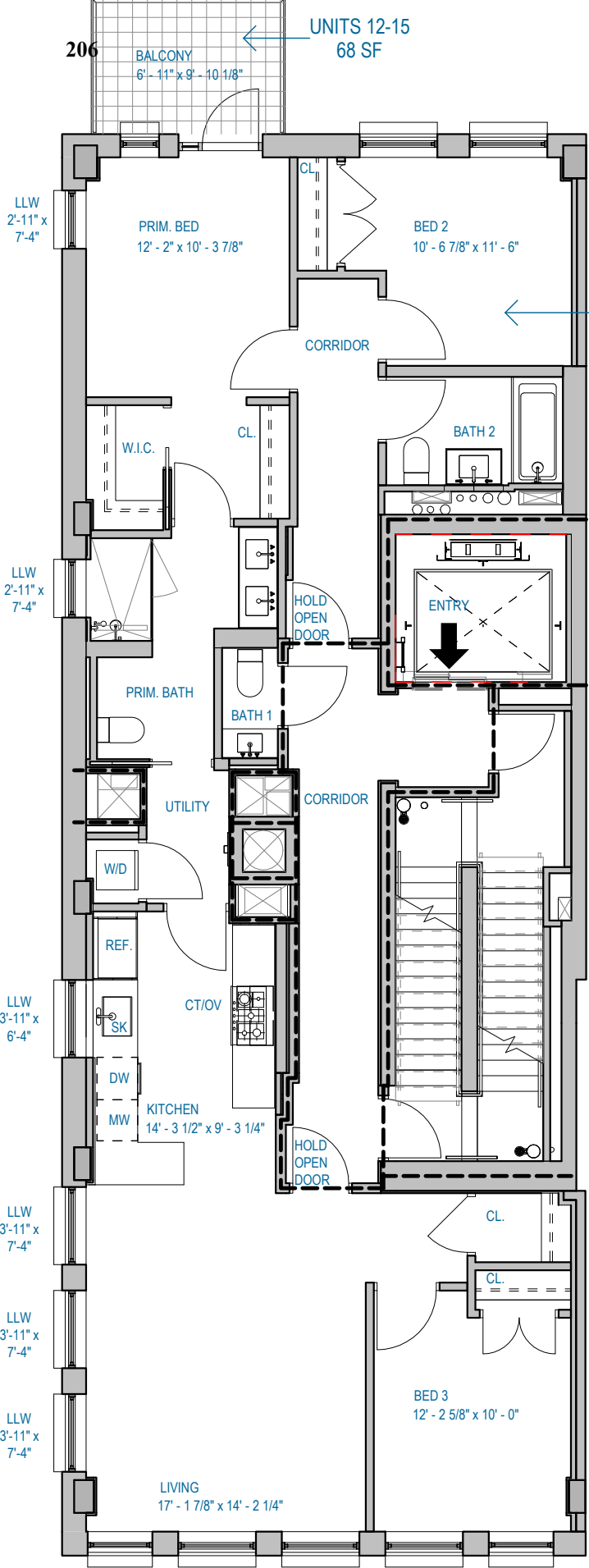


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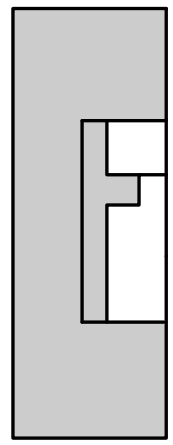
206



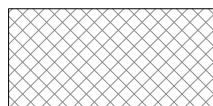
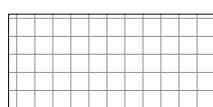
Abbreviations:

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- ATS = Automatic Transfer Switch
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- Vest = Vestibule
- W/D = Washer/Dryer
- W.I.C = Walk-in Closet
- WC = Wine Cooler
- WTR = Water

Key Plan:



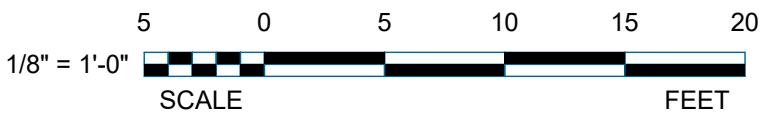
Legend:

-  Residential Common Element
-  Residential
-  Residential Limited Common Element
-  2-Hour Rated Wall

323 E 79th Street

Residence 12th-15th Floor
 3 Bedroom 2.5 Bath 1910 SF
 Balcony 68 SF

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 Plans and elevations are based on actual construction floors.



12TH - 15TH FLOOR RESIDENCE

3/13/23



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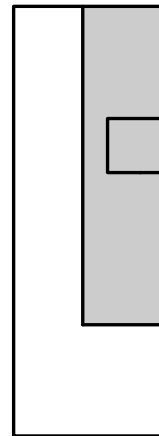
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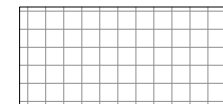
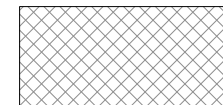
Abbreviations:

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DW = Dishwasher
Elect = Electrical
FDC = Fire Department Connection
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Ten't = Tenant
Vest = Vestibule
W/D = Washer/Dryer
W.I.C = Walk-in Closet
WC = Wine Cooler
WTR = Water

Key Plan:



Legend:

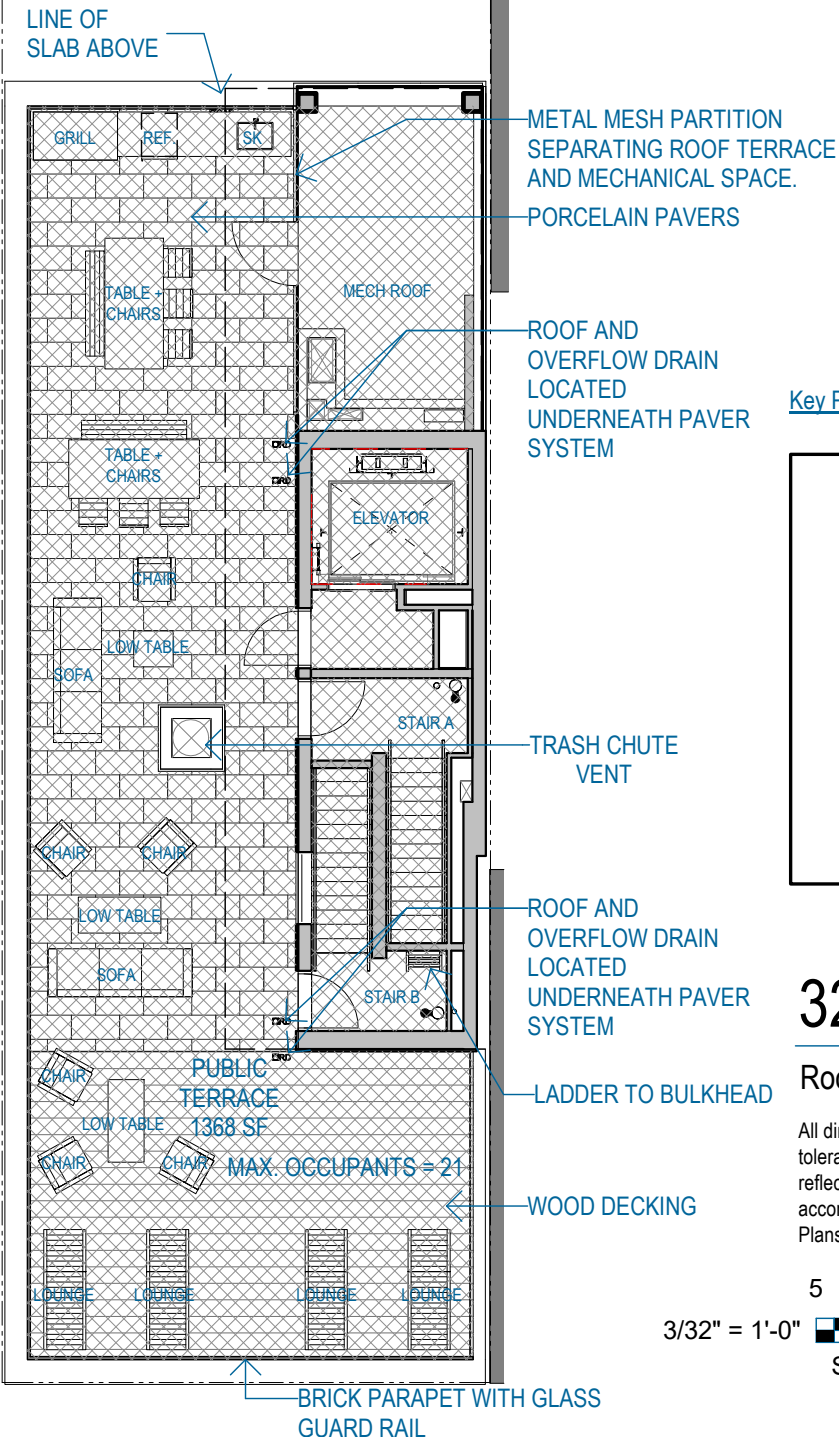
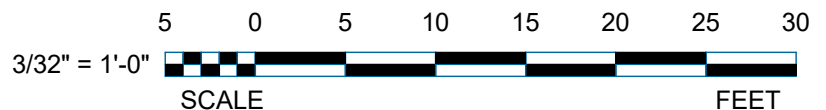


----- 2-Hour Rated Wall

323 E 79th Street

Roof

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Plans and elevations are based on actual construction floors.



16TH FLOOR ROOF

3/13/23



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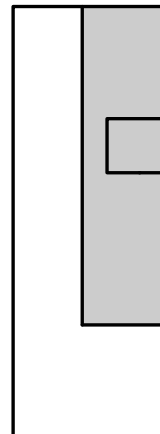
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Abbreviations:

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 Vest = Vestibule
 W/D = Washer/Dryer
 W.I.C = Walk-in Closet
 WC = Wine Cooler
 WTR = Water

Key Plan:



Legend:

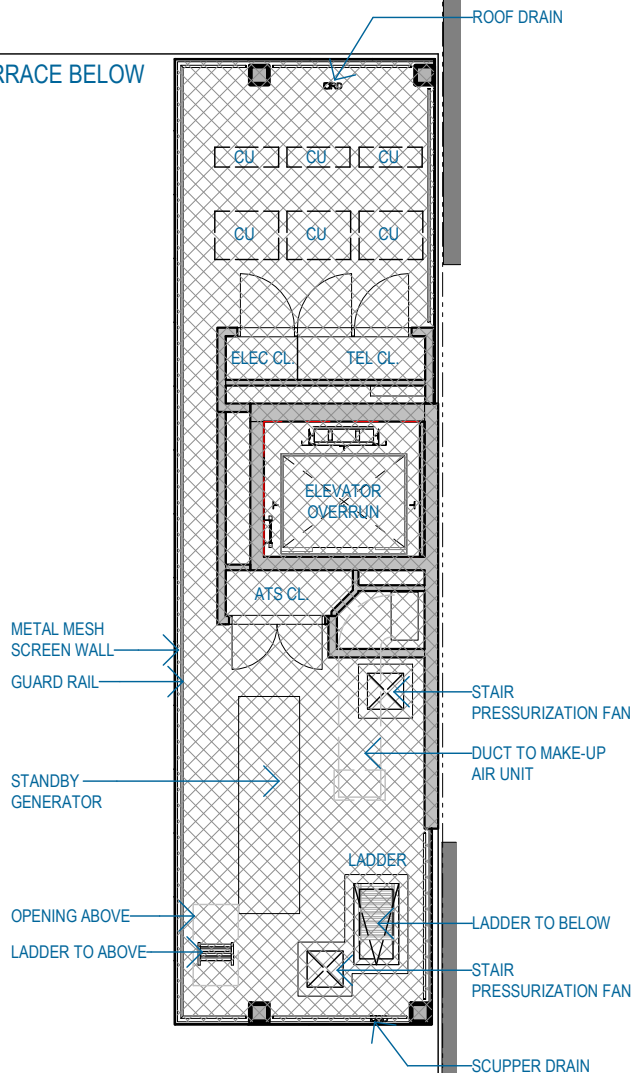
	Residential Common Element
	Residential
	Residential Limited Common Element
	2-Hour Rated Wall

323 E 79th Street

Bulkhead Plan

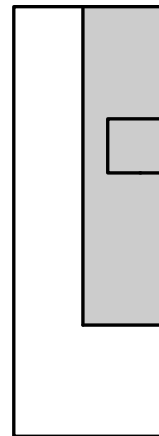
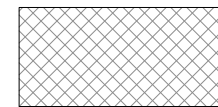
All dimensions are approximate and subject to normal construction variances and tolerances. Square footages exceed the subable floor area. Noted dimensions reflect interior dimensions. Sponsor reserves the right to make changes in accordance with the offering plan.
 Plans and elevations are based on actual construction floors.

TERRACE BELOW

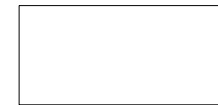


Abbreviations:

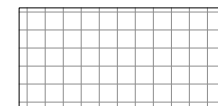
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 Vest = Vestibule
 W/D = Washer/Dryer
 W.I.C = Walk-in Closet
 WC = Wine Cooler
 WTR = Water

Key Plan:Legend:

Residential
Common Element



Residential



Residential Limited
Common Element



2-Hour Rated Wall

323 E 79th Street

Bulkhead Plan

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TERRACE BELOW

METAL GRATE

ELEVATOR MACHINE RM

OPEN TO EXTERIOR

METAL MESH
SCREEN WALL
GUARD RAILMAKE UP
AIR UNIT

CONDENSER

LADDER

FALL PROTECTION
SURROUNDING
LADDER

ROOF AND
OVERFLOW DRAIN
LOCATED
UNDERNEATH PAVER
SYSTEM

ROOF AND
OVERFLOW DRAIN
LOCATED
UNDERNEATH PAVER
SYSTEM

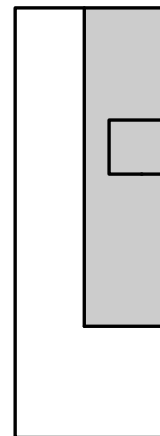




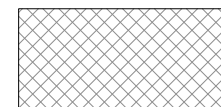
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 MW = Microwave
 OV = Oven
 Prim. = Primary
 Ref. = Refrigerator
 RM = Room
 RPZ = Reduced Pressure Zone
 SK = Sink
 Stor = Storage
 Ten't = Tenant
 Vest = Vestibule
 W/D = Washer/Dryer
 W.I.C = Walk-in Closet
 WC = Wine Cooler
 WTR = Water

Key Plan:



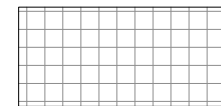
Legend:



Residential
Common Element



Residential



Residential Limited
Common Element



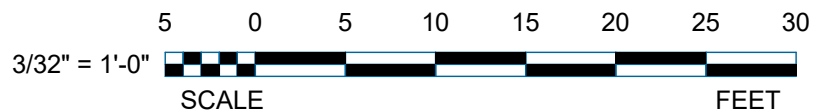
2-Hour Rated Wall

323 E 79th Street

Bulkhead Plan

All dimensions are approximate and subject to normal construction variances and tolerances. Square footages exceed the subable floor area. Noted dimensions reflect interior dimensions. Sponsor reserves the right to make changes in accordance with the offering plan.

Plans and elevations are based on actual construction floors.



TERRACE BELOW

19TH FLOOR BULKHEAD

3/13/23



323 E 79TH ST
 NEW YORK, NY
 10075

BOOMERANG 79 LLC
 68 34TH ST. SUITE 514
 BROOKLYN, NY 11232

**WOODS
 BAGOT**
 © Woods Bagot™

FORM OF PURCHASE AGREEMENT**THE MATTEO CONDOMINIUM****323 East 79th Street****New York, NY 10075**

THIS PURCHASE AGREEMENT, (hereinafter called this "Agreement"), made as of the _____ day of _____, 20__, between Sponsor, Purchaser and Escrow Agent, as defined below.

Unit No.: _____
 Common Interest: _____ %

Sponsor: Boomerang 79 LLC
 68 34th Street, Suite 514
 Brooklyn, NY 11232

Sponsor's Attorney Mikhail Litt, Esq.
 TSYNGAUZ & ASSOCIATES, P.C.
 225 Broadway, Suite 2640
 New York, NY 10007
 ph. (212) 337-9770; fax (212) 337-9773; e-mail mlitt@nytlaw.com

Purchaser: _____

 Soc. Sec. No. _____

Manner in which title to be taken: _____

Purchaser's Attorney _____

Brokers: _____

For good and valuable consideration, receipt of which is hereby acknowledged, Sponsor, Purchaser and Escrow Agent agree as follows:

1. THE PLAN

Sponsor has promulgated a condominium offering plan, (as amended to date hereinafter called the "Plan"), for The Matteo Condominium, having an address at 323 East 79th Street, New York, NY 10075, (hereinafter called the "Building"), pursuant to which the Building and the land upon which the Building is situated, (hereinafter called the "Land"), (the Building and the Land are collectively hereinafter called the "Property"), will be submitted pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York, (hereinafter called the "Condominium Act").

Purchaser acknowledges having received and read a copy of the Plan and all amendments thereto, if any, filed prior to the date hereof with the Department of Law of the State of New York, including, without limitation the plans and specifications for the Unit and the Building, the Schedules, the Declaration, By-Laws and Rules and Regulations contained therein, at least three (3) business days prior to Purchaser's signing of this Agreement.

The Plan, including, the plans and specifications for the Unit and the Building, the Schedules, the Declaration, By-Laws and Rules and Regulations contained therein as well as all amendments to the Plan duly filed by Sponsor are incorporated herein by reference and made a part hereof with the same force and effect as if set forth at length.

2. UNIT

Upon and subject to the terms and conditions set forth herein, Sponsor agrees to sell and convey, and Purchaser agrees to purchase, the Unit as designated above, together with its undivided interest in the Common Elements appurtenant to the Unit, (the Unit and its undivided interest are collectively hereinafter called the "Unit").

3. PURCHASER'S RIGHT TO RESCIND THIS AGREEMENT

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

In the event, however, Sponsor cannot convey title to the Unit on or before twenty-four (24) months from the date of this Agreement, Sponsor will offer Purchaser a right of rescission until the midnight of the fifteenth day following receipt of Sponsor's offer to rescind. Purchaser or Purchaser's attorney must either [i] personally deliver a written notice of rescission to Sponsor's attorney prior to the midnight of said fifteenth day, [ii] mail the notice of rescission by certified or registered mail, return receipt requested, to Sponsor's attorney, so that mailing is post-marked by post-office prior to the midnight of said fifteenth day, or [iii] send the notice of rescission to Sponsor's attorney by an email set forth in the Purchase Agreement, prior to the midnight of said fifteenth day.

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

If there is a material amendment to the Plan that adversely affects Purchaser, Sponsor will offer Purchaser a right of rescission until the midnight of the fifteenth day following service of the amendment. Purchaser or Purchaser's attorney must either [i] personally deliver a written notice of rescission to Sponsor's attorney prior to the midnight of said fifteenth day, [ii] mail the notice of rescission by certified or registered mail, return receipt requested, to Sponsor's attorney, so that mailing is post-marked by post-office prior to the midnight of said fifteenth day, or [iii] send the notice of rescission to Sponsor's attorney by an email set forth in the Purchase Agreement, prior to the midnight of said fifteenth day.

If this Agreement is rescinded by Purchaser pursuant to this Section 3, neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan, except that the Deposit, the Advance and all other monies paid on account of the Purchase Price shall be refunded to Purchaser within ten (10) days after receipt of written notice of rescission.

4. PURCHASE PRICE

4.1 Purchaser shall pay to Sponsor the sum of _____ Dollars (\$_____), (hereinafter called the "Purchase Price"), payable as follows:

- (a) _____ Dollars (\$_____) as a downpayment under this Agreement, (hereinafter called the "Deposit"), upon Purchaser's signing and delivering this Agreement, by a check subject to collection;

- (b) _____ Dollars (\$ _____) as an advance for upgrades, extras, special or custom work in the Unit ordered by Purchaser, (hereinafter called the "Advance"), upon Purchaser's signing and delivering this Agreement, by a check, subject to collection, if any;
- (c) _____ Dollars (\$ _____), (hereinafter called the "Balance of the Purchase Price"), at the Closing hereinafter defined, by a certified or bank check.

4.2 All checks shall represent United States currency, be drawn on or issued by a United States Bank or trust company which is a member of the New York Clearing House Association and shall be unendorsed. The Deposit and the Advance, if any, shall be made payable to the direct order of "TSYNGAUZ & ASSOCIATES, P.C., as Escrow Agent". The Balance of the Purchase Price shall be made payable to the direct order of "Boomerang 79 LLC" (or such other party as Sponsor directs to Purchaser, in writing, at least one (1) business day prior to the Closing).

5. DEPOSIT TO BE HELD IN ESCROW ACCOUNT

5.1 The law firm of TSYNGAUZ & ASSOCIATES, P.C., having an address at 225 Broadway, Suite 2640, New York, NY 10007, and telephone number (212) 337-9770, shall serve as escrow agent, (hereinafter called "Escrow Agent"), for Sponsor and Purchaser.

5.2 Escrow Agent has established the escrow account at Capital One, N.A., having an address at 6521 18th Avenue, Brooklyn, NY 11204, a bank authorized to do business in the State of New York. The escrow account is entitled "TSYNGAUZ & ASSOCIATES, P.C., Escrow Account, IOLA", (hereinafter called the "Escrow Account"). The Escrow Account is federally insured by the FDIC at the maximum amount of \$250,000.00 per deposit. Any deposit in excess of \$250,000.00 will not be insured.

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

5.4 Escrow Agent has designated Yevgeny Tsyngauz and Mikhail Litt to serve as signatories. All designated signatories are admitted to practice law in the State of New York. Neither Escrow Agent nor any authorized signatories on the account are Sponsor, Selling Agent, Managing Agent (as those terms defined in the Plan), or any principal thereof, or has any beneficial interest in any of the foregoing.

5.5 Escrow Agent and all authorized signatories hereby submit to the jurisdiction of the State of New York and its Courts for any cause of action arising out of this Agreement or otherwise concerning the maintenance of release of the Deposit and the Advance, if any, from the Escrow Account.

5.6 All Deposits and Advances, if any, received from Purchaser shall be in the form of a check and shall be made payable directly to the order of “TSYNGAUZ & ASSOCIATES, P.C, as Escrow Agent”. Any check payable to, or endorsed other than as required hereby, and which cannot be deposited in the Escrow Account shall be returned to Purchaser promptly, but in no event more than five (5) business days following receipt of such check by the Escrow Agent. In the event of such return of the Deposit and/or the Advance, if any, the check shall be deemed not to have been delivered to Escrow Agent pursuant to the terms of this Agreement.

5.7 Within five (5) business days after this Agreement has been tendered to Escrow Agent along with the Deposit and the Advance, if any, Escrow Agent shall sign this Agreement and place the Deposit and the Advance, if any, into the Escrow Account. Within ten (10) business days of the placing the Deposit and the Advance, if any, in the Escrow Account, Escrow Agent shall provide written notice to Purchaser and Sponsor, confirming the deposit and disclosing the account number. The Advance, if any, shall be initially deposited into the Escrow Account, and released in accordance with the terms of this Agreement.

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

5.9 All Deposits, but not the Advance received in connection with this Agreement, are and shall continue to be Purchaser’s money, and may not be commingled with any other money or pledged or hypothecated by Sponsor, as per Section 352-h of the General Business Law of the State of New York. Advances for upgrades cease to be Purchaser’s money when the funds are used in commission of the upgraded work.

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

5.11 Escrow Agent shall release the Deposit if so directed:

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

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

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

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

The Department of Law may perform random reviews and audits of any records involving the Escrow Account to determine compliance with all applicable statutes and regulations. Escrow Agent shall make available to the Department of Law, upon request, all books and records of the Escrow Agent relating to the funds deposited and disbursed hereunder.

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

5.13 Escrow Agent shall maintain the Escrow Account under its direct supervision and control.

5.14 A fiduciary relationship shall exist between Escrow Agent and Purchaser, and Escrow Agent acknowledges its fiduciary and statutory obligations pursuant to Sections 352(e)(2-b) and 352(h) of the General Business Law of the State of New York.

5.15 Escrow Agent may rely upon any paper or document which may be submitted to it in connection with its duties under this Agreement and which is believed by Escrow Agent to be genuine and to have been signed or presented by the proper party or parties and shall have no liability or responsibility with respect to the form, execution or validity thereof.

5.16 Sponsor agrees that it shall not interfere with Escrow Agent's performance of its fiduciary duties and statutory obligations as set forth in Sections 352-(e)(2-b) and 352-(h) of the

General Business Law of the State of New York and applicable regulations of the Department of Law.

5.17 Prior to release of the Deposit, Escrow Agent's fees and disbursements shall neither be paid by Sponsor from the Deposit nor deducted from the Deposit by any financial institution under any circumstance.

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

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

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

5.21 Sponsor agrees that Sponsor and its agents, including Selling Agent, shall deliver the Deposit and the Advance, if any, received by them to Escrow Agent within two (2) business days of tender of the Deposit and the Advance, if any, by Purchaser.

5.22 Sponsor shall have the right to cancel designation of Escrow Agent to act in said capacity by written notice given by Sponsor to Escrow Agent. The cancellation shall take effect only upon the filing of an amendment to the Plan with the Department of Law providing for a successor escrow agent that meets the requirements set forth in applicable regulations of the Department of Law. Purchaser shall be deemed to have consent to such cancellation.

5.23 Escrow Agent shall have the right to resign. The resignation of Escrow Agent shall not take effect until Escrow Agent is replaced by a successor escrow agent that meets the requirements set forth in applicable regulations of the Department of Law, and notice is given to Purchaser of the identity of the successor escrow agent, the bank in the State of New York where the Deposit is being held, and the account number therefor.

5.24 Upon termination of the duties of Escrow Agent as described in paragraph 5.22 or 5.23 above, Escrow Agent shall deliver the Deposit held by Escrow Agent and any other documents maintained by Escrow Agent relating to the Deposit to the successor escrow agent.

6. CLOSING DATE AND PLACE

6.1 The Closing shall be held at the offices of Sponsor's attorney, as defined above, or such other place in the City and State of New York as Sponsor may designate and:

Strike Inapplicable:

- (___) on such date and hour as Sponsor may designate on not less than thirty (30) days' prior written notice, (hereinafter called the "Initial Closing Notice").
- (___) on _____, at _____

If Sponsor consents to close at any other location as an accommodation to Purchaser, Purchaser shall pay to Sponsor's attorney at the Closing an extra fee as set forth in the Plan. After the Initial Closing Notice, Sponsor may, from time to time, adjourn and reschedule the date and hour for the Closing on not less than five (5) business days' notice to Purchaser, which new closing notice shall fix a new date, hour and place for the Closing and which date shall not be earlier than the date set forth in the Initial Closing Notice.

Only the Initial Closing Notice shall require thirty (30) day prior written notice. Notwithstanding anything to the contrary, if a firm closing date is set forth in this Agreement, and such date is within thirty (30) days of the execution of this Agreement, Purchaser shall be deemed to have waived thirty (30) day notice requirement. These notice provisions may be modified or waived by an agreement signed by Sponsor and Purchaser.

6.2 The term "Closing" shall mean the date on which the deed to the Unit is delivered to Purchaser upon payment of the Balance of the Purchase Price.

7. CLOSING DOCUMENTS

7.1 At the Closing, Sponsor shall deliver to Purchaser the following:

- (a) bargain and sale deed with covenants against grantor's acts substantially in the form set forth in Part II of the Plan conveying to Purchaser title to the Unit free and clear of all liens, encumbrances and title exceptions other than Permitted Exceptions set forth in Exhibit A to this Agreement. The deed shall be executed and acknowledged by Sponsor and Purchaser in proper statutory form for recording;
- (b) a statement by the Condominium or its managing agent that the common charges and any assessments then due and payable the Condominium have paid to the date of the Closing;
- (c) New York City Real Property Transfer Tax Return (NYC-RPT), prepared, executed and acknowledged by Sponsor in proper statutory form for submission;
- (d) Combined Real Property Transfer Tax Return, Credit Line Mortgage Certificate, and Certification of Exemption from Payment of Estimated

- Personal Income Tax (TP-584), prepared and executed by Sponsor in proper statutory form for submission;
- (e) Real Property Transfer Report (RP-5217NYC), prepared and executed by Sponsor in proper statutory form for submission;
 - (f) affidavit that a single station smoke detecting alarm device is installed pursuant to Section 378(5) of the Executive Law of the State of New York, prepared, executed and acknowledged by Sponsor in proper statutory form for submission;
 - (g) certification that Sponsor is not a foreign person in compliance with Section 1445 of the Internal Revenue Code, as amended, or any successor provision or regulation promulgated thereunder, prepared, executed and acknowledged by Sponsor;
 - (h) such affidavits and/or evidence as the title company, (hereinafter called the "Title Company") from which Purchaser has ordered a title insurance report and which is authorized to do business in the State of New York shall reasonably require in order to omit from its title insurance policy all exceptions for judgments, bankruptcies or other returns against Sponsor and persons or entities whose names are similar to Sponsor's name;
 - (i) all keys to the doors of, and mailbox for, the Unit;
 - (j) the assignment by Sponsor to Purchaser of the right to proceed under any existing assignable warranties actually received by Sponsor, its agents, affiliates, employees or contractors, covering appliances, equipment or fixtures installed in the Unit. Neither Sponsor nor its principals, managers, members, agents, designees or affiliates make any representation as to which, if any, of the warranties will continue to remain in force upon the Closing. If any warrantor is unable to perform under its warranty due to inability, unwillingness or any other reason, neither Sponsor nor its principals, managers, members, agents, designees or affiliates shall under any circumstances be considered a successor warrantor. Neither Sponsor nor its principals, managers, members, agents, designees or affiliates shall have any obligations or responsibilities with respect to such warranties, or the work or item warranted, even if the warrantor goes out of business, declares bankruptcy or simply fails to fulfill the conditions of the warranty. Recourse is only to the warrantor and not to Sponsor, its principals, managers, members, agents, designees or affiliates.

7.2 At the Closing, Purchaser shall deliver to Sponsor the following:

- (a) power of attorney in the form set forth in Part II of the Plan. The power of attorney shall be executed and acknowledged by Purchaser in proper statutory form for recording;
- (b) New York City Real Property Transfer Tax Return (NYC-RPT), executed and acknowledged by Purchaser in proper statutory form for submission;
- (c) Combined Real Property Transfer Tax Return, Credit Line Mortgage Certificate, and Certification of Exemption from Payment of Estimated

- Personal Income Tax (TP-584), executed by Purchaser in proper statutory form for submission;
- (d) Real Property Transfer Report (RP-5217NYC), executed by Purchaser in proper statutory form for submission;
- (e) affidavit that a single station smoke detecting alarm device is installed pursuant to Section 378(5) of Executive Law of the State of New York, executed and acknowledged by Purchaser in proper statutory form for submission;
- (f) affidavit in lieu of registration pursuant to the Multiple Dwelling Law of the State of New York, each in proper form for submission, executed and acknowledged by Purchaser in proper statutory form for submission;
- (g) such affidavits and/or evidence as the Title Company shall reasonably require;
- (h) checks in payment of the Balance of the Purchase Price;
- (i) checks in payment of all closing adjustments and closing costs required to be paid by Purchaser as set forth in the Plan or in this Agreement, including, without limitation, checks in payment of all applicable New York City and New York State real property transfer taxes.

7.3 The executed deed, power of attorney and all transfer tax forms shall be delivered to the Title Company for recording in the Office of the City Register, which recording shall be at Purchaser's expense. After being recorded the deed shall be returned to Purchaser and the power of attorney shall be returned to the Condominium.

7.4 Purchaser's payment of the Balance of the Purchase Price and acceptance of the deed to the Unit shall constitute Purchaser's recognition that Sponsor has satisfactorily performed those obligations stated in the Plan and this Agreement to be performed by Sponsor prior to the Closing. However, nothing herein contained shall excuse Sponsor from performing those obligations, if any, expressly stated herein or in the Plan to be performed subsequent to the Closing, and nothing herein shall be in derogation of Purchaser's rights under Article 23-A of the General Business Law of the State of New York, the Plan, and applicable regulations of the Department of Law.

8. STATUS OF TITLE

8.1 At the Closing, Sponsor shall convey to Purchaser, and Purchaser shall accept such fee title to the Unit as the Title Company will approve and insure without additional premium to Purchaser, provided that the only liens and encumbrances affecting title shall be those set forth in the deed and Schedule A, annexed hereto and made a part hereof and those expressly agreed to by Purchaser. Any lien and encumbrance or condition which is not set forth in the deed or Schedule A shall not be an objection to title if:

- (a) the instrument required to remove it of record is delivered at or prior the Closing to the Title Company, together with the attendant recording or filing fee, if any, or

- (b) the Title Company is or would be willing, in a policy issued by it to Purchaser, to insure Purchaser that it will not be collected out of the Unit if it is a lien, or will not be enforced against the Unit if it is not a lien.

Sponsor shall not be obligated to cause the Title Company to omit any exceptions if the Title Company is willing to insure, without additional premium, Purchaser's title with such exceptions.

8.2 Sponsor shall be entitled to adjourn the Closing to remove or correct any defect in title which is not set forth in the deed or Schedule A. However, if such defect existed at least ten (10) days prior to the Closing, and Purchaser or Purchaser's attorney failed to send Sponsor's attorney written notice of such defect in title at least ten (10) days prior to the Closing, then, for purposes of Section 13 below, Purchaser shall be deemed at fault for not having sent timely notice, and the Closing adjournment to allow Sponsor to correct or remove such title defect shall be considered as being at the request of Purchaser.

8.3 If, subsequent to the Closing, Purchaser claims that Sponsor did not convey title to the Unit in accordance with the Plan, Purchaser must first seek recovery against the Title Company before proceeding against Sponsor. Sponsor and Purchaser agree that Sponsor's liability will be limited to any loss or damage not covered by the Title Company. If Purchaser did not obtain the title insurance at the Closing, for purposes of this subparagraph, the amount and coverage which Purchaser could have obtained from the Title Company shall be deducted from the loss or damage collectable against Sponsor. Nothing contained in this subparagraph shall be construed to waive any of Purchaser's rights or abrogate any of Sponsor's obligations under the Plan or Article 23-A of the General Business Law of the State of New York.

9. CLOSING ADJUSTMENTS

9.1 The following adjustments shall be made as of the midnight of the day preceding the Closing with respect to the Unit:

- (a) real estate taxes and assessments, if any, on the basis of the period for which assessed;
- (b) common charges and assessments for the month in which the Closing occurs; and
- (c) if Purchaser is allowed to occupy the Unit prior to the Closing, accrued occupancy fees and any other charges pursuant to an interim lease, if any, covering the Unit.

9.2 In the event that the Units have not been separately assessed for real estate tax purposes prior to the closing of title to the first Unit, Sponsor shall place in escrow in the name of the Board of Managers an amount equal to the real estate taxes attributable to the Unsold Units, which will be levied against them for the six (6) month period following the first closing, or until the Units are separately assessed, whichever is sooner, and will collect at each Unit closing the estimated amount of taxes attributable to such Unit for the balance of the six (6) month period. The Board of Managers shall pay the real estate taxes from the escrow account

when taxes are due and payable, and Sponsor shall be entitled to reimbursement from Unit Owners to the extent of the actual assessment. If the Unit has not been separately assessed for real estate taxes as of the Closing for the then current tax period, the adjustment will be based upon the assessment for the Property and the percentage interest in the Common Elements appurtenant to the Unit. Installments for tax assessments due after delivery of the deed, if any, shall be paid by Purchaser and shall not be considered a defect in title.

9.3 Purchaser agrees that, if Sponsor obtains a refund for real property taxes paid, or there is a deficiency in the taxes, Purchaser and Sponsor will apportion the refund/deficiency (as well as the costs and/or fees for obtaining the refund or credit) based on the percentage of time for which the refund or credit is obtained during which each party hereto owned the Unit. The provisions of this Section 9.3 shall survive the Closing.

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

- (a) the Closing apportionments described in Section 9.1 of this Agreement will be made as of the midnight of the day preceding the originally scheduled Closing, regardless of when the actual Closing occurs, and
- (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under this Agreement and the Plan, an amount equal to 0.03% of the Purchase Price for each day starting from and including the originally scheduled Closing to and including the day before the actual Closing. The interest rate charged will not exceed maximum legal usury limits.

If, through no fault of Purchaser, Sponsor postpones the originally scheduled Closing, these provisions shall apply to the rescheduled Closing if Purchaser fails for any reason to close title to the Unit on the rescheduled Closing.

9.5 Adjustments and apportionments shall be calculated on the basis of the actual number of days in the period for which payments were made or are due, as the case may be.

9.6 Any errors or omissions calculating apportionments at the Closing shall be corrected, and any payment shall be made to the proper party promptly after discovery. This provision shall survive the Closing.

10. MORTGAGE TAX CREDIT

In the event a mortgage recording tax credit becomes available pursuant to Section 339-ee(2) of the Real Property Law of the State of New York, it is specifically understood that such credit shall inure to the benefit of Sponsor. Accordingly, at the Closing, Purchaser obtaining a financing secured by the Unit will be required to pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount.

11. CLOSING COSTS

In addition to those costs and adjustments described in Sections 9 and 10 herein, Purchaser shall be required to pay the other closing costs which are Purchaser's responsibility as more particularly described in "Unit Closing Costs and Adjustments" Section of the Plan. All such closing costs shall be paid by Purchaser at the Closing, by Purchaser's unendorsed personal certified check or by official bank check, in either event drawn on or issued by a United States Bank or trust company which is a member of the New York Clearing House Association. No personal check shall exceed \$500.00.

Purchasers will be required to pay the New York City real property transfer tax and the New York State real property transfer tax to the Department of Finance of the City of New York.

The amount of the New York State real property transfer tax is excluded from the calculation of consideration for the transfer tax purposes.

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

12. AGREEMENT NOT A LIEN OR ENCUMBRANCE

No lien or encumbrance shall arise against the Building or the Unit as a result of this Agreement or any monies deposited hereunder. In furtherance and not in limitation of the provisions of the preceding sentence, Purchaser agrees that the provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgage heretofore or hereafter made, including, but not limited to, any construction or building loan mortgage, and any advances heretofore or hereafter made thereon and any payments or expenses made or incurred or which hereafter may be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent thereof, without the execution of any further legal documents by Purchaser. This subordination shall apply in all cases, regardless of the timing of, or cause for, the making of advances of money or the incurring of expenses.

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

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

The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit and its undivided interest in the Common Elements, shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of Purchaser's other obligations hereunder or be the basis of any claim

against, or liability of, Sponsor, provided that any such mortgages are subordinated to the Declaration.

13. DEFAULT BY PURCHASER

13.1 The following shall constitute “Events of Default” hereunder:

- (a) Purchaser’s failure to pay the Balance of the Purchase Price, or any closing adjustment or closing costs required to be paid by Purchaser as set forth in the Plan or in this Agreement, or the dishonor of any check given by Purchaser to Sponsor; or
- (b) Purchaser’s failure to pay, perform or observe any of Purchaser’s other obligations under this Agreement or the Plan; or
- (c) if Purchaser is permitted to become the tenant or occupant of the Unit, Purchaser’s failure to pay occupancy fees or to otherwise comply with some other terms of interim lease; or
- (d) Purchaser’s assignment of any of Purchaser’s property for the benefit of creditors, or Purchaser’s filing a voluntary petition in bankruptcy; or
- (e) if a non-bankruptcy trustee or receiver is appointed over Purchaser or Purchaser’s property, or an involuntary petition in bankruptcy is filed against Purchaser; or
- (f) if a judgment or tax lien is filed against Purchaser, and Purchaser does not pay or bond the judgment or lien; or
- (g) Purchaser’s assignment or transfer of this Agreement without the prior written consent of Sponsor; or
- (h) Purchaser’s listing the Unit for resale or rental with any broker or advertising or otherwise offering, promoting or publicizing the availability of the Unit for sale or rental without Sponsor’s prior written consent; or
- (i) Purchaser’s refusal to execute and deliver the power of attorney to Sponsor; or
- (j) an Event of Default by Purchaser beyond any applicable grace period under a Purchase Agreement between Purchaser and Sponsor for another Unit in the Building.

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

If the default is not cured within said thirty (30) days, **TIME BEING OF THE ESSENCE**, then this Agreement will be deemed cancelled, and Sponsor will have the right to retain the Deposit and actual costs incurred by Sponsor for any upgrades, extras, special or custom work in the Unit ordered by Purchaser, as and for liquidated damages. Upon the cancellation of this Agreement, neither party shall have any further rights, obligations or liability

to or against the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan, and the Unit may be sold to another as though this Agreement had never been made, and without any obligation to account to Purchaser for any of the proceeds of such sale.

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

13.3 Except in connection with the exercise of the Purchaser's right to specific performance, Purchaser hereby waives any right or privilege to place a lis pendens upon the Unit and, accordingly, notwithstanding anything contained herein to the contrary, Purchaser shall be liable for all damages, including, without limitation, treble damages, relating to the Purchaser's failure to comply with the terms of this Section 13.3. This Section 13.3 shall survive the termination of this Agreement.

14. AGREEMENT SUBJECT TO PLAN BEING EFFECTIVE

The performance by Sponsor of its obligations under this Agreement is contingent upon the Plan having been declared effective in accordance with the terms and provisions of the Plan. The Plan may be withdrawn or abandoned by Sponsor only under certain conditions and at certain times, as set forth in the Plan. If the Plan is abandoned or if, after being declared effective, the Plan is not consummated for any reason and Purchaser is not in default under this Agreement beyond any applicable grace period, this Agreement shall be deemed cancelled and the Deposit, the Advance and all other monies paid on account of the Purchase Price shall be returned to Purchaser within five (5) days of the acceptance of the abandonment amendment. Upon such return, neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan.

15. SPONSOR'S INABILITY TO CONVEY THE UNIT

If Sponsor is unable to deliver title to the Unit to Purchaser in accordance with the provisions of this Agreement and the Plan, Sponsor shall not be obligated to bring any action or proceeding or otherwise incur any cost or expense of any nature whatsoever in excess of its obligations set forth in the Plan in order to cure such inability. If Sponsor is unable to deliver title to the Unit to Purchaser in accordance with the provisions of this Agreement and the Plan, this Agreement shall be deemed cancelled and the Deposit, the Advance and all other monies paid on account of the Purchase Price shall be returned to Purchaser within five (5) days of Sponsor's notification to Purchaser that it cannot convey title. Upon such return, neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan.

16. FIXTURES, APPLIANCES AND PERSONAL PROPERTY

Only those fixtures, appliances and items of personal property, which are described in the Plan as being included in the Unit, are included in this sale. No portion of the Purchase Price shall be attributable to such items.

17. CONSTRUCTION OF THE BUILDING AND THE UNIT

17.1 The construction of the Building and the Unit, including the materials, equipment and fixtures to be installed therein, shall be in accordance with the Plan and the plans and specifications, subject to the right of Sponsor to amend the Plan and the plans and specification in order to substitute materials, equipment or fixtures of equal or better quality, provided that the approval of any governmental authorities having jurisdiction is first obtained (if required). The issuance of a permanent certificate of occupancy for the Building shall be deemed presumptive evidence that the Building and the Unit have been fully completed in accordance with the Plan and the plans and specifications. However, nothing herein contained shall excuse Sponsor from its obligation to correct any defects in construction in accordance with the conditions set forth in "Rights and Obligations of Sponsor" Section of the Plan.

17.2 The construction of the Building and the Unit and the correction of any defects in the construction thereof to the extent required under the Plan are the sole responsibility of Sponsor. Purchaser acknowledges and agrees that Sponsor will not be liable for, and will have no obligation to correct, certain variations from the Plan and plans and specifications as indicated in "Rights and Obligations of Sponsor" Section of the Plan and will only be responsible to correct any construction defects to the extent, and on the terms and conditions, set forth in such Section.

17.3 The Closing shall occur only after, or concurrently with, compliance with the prerequisites set forth under "Terms of Sale" Section of the Plan. As a result, if all such prerequisites are met, Purchaser shall be obligated to close and complete payment of the entire Balance of the Purchase Price, without credit or set-off and without provision for escrow, notwithstanding any construction items noted on Purchaser's Inspection Statement (as hereinafter defined) remaining for Sponsor to complete and/or correct in accordance with its obligation under the Plan, and notwithstanding the incomplete construction and/or decoration of any other portions of the Building or the Unit.

17.4 The actual date for the first closing is not guaranteed or warranted, and may be earlier or later depending on the progress of construction and compliance with the other prerequisites recited in "Terms of Sale" Section of the Plan. Purchaser acknowledges that construction of the Building may be delayed by acts of God, inclement weather conditions, restrictions imposed by any governmental agency, labor strikes, material shortages, late delivery of material or equipment, unavailability of trades, and other events beyond Sponsor's reasonable control. Purchaser further acknowledges that the Units in the Building will be completed at varying times over a period that could extend well beyond the first closing. The order in which these Units will be completed is in the discretion of Sponsor. Purchaser acknowledges that except as otherwise provided in the Plan, Purchaser shall not be excused from paying the entire Balance of the Purchase Price, without credit or set-off and without provision for escrow, and

shall have no claim against Sponsor for damages or losses, in the event that the first closing occurs substantially later than the projected date or the time to complete or to close title to the Unit is delayed or is postponed by Sponsor.

18. INSPECTION OF THE UNIT

18.1 Upon receipt of the Initial Closing Notice, Purchaser shall arrange an appointment with a representative of Sponsor to inspect the Unit within seven (7) days prior to the Closing. Purchaser or Purchaser's duly authorized agent shall attend such inspection and shall complete, date and sign the Inspection Statement in the form set forth as Schedule B to this Agreement and deliver same to Sponsor's representative at the conclusion of the inspection. Failure of Purchaser either to arrange such appointment or to inspect the Unit within seven (7) days prior to the Closing or to so sign and deliver the completed Inspection Statement shall not excuse Purchaser from paying the Balance of the Purchase Price when due and shall constitute Purchaser's full acceptance of the Unit as is. However, nothing herein shall relieve Sponsor of its obligations as set forth in "Rights and Obligations of Sponsor" Section of the Plan.

18.2 Any work set forth on the Inspection Statement shall be completed by Sponsor in a reasonable period of time following the Closing and shall not be grounds for delaying the Closing. Purchaser will be required to provide Sponsor with reasonable access to the Unit subsequent to the Closing in order to complete punch-list work. Sponsor has no obligation under the Plan to deposit any monies in escrow at the Closing as a result of any punch-list items.

19. DAMAGE TO THE UNIT

If between the date of this Agreement and the Closing the Unit is damaged by fire or other casualty, the following shall apply:

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

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

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

20. NO REPRESENTATIONS

Purchaser acknowledges that Purchaser has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties, statements or estimates of any nature whatsoever, whether written or oral, made by Sponsor, Selling Agent or otherwise, including, but not limited to, any relating to the description or physical condition of the Building or the Unit, or the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the services to be provided to Unit Owners, the estimated Common Charges allocable to the Unit, the estimated proportionate real estate taxes on the Unit, the right to any income tax deduction for any real estate taxes or mortgage interest paid by Purchaser, or any other data, except as herein or in the Plan specifically represented. Purchaser has relied solely on Purchaser's own judgment and investigation in deciding to enter into this Agreement and purchase the Unit. No person has been authorized to make any representations on behalf of Sponsor except as herein or in the Plan specifically set forth. No oral representations or statements shall be considered a part of this Agreement. Sponsor makes no representation or warranty as to the work, materials, appliances, equipment or fixtures in the Unit, the Common Elements or any other part of the Property other than as set forth herein or in the Plan.

Except as otherwise set forth in the Plan, Purchaser agrees that Purchaser shall not be relieved of any Purchaser's obligations hereunder by reason of any immaterial or insubstantial inaccuracy or error.

The provisions of this Section 20 shall survive the Closing.

21. PROHIBITION AGAINST ADVERTISING

Prior to the Closing, Purchaser agrees not to list the Unit for resale or rental with any broker or to advertise or otherwise offer, promote or publicize the availability of the Unit for sale or lease, without Sponsor's prior written consent, which consent may be unreasonably withheld or delayed. Any listing of the Unit or form of advertising, promotion or publicizing of the Unit by Purchaser prior to the Closing shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in this Agreement.

22. BROKER

Purchaser represents to Sponsor that Purchaser has not dealt with any broker in connection with this transaction other than the broker, if any, named in this Agreement, whose commissions shall be paid by Sponsor. Purchaser shall pay the commission of any broker with whom Purchaser may have dealt, other than the Broker. Purchaser agrees that, should any claim, arising in connection with the Purchaser's broker's scope of work for the Purchaser, be made against Sponsor for commissions by any broker, other than the Broker, on account of any acts of Purchaser or Purchaser's representatives, Purchaser will indemnify and hold Sponsor free and harmless from and against any and all liabilities and expenses in connection therewith, including reasonable legal fees. Sponsor may collect legal fees only if it prevails. The provisions of this Section 22 shall survive the Closing.

23. AGREEMENT MAY NOT BE ASSIGNED

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

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

24. BINDING EFFECT

The submission of this Agreement to Purchaser does not create a binding obligation on the part of Sponsor. This Agreement shall not be binding on Sponsor until a fully executed counterpart hereof has been sent out to Purchaser or Purchaser's attorney.

Within thirty (30) days after delivery by Purchaser of an executed copy of this Agreement, together with the Deposit and the Advance, if any, Sponsor shall either:

- (a) accept this Agreement and cause to be returned to Purchaser the fully executed counterpart thereof, or
- (b) reject this Agreement offer and refund the Deposit and the Advance, if any, tendered.

If Sponsor takes no action within said thirty (30) day period, this Agreement shall be deemed null and void. Upon refund of the Deposit and the Advance, if any, to Purchaser, neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan.

Prior to Sponsor's countersigning and returning this Agreement to Purchaser, and at any time thereafter, Purchaser agrees upon request to provide Sponsor with written information about Purchaser's employment, financial and rental/ownership history. Such information obtained prior to countersignature may be used to determine Purchaser's qualification to purchase and own the Unit, but does not constitute a reservation or binding obligation on either the applicant or Sponsor.

Sponsor has the right, without incurring any liability, to reject this Agreement without cause or explanation to Purchaser.

Notwithstanding anything to the contrary, this Agreement may not be rejected due to Purchaser's sex, race, creed, color, national origin, ancestry, disability, marital status, or other grounds proscribed by law.

25. NOTICES

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

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

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

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

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

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

26. JOINT PURCHASERS

The term “Purchaser” shall be read as “Purchasers” if more than one person are Purchasers, in which case their obligations shall be joint and several.

27. FORCE MAJEURE

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

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

28. FURTHER ASSURANCES

Either party shall execute, acknowledge and deliver to the other party such instruments, and take such other actions, in addition to the instruments and actions specifically provided for herein, as such other party may reasonably request in order to effectuate the provisions of this Agreement or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

29. AGREEMENT CONTINGENT UPON FINANCING

(a) The obligation of Purchaser to purchase under this Agreement is conditioned upon issuance, on or before forty five (45) days after a fully executed copy of this Agreement is given to Purchaser or Purchaser’s attorney in the manner set forth in Section 25 or 29(j), (hereinafter called the “Commitment Date”), of a written commitment from an institutional lender, (hereinafter called the “Institutional Lender”), pursuant to which the Institutional Lender agrees to make a first mortgage loan, other than a VA, FHA or other governmentally insured loan, to Purchaser, at Purchaser’s sole cost and expense, in the amount of \$ _____ for a term of at least thirty (30) years (or such lesser sum or shorter term as Purchaser shall be willing to accept) at the prevailing fixed or adjustable rate

of interest and on other customary commitment terms, (hereinafter called the "Commitment"). To the extent a Commitment is conditioned on Institutional Lender's approval of an appraisal, the sale of Purchaser's current home, payment of any outstanding debt, no material adverse change in Purchaser's financial condition or any other customary conditions, Purchaser accepts the risk that such conditions may not be met.

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

(b) Purchaser shall (i) make prompt application to the Institutional Lender, for such mortgage loan within five (5) days after the fully executed copy of this Agreement is given to Purchaser or Purchaser's attorney in the manner set forth in Section 25 or 29(j), (ii) furnish to the Institutional Lender accurate and complete information regarding Purchaser and members of Purchaser's family, as required, (iii) pay all fees, points and charges required in connection with such application and loan, (iv) pursue such application with diligence, and (v) cooperate in good faith with the Institutional Lender. Purchaser shall accept a Commitment meeting the terms set forth in Section 29(a) and shall comply with all requirements of such Commitment (or any other commitment accepted by Purchaser). IF PURCHASER FAILS TO COMPLY WITH THESE OBLIGATIONS AND REQUIREMENTS, PURCHASER SHALL BE DEEMED TO HAVE WAIVED PURCHASER'S RIGHT TO CANCEL THIS AGREEMENT AND TO RECEIVE A REFUND OF THE DEPOSIT BY REASON OF THE CONTINGENCY CONTAINED IN THIS SECTION 29. Purchaser shall furnish Sponsor with a copy of the Commitment promptly after receipt thereof.

(c) If a Commitment was issued but it lapsed or expired prior to the Closing, Purchaser shall make a good faith effort to extend the Commitment and pay all required costs, fees and expenses to extend the Commitment up to the Closing. In no event whatsoever will Sponsor be liable for any costs, fees or expenses relating to the extension of the Commitment, even if the lapse or expiration of the Commitment resulted from a delay in the closing caused by Sponsor. If a Commitment was issued but its terms were not materially and adversely changed prior to the closing, Purchaser shall nevertheless be required to purchase a Unit.

Notwithstanding anything to the contrary stated anywhere in this Agreement, if a Commitment was issued but it lapsed or expired prior to the Closing, and Purchaser has made a good faith effort to extend the Commitment, but the Institutional Lender nevertheless refused or failed to extend the Commitment, Purchaser will have a right of rescission until the midnight of the fifteenth day following notice from the Institutional Lender of its failure or refusal to extend the Commitment. Purchaser or Purchaser's attorney must either [i] personally deliver a written notice of rescission to Sponsor's attorney prior to the midnight of said fifteenth day, [ii] mail the notice of rescission by certified or registered mail, return receipt requested, to Sponsor's

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

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

(d) If the Institutional Lender denies such application in writing prior to the Commitment Date, Purchaser will have a right of rescission until the midnight of the fifteenth day following the Commitment Date, provided that Purchaser has complied with all his obligations under this Section 29. Purchaser or Purchaser's attorney must either [i] personally deliver a written notice of rescission to Sponsor's attorney prior to the midnight of said fifteenth day, [ii] mail the notice of rescission by certified or registered mail, return receipt requested, to Sponsor's attorney, so that mailing is post-marked by post-office prior to the midnight of said fifteenth day, or [iii] send the notice of rescission to Sponsor's attorney by an email set forth in the Purchase Agreement, prior to the midnight of said fifteenth day.

(e) If no Commitment is issued by the Institutional Lender on or before the Commitment Date, then, unless Purchaser has accepted a written commitment from the Institutional Lender that does not conform to the terms set forth in Section 29(a), Purchaser will have a right of rescission until the midnight of the fifteenth day following the Commitment Date, provided that Purchaser has complied with all his obligations under this Section 29. Purchaser or Purchaser's attorney must either [i] personally deliver a written notice of rescission to Sponsor's attorney prior to the midnight of said fifteenth day, [ii] mail the notice of rescission by certified or registered mail, return receipt requested, to Sponsor's attorney, so that mailing is post-marked by post-office prior to the midnight of said fifteenth day, or [iii] send the notice of rescission to Sponsor's attorney by an email set forth in the Purchase Agreement, prior to the midnight of said fifteenth day.

(f) If this Agreement is canceled by Purchaser pursuant to Sections 29(c), (d) or (e), neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan, except that the Deposit shall be promptly refunded to Purchaser and except as set forth in Section 22.

(g) If Purchaser fails to give timely notice of cancellation pursuant to Sections 29(c), (d) or (e) or if Purchaser accepts a written commitment from the Institutional Lender that does not conform to the terms set forth in Section 29(a), then Purchaser shall be deemed to have waived Purchaser's right to cancel this Agreement and to receive a refund of the Deposit by reason of the contingency contained in this Section 29.

(h) If Sponsor has not received a copy of a Commitment from the Institutional Lender accepted by Purchaser by the Commitment Date, Sponsor may cancel this Agreement by giving notice to Purchaser within five (5) business days after the Commitment Date, which cancellation shall become effective unless Purchaser delivers a copy of such Commitment to Sponsor within five (5) business days after the Commitment Date. After such cancellation, neither party shall have any further rights against, or obligations or liabilities to, the other by reason of this Agreement, except that the Deposit shall be promptly refunded to Purchaser (provided Purchaser has complied with all of his obligations under this Section 29) and except as set forth in Section 22.

(i) The attorneys for the parties are hereby authorized to give and receive on behalf of their clients all notices and deliveries under this Section 29.

(j) For purposes of Sections 29(a) and (b), Purchaser shall be deemed to have been given a fully executed copy of this Agreement, when personal delivery or delivery by overnight courier is effected, or in the case of ordinary or regular mailing, three (3) business days after the date of mailing.

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

30. COSTS OF ENFORCING AND DEFENDING AGREEMENT

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

31. SEVERABILITY

If any provision of this Agreement or the Plan is invalid or unenforceable as against any person or under certain circumstances, the remainder of this Agreement or the Plan and the applicability of such provision to other persons or circumstances shall not be affected thereby.

Each provision of this Agreement or the Plan, except as otherwise herein or therein provided, shall be valid and enforced to the fullest extent permitted by law.

32. STRICT COMPLIANCE

Any failure by either party to insist upon the strict performance by the other of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and each party, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by the other party of any and all of the provisions of this Agreement to be performed by such party.

33. GOVERNING LAW

The provisions of this Agreement shall be governed by and construed in accordance with the internal laws of the State of New York applicable to agreements made and to be performed wholly in the State of New York, without regard to principles of conflicts of law.

34. WAIVER OF JURY TRIAL

Except as prohibited by law, the parties shall, and they hereby do, expressly waive trial by jury in any litigation arising out of, or connected with, or relating to, this Agreement or the relationship created hereby or in the Plan. With respect to any matter for which a jury trial cannot be waived, the parties agree not to assert any such claim as a counterclaim in, nor move to consolidate such claim with, any action or proceeding in which a jury trial is waived.

35. HOUSING MERCHANT IMPLIED WARRANTY.

The Housing Merchant Implied Warranty (Article 36-B of the General Business Law of the State of New York), does not apply to this offering because the Building consists of more than five (5) stories. Thus, Sponsor will not provide the warranty required by that Article.

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

The Sponsor's obligation, regardless of any limitations in the warranty, is to construct the Building and the Unit in accordance with all applicable laws, codes, plans and specifications, and in accordance with all representations and obligations set forth in the Plan.

36. SMOKING POLICY OF THE CONDOMINIUM. [A] Inhaling, exhaling, burning or carrying any lighted or heated cigar, cigarette, little cigar, pipe, water pipe or hookah, herbal cigarette, non-tobacco smoking product (e.g., marijuana or non-tobacco shisha), or any similar form of lighted object or device designed for people to use to inhale smoke, and [B] use of battery-operated devices that heat a liquid, gel, herb or other substance and produces vapor for people to inhale are not permitted:

- [i] inside of the Units;
- [ii] anywhere in the Limited Common Elements of the Units;
- [iii] anywhere inside of the Building;
- [iv] outdoor Common Elements, including play areas, rooftops, courtyards, patios, porches or yards; and
- [v] outdoors within 15 feet of entrances, exits, windows, and air intake units in the Building.

37. ENTIRE AGREEMENT

This Agreement, together with the Plan, supersedes any and all understandings and agreements between the parties and constitutes the entire agreement between them with respect to the subject matter hereof.

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

38. CERTAIN REFERENCES

A reference in this Agreement to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural, and vice versa, unless the context otherwise requires. The terms “herein,” “hereof” or “hereunder” or similar terms used in this Agreement refer to this entire Agreement and not to the particular provision in which the term is used, unless the context otherwise requires. Unless otherwise stated, all references herein to Articles, Sections, subsections or other provisions are references to Articles, Sections, subsections or other provisions of this Agreement.

39. CAPTIONS

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

40. SUCCESSORS AND ASSIGNS

The provisions of this Agreement shall be binding on Sponsor, Escrow Agent and their respective successors and assigns, and upon Purchaser and Purchaser’s permitted successors and assigns.

41. NO ORAL CHANGES

This Agreement cannot be changed or terminated orally. Any changes or additional provisions must be set forth in a rider attached hereto or in a separate written agreement signed by the parties hereto or by an amendment to the Plan.

42. **PERFORMANCE**

Where this Agreement by its terms requires the payment of money or the performance of a condition on a Saturday, Sunday or public holiday, such payment may be made or condition performed on the next business day succeeding such Saturday, Sunday or such public holiday, with the same force and effect as if made or performed in accordance with the terms of this Agreement.

43. **COUNTERPARTS**

This Agreement may be executed in any number of counterparts. Each such counterpart shall for all purposes be deemed an original. All such counterparts shall together constitute but one and the same Agreement. A PDF, facsimile or electronic signature shall be deemed an original.

IN WITNESS WHEREOF, the parties have duly executed this Agreement the day and year first above written.

Purchaser(s):

Sponsor

Boomerang 79 LLC

By:

Title:

Escrow Agent

TSYNGAUZ & ASSOCIATES, P.C.

By: Yevgeny Tsyngauz/Mikhail Litt

Exhibit A - Permitted Exceptions

- (a) Zoning laws and regulations and landmark, historic or wetlands designations which are not violated by the Unit and which are not violated by the Common Elements to the extent that access to or use of the Unit would be materially and adversely affected.
- (b) Consents for the erection of any structure or structures on, under or above any street or streets on which the Building may abut.
- (c) The terms, burdens, covenants, restrictions, conditions, easements and rules and regulations set forth in the Declaration, By-Laws and rules and regulations of the Condominium, the Power of Attorney to the Board of Managers of the Condominium and the Floor Plans of the Condominium, all as may be amended from time to time.
- (d) Rights of utility companies to lay, maintain, install and repair pipes, lines, poles, conduits, cable boxes and related equipment on, over and under the Building and Common Elements, provided that none of such rights imposes any monetary obligation on the owner of the Unit or materially interferes with the use of or access to the Unit.
- (e) Encroachments of stoops, areas, cellar steps, trim, cornices, lintels, window sills, awnings, canopies, ledges, fences, hedges, copings and retaining walls projecting from the Building over any street or highway or over any adjoining property and encroachments of similar elements projecting from adjoining property over the Common Elements.
- (f) Any state of facts which an accurate survey or personal inspection of the Building, Common Elements or Unit would disclose, provided that such facts do not render title unmarketable.
- (g) The lien of any unpaid common charge, real estate tax, water charge, sewer rent or vault charge, provided the same are paid or apportioned at the Closing.
- (h) The lien of any unpaid assessments to the extent of installments thereof payable after the closing.
- (i) Liens, encumbrances and title conditions affecting the Common Elements, which do not materially and adversely affect the rights of the Unit Owner to use and enjoy the Common Elements.
- (j) Notes or notices of violations of law or governmental orders, ordinances or requirements affecting the Building or the Common Elements (other than the Unit), which the other Unit Owner or the Board of Managers of the Condominium are obligated to correct.
- (k) Standard exceptions contained in the form of fee title insurance policy then issued by the title insurance company insuring the Owner's title to the Unit.
- (l) Zoning Lot Certificate as recorded in CRFN 2019000243709.
- (m) Zoning Lot Description as recorded in CRFN 2019000243710.
- (n) Party Wall Easement Agreement as recorded in CRFN 2021000118404.
- (o) Party Wall Easement Agreement as recorded in CRFN 2021000118405.

Exhibit B – Inspection Statement

Date: _____

Boomerang 79 LLC
68 34th Street, Suite 514
Brooklyn, NY 11232

Re: Residential Unit No. _____, (hereinafter called the “Unit”) in
The Matteo Condominium
323 East 79th Street, New York, NY 10075

Ladies and Gentlemen:

1. On the date hereof, the undersigned, _____, Purchasers of the Unit, (hereinafter collectively called "Purchaser"), inspected the Unit and have found the Unit to be in good condition, except as otherwise noted below:

[illegible]

2. Purchaser acknowledges that to prevent pilferage, certain items such as medicine cabinet doors, shower heads, toilet seats, kitchen cabinets, vanity knobs, plumbing fixtures, electrical trims and mechanical chimes will be installed just prior to the date Purchaser moves into the Unit. Purchaser agrees to sign-off each item requiring adjustment, or repairs, if any, as they are completed.

3. In the event Purchaser performs work in the Unit of any kind affecting any of the areas or items listed above after the closing, Sponsor will be relieved of any and all obligations related to the items listed herein.

Purchaser

Purchaser

FORM OF INTERIM LEASE

**THE MATTEO CONDOMINIUM
323 East 79th Street
New York, NY 10075**

THIS INTERIM LEASE, (hereinafter called this "Interim Lease"), made as of the _____ day of _____, 20__, between Sponsor and Purchaser, as defined below.

Unit No.: _____
Common Interest: _____ %

Sponsor: Boomerang 79 LLC
68 34th Street, Suite 514
Brooklyn, NY 11232

Purchaser: _____

Date of
Purchase Agreement: _____

Purchaser desires to have possession of the Unit prior to the Closing, and the parties have agreed to same upon the following terms and conditions:

1. **POSSESSION.** Purchaser shall be entitled to possession as of _____.
2. **CONDITION OF PREMISES.** Purchaser accepts in all respect the Unit in the condition that now exists and will promptly close the purchase of the Unit as provided in the above-mentioned Purchase Agreement.
3. **RISK OF LOSS.** Once Purchaser takes possession of the Unit, Purchaser shall assume risk of loss from fire or other casualty not covered by insurance.
4. **OCCUPANCY FEES.** Purchaser shall pay Sponsor the sum of \$_____ per month in advance commencing on the above possession date, through and including the date of the Closing. Any excess prepaid sums shall be refunded at the Closing or upon Purchaser vacating the Unit as provided herein.
5. **UTILITIES.** Purchaser shall be responsible for all utilities as of the date of possession until the Closing or return of possession to Sponsor.
6. **INSURANCE.** Purchaser shall obtain liability insurance coverage and fire insurance to protect Purchaser's personal belongings as of the date of possession.

7. **ALTERATION OF UNIT.** If Purchaser vacates the Unit without completing the purchase of same, Purchaser shall return the Unit in substantially the same condition in which it was delivered to Purchaser by Sponsor. Purchaser shall be liable for any damages or repairs, ordinary wear and tear excepted, caused by Purchaser during this occupancy of the Unit. Purchaser shall not make any repairs, additions, alterations or improvements without the express written consent of Sponsor, which under no circumstances shall result in any cost or charge to Sponsor even if the above-mentioned Purchase Agreement is terminated.

8. **PERSONAL USE.** Purchaser shall not rent or allow use of the Unit except as a residence for the immediate family of Purchaser.

9. **DEFAULT.** If at any time Purchaser defaults under the above-mentioned Purchase Agreement or this Interim Lease and fails to cure said default within thirty (30) days after receipt of written notice to cure, Sponsor may give written notice to vacate the Unit within (30) days after receipt of written notice of termination of this Interim Lease. Upon receipt of said termination notice, Purchaser shall vacate the Unit within thirty (30) days after receipt of said termination notice and return possession of the Unit, free of any occupants, to Sponsor. Sponsor will continue to retain all of its other rights under the above-mentioned Purchase Agreement and this Interim Lease.

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

10. **RETURN OF POSSESSION.** If the above-mentioned Purchase Agreement is no longer in effect for any reason, Purchaser shall, within thirty (30) days thereafter, vacate the Unit and return possession of the Unit, free of any occupants, to Sponsor.

For all the purposes of this Interim Lease, even though Purchaser may vacate the Unit, Purchaser shall be deemed to remain in possession until (1) Purchaser delivers the Unit in substantially the same condition as now exists, (2) delivers all keys to Sponsor and (3) removes all property of Purchaser from the Unit.

11. **PENALTIES.**

(a) if Purchaser fails to vacate the Unit and return possession to Sponsor in accordance with this Interim Lease, then Purchaser shall become immediately obligated to pay Sponsor the sum of \$500.00 per day of liquidated damages for each day, or part of each day, that Purchaser continues in possession thereafter.

(b) If legal action becomes necessary for Sponsor to retake possession or recover damages because of Purchaser's breach, Sponsor shall also be entitled to recover reasonable legal fees and disbursements, if Sponsor prevails in a dispute or successfully defends itself.

(c) If Purchaser defaults under the above-mentioned Purchase Agreement or this Interim Lease, Seller shall have the right to retain the Deposit under the above-mentioned Purchase Agreement and actual costs incurred by Sponsor for any upgrades, extras, special or custom work in the Unit ordered by Purchaser, as and for liquidated damages.

12. NO LANDLORD-TENANT RELATIONSHIP. This Interim Lease is intended only to give Purchaser the right of possession pending the Closing, and is not intended to establish a Landlord-Tenant relationship.

13. NOTICES. Section 25 of the above-mentioned Purchase Agreement is incorporated herein in its entirety.

14. INCORPORATION. This Interim Lease is in all respects subject to the Purchase Agreement and the Plan. Capitalized terms used but not defined in this Interim Lease shall have the meanings given to them in the Purchase Agreement and Plan.

15. SMOKING POLICY OF THE CONDOMINIUM. [A] Inhaling, exhaling, burning or carrying any lighted or heated cigar, cigarette, little cigar, pipe, water pipe or hookah, herbal cigarette, non-tobacco smoking product (e.g., marijuana or non-tobacco shisha), or any similar form of lighted object or device designed for people to use to inhale smoke, and [B] use of battery-operated devices that heat a liquid, gel, herb or other substance and produces vapor for people to inhale are not permitted:

- [i] inside of the Units;
- [ii] anywhere in the Limited Common Elements of the Units;
- [iii] anywhere inside of the Building;
- [iv] outdoor Common Elements, including play areas, rooftops, courtyards, patios, porches or yards; and
- [v] outdoors within 15 feet of entrances, exits, windows, and air intake units in the Building.

IN WITNESS WHEREOF, the parties have duly executed this Interim Lease the day and year first above written.

Purchaser(s):

Sponsor
Boomerang 79 LLC

By:

FORM OF POWER OF ATTORNEY

The undersigned, _____, the owner of the Condominium Unit _____, (hereinafter called the "Unit"), in the condominium known as The Matteo Condominium, having an address at 323 East 79th Street, New York, NY 10075, (hereinafter called the "Building"), said Unit being known as and by the street number 323 East 79th Street, Unit No. _____, New York, NY 10075, and designated as Unit No. _____, in that certain declaration dated the _____ day of _____, 20__, made by Boomerang 79 LLC, (hereafter called "Sponsor"), under Article 9-B of the Real Property Law of the State of New York, (hereinafter called the "Condominium Act"), establishing the plan for the condominium ownership of the Building and the land upon which the Building is situated, (hereinafter called the "Land"), (the Building and the Land are collectively hereinafter called the "Property"), recorded in the Office of the Register of the City of New York on the _____ day of _____, 20__ in CRFN _____, (hereinafter called the "Declaration"), and also designated as Tax Lot No. _____ in Block 1542 on the Tax Map of the Real Property Assessment Department of the City of New York and on the floor plans of the Building, certified by David Brown, R.A., on the _____ day of _____, 20__, and filed simultaneously with the Declaration in the Office of the Register of the City of New York in CRFN _____ as Map No. _____, (hereinafter called the "Floor Plans"), do hereby nominate, constitute and appoint the persons who may from time to time constitute the Board of Managers of The Matteo Condominium, jointly, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, to acquire, in their own name, as members of the Board of Managers, or in the name of its designee, corporate or otherwise on behalf of all Owners of Units in the Property, in accordance with their Common Interests, any Unit whose Owner desires to abandon or sell the same, the undivided interest in the Common Elements appurtenant thereto, the interest of such Unit Owner in any other Units theretofore acquired by the Board of Managers or its designee, corporate or otherwise on behalf of all Unit Owners, or in the proceeds of the sale or lease thereof, if any, and the rights and privileges appurtenant thereto, the interest of such Unit Owner in all other assets of the Condominium as defined in the Declaration or any Unit, which shall be the subject of a foreclosure or other judicial sale, or to lease any Unit whose Owner desires to rent the same, at such price or on such rental, as the case may be, and on such terms as said attorneys-in-fact shall, in their sole discretion, deem proper, and thereafter to convey, sell, lease, sublease, mortgage or otherwise deal with any such Units so acquired by them (but not to vote the votes appurtenant thereto), on such terms as said attorneys-in-fact may determine, granting to such attorneys-in-fact the power to do all things in the said premises which the undersigned could do if the undersigned were personally present.

The acts of a majority of such persons shall constitute the acts of said attorneys-in-fact.

The undersigned do further hereby nominate, constitute and appoint the persons who may from time to time constitute the Board of Managers of The Matteo Condominium, jointly, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, to amend from time to time the Declaration, the By-Laws and the Rules and Regulations of the Condominium, or any of said documents, when such amendment (1) shall be required to reflect any changes in Unsold Units and/or the reapportionment of the Common

Interests of the affected Unsold Units resulting therefrom made by Sponsor or Sponsor-designee in accordance with Article 16 of the Declaration or (2) shall be required by (a) an institutional lender to make a mortgage loan secured by a mortgage on any Unit, (b) any governmental agency having regulatory jurisdiction over the Condominium, or (c) any title insurance company selected by Sponsor to insure title to any Unit, provided, however, that any amendment made pursuant to the terms of this paragraph shall not (i) change the Common Interest of the undersigned's Unit, (ii) require a material, physical modification to the undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an institutional lender covering the undersigned's Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) or the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment. The acts of a majority of such persons shall constitute the acts of said attorneys-in-fact. The terms, covenants and conditions contained in, and the powers granted pursuant to this paragraph shall remain in full force and effect until such time as Sponsor or Sponsor-designee shall cease to own any Units in the Condominium.

This Power of Attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned, has executed this Power of Attorney this _____ day of _____, 20__.

Purchaser

Purchaser

FORM OF RESIDENTIAL UNIT DEED

THIS INDENTURE made the _____ day of _____, 20__, between Boomerang 79 LLC, having an address at 68 34th Street, Suite 514, Brooklyn, NY 11232, (hereinafter called the “Grantor”), and _____, having an address at _____, (hereinafter called the “Grantee”),

W I T N E S S E T H:

That the Grantor, in consideration of Ten (\$10.00) Dollars and other valuable consideration paid by the Grantee, does hereby grant and release unto the Grantee, and the heirs or successors and assigns of the Grantee, forever:

The Condominium Unit _____, (hereinafter called the “Unit”), in the condominium known as The Matteo Condominium, having an address at 323 East 79th Street, New York, NY 10075, (hereinafter called the “Building”), said Unit being known as and by the street number 323 East 79th Street, Unit No. _____, New York, NY 10075, and designated as Unit No. _____, in that certain declaration dated the _____ day of _____, 20__, made by the Grantor under Article 9-B of the Real Property Law of the State of New York, (hereinafter called the “Condominium Act”), establishing the plan for the condominium ownership of the Building and the land upon which the Building is situated, which land is described in Schedule A annexed hereto and made a part hereof, (hereinafter called the Land), (the Building and the Land are collectively hereinafter called the “Property”), recorded in the Office of the Register of the City of New York on the _____ day of _____, 20__ in CRFN _____, (hereinafter called the “Declaration”), and also designated as Tax Lot No. _____ in Block 1542 on the Tax Map of the Real Property Assessment Department of the City of New York and on the floor plans of the Building, certified by David Brown, R.A., on the _____ day of _____, 20__, and filed simultaneously with the Declaration in the Office of the Register of the City of New York in CRFN _____ as Map No. _____, (hereinafter called the “Floor Plans”).

TOGETHER with an undivided _____% interest in the Common Elements of the Property described in the Declaration, (hereinafter called the “Common Elements”);

TOGETHER with an easement for the continuance of all encroachments by the Unit on any adjoining Units or Common Elements now existing as a result of construction of the Building, or which may come into existence hereafter as a result of settling of the Building, or as a result of repair or restoration of the Building, or the Unit, after damage by fire or other casualty, or after taking in condemnation or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements made by or with the consent of the Board of Managers, so that any such encroachments may remain so long as the Building shall stand;

TOGETHER with an easement in common with the Owners of other Units to use any pipes, wires, ducts, cables, conduits, public utility lines, and other Common Elements located in any of the other Units or elsewhere on the Property, and serving the Unit;

TOGETHER with the appurtenances and all the estate and rights of the Grantor in and to the Unit;

TOGETHER with and **SUBJECT TO** all easements of necessity in favor of the Unit or in favor of other Units or the Common Elements;

SUBJECT TO easements in favor of adjoining Units and in favor of the Common Elements for the continuance and for the maintenance of all encroachments of such adjoining Units or Common Elements on the Unit, now existing as a result of construction of the Building, or which may come into existence hereafter as a result of settling of the Building, or as a result of repair or restoration of the Building or any adjoining Unit or of the Common Elements, after damage, condemnation or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements made by or with the consent of the Board of Managers, so that any such encroachments may remain so long as the Building shall stand. Each Unit shall be subject to the aforesaid easements in favor of all other Units. In addition, each Unit shall have, and shall be subject to, easements of subjacent support and necessity in favor of such Unit or in favor of other Units and the Common Elements;

SUBJECT ALSO TO an easement in favor of the other Units to use the pipes, wires, ducts, conduits, cables, public utility lines and other Common Elements located in the Unit or elsewhere on the Property and serving such other Units;

SUBJECT ALSO TO the transferable development rights which the Grantor has retained for itself, its successors and assignees;

SUBJECT ALSO TO the permitted exceptions set forth in Exhibit A annexed hereto and made a part hereof;

TOGETHER with and **SUBJECT TO** covenants, easements, rights of way, consents, restrictions and encumbrances created by the Declaration;

SUBJECT TO the provisions of the Declaration, By-Laws, and Floor Plans of the Condominium recorded simultaneously with and as part of the Declaration, as the same may be amended from time to time by instruments recorded in the Office of the Register of the City of New York, which provisions, together with any amendments thereto, shall constitute covenants running with the land and shall bind any person having at any time any interest or estate in the Unit, as though such provisions were recited and stipulated at length herein;

EXCEPT as otherwise specifically permitted by the Board of Managers of the Condominium or provided in the Declaration or in the By-Laws, the Unit is intended for residential use only;

AND the Grantor covenants that the Grantor has not done or suffered anything whereby the said premises have been encumbered in any way whatsoever, except as aforesaid;

TO HAVE AND TO HOLD the same unto the Grantee, and the heirs or successors and assigns of the Grantee, forever.

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to the provisions of the Condominium Act, or if any provision that is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of Article 17 of the Declaration shall control.

The Grantor, in compliance with Section 13 of the Lien Law of the State of New York, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the improvements and will apply the same first to the payment of the cost of the improvements before using any part of the same for any other purpose.

This conveyance is made in the regular course of business actually conducted by the Grantor herein.

The term "Grantee" shall be read as "Grantees" whenever the sense of this deed so requires.

IN WITNESS WHEREOF, the Grantor and Grantee have duly executed this deed the day and year first above written.

Boomerang 79 LLC

By:

Grantee

Grantee

STATE OF NEW YORK)
) ss:
 COUNTY OF)

On the _____ day of _____, 20__, before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which individual acted, executed the instrument.

 Notary Public

STATE OF NEW YORK)
) ss:
 COUNTY OF)

On the _____ day of _____, 20__, before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is(are) subscribed to the within instrument and acknowledged to me that he/she/they executed same in his/her/their capacity, and that by his/her/their signature(s) on the instrument, the individual(s) or the person(s) upon behalf of which individual(s) acted, executed the instrument.

 Notary Public

Exhibit A - Permitted Exceptions

- (a) Zoning laws and regulations and landmark, historic or wetlands designations which are not violated by the Unit and which are not violated by the Common Elements to the extent that access to or use of the Unit would be materially and adversely affected.
- (b) Consents for the erection of any structure or structures on, under or above any street or streets on which the Building may abut.
- (c) The terms, burdens, covenants, restrictions, conditions, easements and rules and regulations set forth in the Declaration, By-Laws and rules and regulations of the Condominium, the Power of Attorney to the Board of Managers of the Condominium and the Floor Plans of the Condominium, all as may be amended from time to time.
- (d) Rights of utility companies to lay, maintain, install and repair pipes, lines, poles, conduits, cable boxes and related equipment on, over and under the Building and Common Elements, provided that none of such rights imposes any monetary obligation on the owner of the Unit or materially interferes with the use of or access to the Unit.
- (e) Encroachments of stoops, areas, cellar steps, trim, cornices, lintels, window sills, awnings, canopies, ledges, fences, hedges, copings and retaining walls projecting from the Building over any street or highway or over any adjoining property and encroachments of similar elements projecting from adjoining property over the Common Elements.
- (f) Any state of facts which an accurate survey or personal inspection of the Building, Common Elements or Unit would disclose, provided that such facts do not render title unmarketable.
- (g) The lien of any unpaid common charge, real estate tax, water charge, sewer rent or vault charge, provided the same are paid or apportioned at the Closing.
- (h) The lien of any unpaid assessments to the extent of installments thereof payable after the closing.
- (i) Liens, encumbrances and title conditions affecting the Common Elements, which do not materially and adversely affect the rights of the Unit Owner to use and enjoy the Common Elements.
- (j) Notes or notices of violations of law or governmental orders, ordinances or requirements affecting the Building or the Common Elements (other than the Unit), which the other Unit Owner or the Board of Managers of the Condominium are obligated to correct.
- (k) Standard exceptions contained in the form of fee title insurance policy then issued by the title insurance company insuring the Owner's title to the Unit.
- (l) Zoning Lot Certificate as recorded in CRFN 2019000243709.
- (m) Zoning Lot Description as recorded in CRFN 2019000243710.
- (n) Party Wall Easement Agreement as recorded in CRFN 2021000118404.
- (o) Party Wall Easement Agreement as recorded in CRFN 2021000118405.

FORM OF STORAGE UNIT DEED

THIS INDENTURE made the _____ day of _____, 20__, between Boomerang 79 LLC, having an address at 68 34th Street, Suite 514, Brooklyn, NY 11232, (hereinafter called the “Grantor”), and _____, having an address at _____, (hereinafter called the “Grantee”),

W I T N E S S E T H:

That the Grantor, in consideration of Ten (\$10.00) Dollars and other valuable consideration paid by the Grantee, does hereby grant and release unto the Grantee, and the heirs or successors and assigns of the Grantee, forever:

The Condominium Unit _____, (hereinafter called the “Unit”), in the condominium known as The Matteo Condominium, having an address at 323 East 79th Street, New York, NY 10075, (hereinafter called the “Building”), said Unit being known as and by the street number 323 East 79th Street, Unit No. _____, New York, NY 10075, and designated as Unit No. _____, in that certain declaration dated the _____ day of _____, 20__, made by the Grantor under Article 9-B of the Real Property Law of the State of New York, (hereinafter called the “Condominium Act”), establishing the plan for the condominium ownership of the Building and the land upon which the Building is situated, which land is described in Schedule A annexed hereto and made a part hereof, (hereinafter called the Land), (the Building and the Land are collectively hereinafter called the “Property”), recorded in the Office of the Register of the City of New York on the _____ day of _____, 20__ in CRFN _____, (hereinafter called the “Declaration”), and also designated as Tax Lot No. _____ in Block 1542 on the Tax Map of the Real Property Assessment Department of the City of New York and on the floor plans of the Building, certified by David Brown, R.A., on the _____ day of _____, 20__, and filed simultaneously with the Declaration in the Office of the Register of the City of New York in CRFN _____ as Map No. _____, (hereinafter called the “Floor Plans”).

TOGETHER with an undivided _____% interest in the Common Elements of the Property described in the Declaration, (hereinafter called the “Common Elements”);

TOGETHER with an easement for the continuance of all encroachments by the Unit on any adjoining Units or Common Elements now existing as a result of construction of the Building, or which may come into existence hereafter as a result of settling of the Building, or as a result of repair or restoration of the Building, or the Unit, after damage by fire or other casualty, or after taking in condemnation or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements made by or with the consent of the Board of Managers, so that any such encroachments may remain so long as the Building shall stand;

TOGETHER with an easement in common with the Owners of other Units to use any pipes, wires, ducts, cables, conduits, public utility lines, and other Common Elements located in any of the other Units or elsewhere on the Property, and serving the Unit;

TOGETHER with the appurtenances and all the estate and rights of the Grantor in and to the Unit;

TOGETHER with and **SUBJECT TO** all easements of necessity in favor of the Unit or in favor of other Units or the Common Elements;

SUBJECT TO easements in favor of adjoining Units and in favor of the Common Elements for the continuance and for the maintenance of all encroachments of such adjoining Units or Common Elements on the Unit, now existing as a result of construction of the Building, or which may come into existence hereafter as a result of settling of the Building, or as a result of repair or restoration of the Building or any adjoining Unit or of the Common Elements, after damage, condemnation or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements made by or with the consent of the Board of Managers, so that any such encroachments may remain so long as the Building shall stand. Each Unit shall be subject to the aforesaid easements in favor of all other Units. In addition, each Unit shall have, and shall be subject to, easements of subjacent support and necessity in favor of such Unit or in favor of other Units and the Common Elements;

SUBJECT ALSO TO an easement in favor of the other Units to use the pipes, wires, ducts, conduits, cables, public utility lines and other Common Elements located in the Unit or elsewhere on the Property and serving such other Units;

SUBJECT ALSO TO the transferable development rights which the Grantor has retained for itself, its successors and assignees;

SUBJECT ALSO TO the permitted exceptions set forth in Exhibit A annexed hereto and made a part hereof;

TOGETHER with and **SUBJECT TO** covenants, easements, rights of way, consents, restrictions and encumbrances created by the Declaration;

SUBJECT TO the provisions of the Declaration, By-Laws, and Floor Plans of the Condominium recorded simultaneously with and as part of the Declaration, as the same may be amended from time to time by instruments recorded in the Office of the Register of the City of New York, which provisions, together with any amendments thereto, shall constitute covenants running with the land and shall bind any person having at any time any interest or estate in the Unit, as though such provisions were recited and stipulated at length herein;

EXCEPT as otherwise specifically permitted by the Board of Managers of the Condominium or provided in the Declaration or in the By-Laws, the Unit is intended solely for storage of personal effects of the owners of the Unit. In no event shall any (a) valuable items, (b) animals, (c) food or other perishable items, (d) hazardous substances, (e) flammable, combustible, explosive or other dangerous items, (f) items which have an objectionable odor or which may spoil or decay, or (g) items which may impose a health or safety threat or cause dirt or other sanitary problems or create a nuisance, be stored therein. The Unit may not be legally used for any residential uses including bedroom, dining room, or any other use considered to be a

habitable space as defined by the New York City Building Code. The use of the Unit as a living or sleeping space may result in a building code violation being issued against the Building and the imposition of fines against the Building. The Unit Owner, who caused the violation, will be obligated to remove it and pay all fines associated with the violation;

AND the Grantor covenants that the Grantor has not done or suffered anything whereby the said premises have been encumbered in any way whatsoever, except as aforesaid;

TO HAVE AND TO HOLD the same unto the Grantee, and the heirs or successors and assigns of the Grantee, forever.

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to the provisions of the Condominium Act, or if any provision that is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of Article 17 of the Declaration shall control.

The Grantor, in compliance with Section 13 of the Lien Law of the State of New York, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the improvements and will apply the same first to the payment of the cost of the improvements before using any part of the same for any other purpose.

This conveyance is made in the regular course of business actually conducted by the Grantor herein.

The term "Grantee" shall be read as "Grantees" whenever the sense of this deed so requires.

IN WITNESS WHEREOF, the Grantor and Grantee have duly executed this deed the day and year first above written.

Boomerang 79 LLC

By: _____

Grantee

Grantee

STATE OF NEW YORK)
) ss:
 COUNTY OF)

On the _____ day of _____, 20__, before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which individual acted, executed the instrument.

 Notary Public

STATE OF NEW YORK)
) ss:
 COUNTY OF)

On the _____ day of _____, 20__, before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is(are) subscribed to the within instrument and acknowledged to me that he/she/they executed same in his/her/their capacity, and that by his/her/their signature(s) on the instrument, the individual(s) or the person(s) upon behalf of which individual(s) acted, executed the instrument.

 Notary Public

Exhibit A - Permitted Exceptions

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

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

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

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

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

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

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

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

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

(j) Notes or notices of violations of law or governmental orders, ordinances or requirements affecting the Building or the Common Elements (other than the Unit), which the other Unit Owner or the Board of Managers of the Condominium are obligated to correct.

(k) Standard exceptions contained in the form of fee title insurance policy then issued by the title insurance company insuring the Owner's title to the Unit.

(l) Zoning Lot Certificate as recorded in CRFN 2019000243709.

(m) Zoning Lot Description as recorded in CRFN 2019000243710.

(n) Party Wall Easement Agreement as recorded in CRFN 2021000118404.

(o) Party Wall Easement Agreement as recorded in CRFN 2021000118405.

DECLARATION

**Establishing the Plan for the Condominium Ownership,
Pursuant to Article 9-B of the Real Property Law of the State of New York, of**

THE MATTEO CONDOMINIUM

323 East 79th Street
New York, NY 10075

Declarant:

**Boomerang 79 LLC
68 34th Street, Suite 514
Brooklyn, NY 11232**

Date of Declaration: _____

Record & return to:

**Yevgeny Tsyngauz, Esq.
TSYNGAUZ & ASSOCIATES, P.C.
225 Broadway, Suite 2640
New York, NY 10007**

The land affected by the within instrument lies

**In Block 1542, f/k/a Lot: 13
n/k/a Lots: _____**

**on the Tax Map of the Borough of Manhattan,
County, City, and State of New York**

DECLARATION
Establishing the Plan for the Condominium Ownership,
Pursuant to Article 9-B of the Real Property Law of the State of New York, of
THE MATTEO CONDOMINIUM

Boomerang 79 LLC, having an address at 68 34th Street, Suite 514, Brooklyn, NY 11232, (hereinafter called "Sponsor") does hereby declare:

1. SUBMISSION OF PROPERTY. Sponsor hereby submits the land, described on Schedule A annexed hereto and made a part hereof, (hereinafter called the "Land"), together with the building and improvements thereon erected, (hereinafter called the "Building"), (the Building and the Land are collectively hereinafter called the "Property"), to the provisions of Article 9-B of the Real Property Law of the State of New York, (hereinafter called the "Condominium Act").

Sponsor owns the Property in fee simple absolute.

2. NAME OF CONDOMINIUM. This condominium shall be known as "The Matteo Condominium", (hereinafter called the "Condominium").

The Board of Managers of the Condominium is hereinafter called the Board of Managers.

3. AREA OF LAND. The Land has an area of approximately 2,767.00 square feet.

4. DESCRIPTION OF BUILDING. The Building consists of a cellar, fifteen (15) floors, bulkhead, and roof. There are fourteen (14) residential units, (hereinafter called the "Residential Units" or "Residential Unit", where applicable), and ten (10) storage units, (hereinafter called the "Storage Units" or "Storage Unit", where applicable), in the Building. The Residential Units and Storage Units are collectively hereinafter called the "Units", or the "Unit", where applicable.

5. UNITS. (a) Schedule B annexed hereto and made a part hereof sets forth the following data with respect to each Unit necessary for the proper identification thereof: Unit designation; tax lot number; location; permitted usage; percentage of interest in the Common Elements; number of bedrooms and bathrooms; approximate area of appurtenant Limited Common Elements and approximate area of the Unit.

(b) The location of each Unit is more clearly designated on the floor plans, as hereinafter defined, and reference should be made thereto for the statement of the location of each Unit. As shown on the floor plans of the Building, (hereinafter called the "Floor Plans"), certified by David Brown, R.A., and intended to be filed in the Office of the Register of the City of New York simultaneously with the recording of this Declaration, all areas and dimensions are approximate and are subject to immaterial construction tolerances and variances. The floor area of each Unit is approximate within reasonable tolerances and it is calculated as follows.

Each Unit consists of the area measured horizontally from the exterior side of the exterior walls to the centerline of the partitions separating one Unit from another Unit or separating a Unit from a public corridor or Common Element, and solely with respect to the roof, to the centerline of the partitions enclosing mechanical equipment spaces and elevator overrun shaft way. Elevator shaft, stairways, egress corridors, columns, mechanical pipes, shafts, shaft ways, chases, chase ways and conduits are not deducted from the measurement of the Unit.

Each Unit consists of the area measured vertically from the top of the floor (located under the finished floor and sub-flooring materials) to the underside of the ceiling slab above. These square footages exceed the usable floor area of each Unit. Floor area may include columns, mechanical pipe shafts, shaft ways, chases, chase ways, elevator shafts, stairways and conduits which may be incorporated behind protruding walls or may be separately enclosed as freestanding columns thereby reducing the available floor area.

The clearance between the top of the floor slab on one floor and the top of the floor slab on the next floor will vary among Units, and certain Units may have less or an area of lesser clearance because of the presence of beams and/or mechanical spaces than other similarly situated Units; similarly, wall configurations may vary between similarly situated Units because of the presence of beams and/or mechanical spaces. Certain rooms within a Unit may have lesser ceiling clearances or different wall configuration than other rooms within the Unit as a result of construction variances, the presence of beams and/or mechanical spaces within such Units, to accommodate facilities located above the same or otherwise to respond to field conditions. Such ceiling and wall variances between Units and rooms within Units to accommodate described facilities are normal and customary in construction of this nature and shall not be taken into account when calculating square footage, except to the extent of an actual loss of floor area in a Unit.

The terrace appurtenant to a Unit is measured from the exterior measurement line of the Unit to which it is appurtenant to the outside faces of the copings of the terrace wall or partition, and/or the center line of any dividing wall or partition between terraces.

The Limited Common Elements are not included in the dimensions.

Any Common Elements located within a Unit will not be considered a part of such Unit.

(c) No Unit may be subdivided.

6. COMMON ELEMENTS AND LIMITED COMMON ELEMENTS.

A. The Common Elements mean and include:

- (a) The Land on which the Building is located;
- (b) The foundations, columns, girders, beams, supports, chutes, bearing walls, those portions of the exterior walls and insulation beyond the interior exposed face of the exterior wall, those portions of the walls and partitions dividing the Units from corridors, lobbies, stairs, and other mechanical

spaces located beyond the unexposed face of the dry walls enclosing the Units, or, where applicable, the subfloor and framing joists including any framing attached to such joists from which the dry wall ceiling of the Unit below is attached; roof terrace; roof bulkhead; skylights (other than those located in the Unit), if any; roofs, halls, vestibules, corridors, lobbies, stairways, fire escapes, and entrances and exits of the Building;

- (c) The basements, cellars, gardens, utility rooms, mechanical rooms, compactor rooms, pump rooms, meter rooms, sprinkler rooms, boiler rooms, hot water heater rooms, mail rooms, recreation and storage areas outside the Units;
- (d) The premises for the lodging or use of janitors and other persons employed for the operation of the Property;
- (e) The central and appurtenant installations for services such as power, light, gas, hot and cold water, heating, refrigeration, air conditioning;
- (f) The garbage compactors, elevators, escalators, tanks, pumps, motors, fans compressors, water storage tanks, vents, trash chutes, detention tanks, ducts and in general all apparatus and installations existing for common use;
- (g) The sewer pipes and drainage pipes;
- (h) The storage area and bicycle storage area;
- (i) The water meter, gas meters, and electrical meters;
- (j) The condensing units, cooling towers, boiler plants; and
- (k) All other parts of the Property necessary or convenient to its existence, maintenance and safety, or normally in common use.

B. The Limited Common Elements mean and include the balconies and terrace appurtenant to the Units in the Building as shown on Schedule B annexed hereto and made a part hereof.

7. USE OF THE BUILDING, THE UNITS, THE COMMON ELEMENTS AND THE LIMITED COMMON ELEMENTS. The Building shall be used solely for the purposes for which the Units may be used.

Each Residential Unit may be used as a residence only.

Each Storage Unit S1-S10 may be used solely for storage of personal effects of the Owners of the Storage Unit. In no event shall any (a) valuable items, (b) animals, (c) food or other perishable items, (d) hazardous substances, (e) flammable, combustible, explosive or other dangerous items, (f) items which have an objectionable odor or which may spoil or decay, or (g) items which may impose a health or safety threat or cause dirt or other sanitary problems or create a nuisance, be stored therein. A Storage Unit may not be legally used for any residential uses including bedroom, dining room, or any other use considered to be a habitable space as defined by the New York City Building Code. The use of a Storage Unit as a living or sleeping space may result in a building code violation being issued against the Building and the imposition of fines against the Building. The Unit Owner, who caused the violation, will be obligated to remove it and pay all fines associated with the violation.

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

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

The Common Elements and the Limited Common Elements may only be used for the furnishing of the services and facilities for which they are reasonably suited and which are incidental to the use and occupancy of Units. However, the Common Elements and the Limited Common Elements may not be used as a dwelling space, and for kindling, building, maintaining or using an open fire, including, without limitation, charcoal, piped natural gas or LPG fired barbeques. The use of balconies and terraces as contemplated in the Plan will comply with the requirements set forth in the New York City Department of Building's Buildings Bulletin 2018-002.

8. DETERMINATION OF PERCENTAGES IN COMMON ELEMENTS. The percentage of Common Interest allocated to each Unit is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit. The aggregate percentage of Common Interest is 100%.

9. ENCROACHMENTS. If any portion of the Common Elements now encroaches upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or if any encroachment shall occur hereafter as a result of (a) settling or shifting of the Building, or (b) alteration or repair to the Common Elements made by or with the consent of the Board of Managers, or (c) as a result of repair or restoration of the Building or a Unit after damage by fire or other casualty, or (d) as a result of condemnation or eminent domain proceedings, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the Building shall stand.

10. EASEMENTS.

A. Each Unit Owner shall have an easement in common with the Owners of all other Units to use all pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements located in any of the other Units and serving his or her Unit. Each Unit shall be subject to an easement in favor of the Owners of all other Units to use the pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements serving such other Units and located in such Unit. The Board of Managers shall have a right of access to each Unit, all Common

Elements and any Limited Common Elements appurtenant thereto to inspect the same, to remove violations therefrom and/or to maintain, repair or replace the Common Elements contained therein or elsewhere in the Building.

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

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

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

- (a) shall have an easement to erect, maintain, repair and replace from time to time one or more signs on the Building and elsewhere on the Property for the purposes of advertising the sale of Units and the leasing of space in any Unit as well as an easement in and access to Units and Common Elements consistent with the purposes of the condominium offering plan for the Property, as same may be amended, and Sponsor's rights and obligations thereunder, including, without limitation, the right to develop, renovate, maintain, repair, refurbish, offer, sell and lease Units and Common Elements and
- (b) reserve the right to establish, grant and create easements for any additional underground electric transformer, amplifier, gas, cable television, telephone, water, storm drainage, sewer or other utility lines and appurtenances in, under and through the Property, including, without limitation, an easement or easements for the benefit of any property adjacent to the Property, to relocate any existing utility easements in any portion of the Property and to dedicate any or all of such facilities to any governmental body, public benefit corporation or utility company if Sponsor, Sponsor-designees, successors, assigns, invitees, licensees, contractors, employees and tenants shall deem it necessary or desirable for the proper operation and maintenance of the Property or any portion thereof, or for the general health or welfare of any Unit Owner, or the residents of any property adjacent to the Property, or users of any recreation facilities, if any, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere

with the use of the Units for its intended purpose. Any utility company or public benefit corporation furnishing services to the Property, and the employees and agents of any such company or corporation, shall have the right of access to any Unit, to the Common Elements or the Limited Common Elements in furtherance of such easements, provided such right of access is exercised in such a manner as not unreasonably to interfere with the use of the Units, and provided that affected Unit Owners are given at least seven (7) day prior written notice of such access.

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

D. Unit 15 shall be subject to an easement in favor of the Board of Managers of the Condominium to provide access to perform periodic washdown of the trash chute. The Owners of Unit 15 will be given at least seven (7) day prior written notice of such access.

E. Users of any easement granted by subparagraphs A, B, C, and D of this Article 10 shall have the responsibility of repairing any damage resulting therefrom.

F. The Property and the rights of all Unit Owners are subject to the Party Wall Easement Agreement dated March 3, 2021 and recorded on April 1, 2021 in the Office of the City Register of the City of New York in CRFN 2021000118404.

The Property and the rights of all Unit Owners are also subject to the Party Wall Easement Agreement dated December 23, 2020 and recorded on April 1, 2021 in the Office of the City Register of the City of New York in CRFN 2021000118405.

11. POWER OF ATTORNEY TO BOARD OF MANAGERS. Each Unit Owner shall grant to the persons who shall from time to time constitute the Board of Managers, an irrevocable power of attorney, coupled with an interest, to acquire title to any Unit whose owner desires to surrender the same, or which may be the subject of a foreclosure or other judicial sale, in the name of the Board of Managers or its designee, corporate or otherwise on behalf of all Unit Owners, and to convey, sell, lease, mortgage (but not to vote the votes appurtenant thereto) or otherwise deal with any such Units so acquired.

12. ACQUISITION OF UNITS BY BOARD OF MANAGERS. In the event any Unit Owner shall surrender his or her Unit, together with: (i) the undivided interest in the Common Elements, general and limited, appurtenant thereto; (ii) the interest of such Unit Owner in any other Units acquired by the Board of Managers or its designee, corporate or otherwise on behalf of all Unit Owners or the proceeds of the sale or lease thereof, if any; and (iii) the interest of such Unit Owner in any other assets of the Condominium, (hereinafter called the "Appurtenant Interests"), pursuant to the provisions of Section 339-x of the Real Property Law of the State of New York, or in the event the Board of Managers shall purchase at a foreclosure or other judicial sale, a Unit, together with the Appurtenant Interests, title to any such Unit, together with the Appurtenant Interests, shall be held by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common

Interests. The lease covering any Unit leased by the Board of Managers or its designee, corporate or otherwise shall be held by the Board of Managers or its designee, corporate or otherwise on behalf of all Unit Owners, in proportion to their respective Common Interests.

13. PERSON TO RECEIVE SERVICE. For the period during which Sponsor is in control of the Board of Managers, Boomerang 79 LLC, having an address at 68 34th Street, Suite 514, Brooklyn, NY 11232, is hereby designated to receive notice of process in any action, which may be brought against the Condominium. After Sponsor relinquishes control of the Board of Managers notice of process in any action, which may be brought against the Condominium, shall be served on the President of the Condominium at the office of the Condominium, having an address at 323 East 79th Street, New York, NY 10075.

14. UNITS SUBJECT TO DECLARATION, BY-LAWS, AND RULES AND REGULATIONS. All present and future Owners, tenants, subtenants and occupants of Units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into of a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such Owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the Land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof.

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

- (a) no amendment which shall change the percentage of Common Interests allocated to any Unit or Units may be made without the written consent of such Owner(s); no amendment which shall increase the percentage of Common Interests allocated to any Unit or Units may be made without the written consent of the mortgagees of such Unit, or Units, if any;
- (b) no amendment, modification, addition or deletion of or to the Declaration will be effective in any respect against Sponsor, its designee, or any Unsold Unit until Sponsor or such designee shall consent thereto in writing;
- (c) no amendment of a material adverse nature to mortgagees shall be made unless agreed to by mortgagees that represent at least 51% of the votes of Units that are subject to mortgages.

A mortgagee shall be deemed to have consented to any amendment, which requires the consent of such mortgagee when the mortgagee fails to submit a response to any written proposal

for an amendment within sixty (60) days after it receives proper notice of the proposal, provided that the notice was delivered by certified or registered mail, with a “return receipt” requested.

Sponsor hereby reserves to itself and its designees the right to amend the Declaration at any time without the requirement of a vote and without the approval or consent of any Unit Owners or mortgagees for the sole purpose of filing the Floor Plans required by Section 339-p of the Real Property Law of the State of New York for any portion or portions of the Building and appurtenances which are incomplete at the time the Declaration is recorded and the filing along with said amendment to the Declaration and the Floor Plans, the verified statement of a registered architect or licensed professional engineer certifying that the plans being filed simultaneously with such amendment, fully and fairly depict the layout, location, Unit designations and approximate dimensions of the particular Unit or Units as built, as provided in said Section 339-p. No such amendment shall be effective until recorded in the Office of the Register of the City of New York.

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

- (a) make alterations, additions, or improvements, structural and non-structural, ordinary and extraordinary, interior and exterior, in, to and upon the Unit;
- (b) change the layout or number of rooms in the Unit;
- (c) change the size and/or number of such Units by subdividing a Unit, combining separate Units (including those resulting from any subdivision or otherwise) into one or more Units, altering the boundary walls between any Unit or otherwise; and
- (d) reapportion among such Unit(s) affected by such change in size or number, subdivision, combination or alteration, their appurtenant interests in the Common Elements; provided, however, that Sponsor or Sponsor-designees shall comply with all rules, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom.

In accordance with law, the Common Elements appurtenant to each Unit as expressed in this Declaration shall have a permanent character and shall not be altered without the consent of all Unit Owners affected. Written consents will be obtained from Unit Owners, if any, who are adversely affected as a result of the above changes. Contract vendees, if any, pursuant to Purchase Agreements with Sponsor or Sponsor-designees for a Unit adversely affected as a result of the above changes, if they have not consented to such changes, will be given the right to rescind their Purchase Agreements and receive a refund of any deposit or downpayment. The above changes, if made, will be disclosed in an amendment to the condominium offering plan for the Property. The provisions of this Article 16 may not be added to, amended or deleted without the prior written consent of Sponsor or Sponsor-designees.

Unit Owners in the Condominium hold title to their respective Units subject to the benefits, rights, privileges, easements, burdens, covenants, and restrictions as described herein, in the By-Laws of the Condominium and any agreement of record recorded prior or subsequent to this Declaration.

17. INVALIDITY.

A. If any provision of this Declaration or of the By-Laws is invalid under, or would cause this Declaration or the By-Laws to be insufficient to submit the Property to the provisions of the Condominium Act, such provision shall be deemed deleted from this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act, but shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under the other applicable law to the extent permitted under such applicable law with the same force and effect as if, immediately after the recording of this Declaration or the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land. If any provision that is necessary to cause this Declaration or the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as a part of this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act.

B. Subject to the terms of paragraph A of this Article 17, if this Declaration or the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the provisions of the Declaration or the By-Laws shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable law to the extent permitted under such applicable law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land.

18. TERMINATION OF CONDOMINIUM. The Condominium may be terminated by casualty loss, condemnation or eminent domain in accordance with the provisions of the By-Laws, or by withdrawing the Property from the provisions of the Condominium Act, if authorized by an affirmative vote of Unit Owners who own not less than 80% in number and in Common Interest of the Units. Sponsor or Sponsor-designees will not vote its interests appurtenant to any Unsold Units for such withdrawal unless at least 80% in number and in Common Interests of all other Unit Owners have elected for such withdrawal, in which event Sponsor may choose to vote in favor of or against such withdrawal. In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all the Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid off out of

his or her share of such net proceeds all liens on his or her Unit, in the order of priority of such liens.

Notwithstanding anything stated anywhere to the contrary, any action to terminate the legal status of the Condominium after substantial destruction or condemnation occurs or for other reasons must be agreed to by mortgagees that represent at least 51% of the votes of the Unit estates that are subject to mortgages. A mortgagee shall be deemed to have consented to any action, which requires the consent of such mortgagee when the mortgagee fails to submit a response to any written proposal for an action within sixty (60) days after it receives proper notice of the proposal, provided that the notice was delivered by certified or registered mail, with a "return receipt" requested.

19. COMMON EXPENSES. Common Expenses of the Condominium mean and include all expenses of operation of the Property and all sums designated Common Expenses by or pursuant to the provisions of the Condominium Act, this Declaration or the By-Laws.

20. DEFINITION OF "SPONSOR-DESIGNEE". The term "Sponsor-designee" as used in this Declaration shall mean any person or entity designated by Sponsor to acquire title to a Unit. A "Sponsor-designee" shall have the right to designate a person or entity to succeed to its rights and any such designee shall also be deemed a "Sponsor-designee".

21. WAIVER. No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

22. CAPTIONS. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration nor the intent of any provision thereof.

23. GENDER. The use of the masculine gender in this Declaration shall be deemed to refer to the feminine gender and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

24. MORTGAGEE PROTECTION. A Unit Owner or any other party shall have no priority over any rights of the first mortgagee of the Unit pursuant to its mortgage in the case of payment to the Unit Owner of insurance proceeds or condemnation awards for losses to or a taking of the Unit and/or Common Elements.

IN WITNESS WHEREOF, Sponsor has duly executed this Declaration the _____ day
of _____, 20__.

Boomerang 79 LLC

By:

STATE OF NEW YORK)
) ss:
COUNTY OF)

On the _____ day of _____, 20__, before me, the undersigned,
personally appeared _____ personally known to me or proved to me on the
basis of satisfactory evidence to be the individual whose name is subscribed to the within
instrument and acknowledged to me that he executed same in his capacity, and that by his
signature on the instrument, the individual or the person upon behalf of which individual acted,
executed the instrument.

Notary Public

**SCHEDULE A
TO THE DECLARATION**

THE MATTEO CONDOMINIUM
323 East 79th Street
New York, NY 10075
Block: 1542, f/k/a Lot: 13, n/k/a Lots:

Legal Description of Land

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County, City and State of New York, bounded and described as follows:

BEGINNING at a point on the northerly side of East 79th Street, distant three hundred and sixteen feet ten inches westerly from the corner formed by the intersection of the westerly side of First Avenue with the said northerly side of East 79th Street;

RUNNING THENCE westerly, along said northerly side of East 79th Street, twenty-seven feet one inch;

THENCE northerly, on a line parallel with said First Avenue, and part of the way through a party wall, one hundred and two feet and two inches to the center line or the block between East 79th Street and Eightieth Street;

THENCE easterly, on a line parallel with East 79th Street, twenty-seven feet one inch;
and

THENCE southerly, on a line parallel with First Avenue, and part of the way through a party wall, one hundred and two feet two inches to the said northerly side of East 79th Street to the point or place of BEGINNING.

**SCHEDULE B
TO THE DECLARATION**

The Matteo Condominium
323 East 79th Street
New York, NY 10075
Block: 1542, f/k/a Lot: 13, n/k/a Lots:

Description of Units

Unit No.	Tax Lot No.	Floor Location	Usage	Bdrs/ Bths	Sq. ft. of Units	Sq. ft. of Limited Common Elements		% of Common Interest
						Terrace	Balcony	
1		First	Residential	0/0.5	814.00	792.00	None	9.70
		Second	Residential	4/3	1,856.00	None	None	
3		Third	Residential	3/2.5	1,856.00	None	68.00	6.75
4		Fourth	Residential	3/2.5	1,856.00	None	68.00	6.75
5		Fifth	Residential	3/2.5	1,856.00	None	68.00	6.75
6		Sixth	Residential	3/2.5	1,856.00	None	68.00	6.75
7		Seventh	Residential	3/2.5	1,907.00	None	68.00	6.93
8		Eighth	Residential	3/2.5	1,910.00	None	68.00	6.94
9		Ninth	Residential	3/2.5	1,910.00	None	68.00	6.94

10		Tenth	Residential	3/2.5	1,910.00	None	68.00	6.94
11		Eleventh	Residential	3/2.5	1,910.00	None	68.00	6.94
12		Twelfth	Residential	3/2.5	1,910.00	None	68.00	6.94
14		Thirteenth	Residential	3/2.5	1,910.00	None	68.00	6.94
15		Fourteenth	Residential	3/2.5	1,910.00	None	68.00	6.94
16		Fifteenth	Residential	3/2.5	1,910.00	None	68.00	6.94
S1		Cellar	Storage	0/0	24.00	None	None	0.09
S2		Cellar	Storage	0/0	21.00	None	None	0.08
S3		Cellar	Storage	0/0	21.00	None	None	0.08
S4		Cellar	Storage	0/0	20.00	None	None	0.07
S5		Cellar	Storage	0/0	21.00	None	None	0.08
S6		Cellar	Storage	0/0	21.00	None	None	0.08
S7		Cellar	Storage	0/0	21.00	None	None	0.08
S8		Cellar	Storage	0/0	21.00	None	None	0.08
S9		Cellar	Storage	0/0	21.00	None	None	0.08
S10		Cellar	Storage	0/0	42.00	None	None	0.13

TOTALS:**27,514.00****100.00**

**SCHEDULE C
TO THE DECLARATION**

BY-LAWS OF
THE MATTEO CONDOMINIUM
323 East 79th Street
New York, NY 10075

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ARTICLE I PLAN OF UNIT OWNERSHIP

Section 1. Unit Ownership. The land situated in the Borough of Manhattan, City and State of New York, (hereinafter called the “Land”), together with the building and improvements thereon erected, (hereinafter called the “Building”), (the Building and the Land are collectively hereinafter called the “Property”), has been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York, (hereinafter called the “Condominium Act”), by the Declaration recorded in the Office of the Register of the City of New York, simultaneously herewith. The Condominium thereby shall hereinafter be known as The Matteo Condominium.

The Residential Units and Storage Units are collectively hereinafter called the “Units”, or the “Unit”, where applicable.

Section 2. Applicability of By-Laws. The provisions of these By-Laws are applicable to the Property of the Condominium and to the use and occupancy thereof. The term “Property” as used herein shall include the Land, the Building and all other improvements thereon (including the Units, the Common Elements and Limited Common Elements), owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all of which are intended to be submitted to the provisions of the Condominium Act.

Section 3. Application. All present and future owners, mortgagees, lessees and occupants of Units, and any other persons who may use the facilities of the Property in any manner are subject to these By-Laws, the Rules and Regulations attached hereto as Schedule A and the provisions of the Declaration.

The acceptance of a deed or conveyance or the entering into of a lease for a Unit or the act of occupying a Unit shall constitute an agreement that these By-Laws, the Rules and Regulations attached hereto and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

Section 4. Office. The office of the Condominium and of the Board of Managers shall be located at the Property.

ARTICLE II BOARD OF MANAGERS

Section 1. Number, Qualification and Term. The affairs of the Condominium shall be governed by a Board of Managers. The number of Managers, which shall constitute the whole Board of Managers, shall be three (3). Until succeeded by the Managers elected at the first meeting of Unit Owners called for such purpose, Managers need not be Unit Owners.

Thereafter, all Managers, other than representatives of Sponsor, shall be individuals over 18 years of age who is either a Unit Owner or his or her spouse or a domestic partner residing in

the Unit, or a partner in a partnership, if the partnership is a Unit Owner, or a principal of a corporation, association, trust or other legal entity that may legally own real property in the State of New York, if such entity is a Unit Owner.

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

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

Section 2. Powers and Duties. The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things except as by law or by the Declaration or by these By-Laws may not be delegated to the Board of Managers by the Unit Owners. Such powers and duties of the Board of Managers shall include, but shall not be limited to, the following:

- (a) contracting for necessary services for the operation, care, upkeep and maintenance of the Common Elements;
- (b) determining the Common Expenses and Common Charges required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Property;
- (c) collecting the Common Charges and expenses of the Condominium from the Unit Owners;
- (d) employing and dismissing the personnel necessary for the maintenance and operation of the Common Elements;
- (e) adopting and amending the Rules and Regulations covering the details of the operation and use of the Property subject to the right of the Unit Owners to overrule the Board (See Article VI, Section 16);
- (f) opening bank accounts on behalf of the Condominium and designating the signatories required therefor;
- (g) purchasing or otherwise acquiring, in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners, Units offered surrendered by their Owners to the Board of Managers;
- (h) purchasing Units at foreclosure or other judicial sale in the name of the Board of Managers or its designee, corporate or otherwise on behalf of all Unit Owners;

(i) acquiring in the name of the Board of Managers or its designee, corporate or otherwise on behalf of all Unit Owners, rights and interests in real and personal property for use in connection with the ownership and operation of the Property as a condominium, as described in the Declaration and these By-Laws;

(j) selling, leasing, mortgaging (but not voting the votes appurtenant thereto), or otherwise dealing with Units acquired by the Board of Managers or its designee, corporate or otherwise on behalf of all Unit Owners;

(k) organizing corporations to act as designees of the Board of Managers in acquiring title to or leasing of Units on behalf of all Unit Owners;

(l) obtaining and reviewing insurance for the Property, including the Units, pursuant to the provisions of Article VI, Section 2 hereof;

(m) making repairs, additions and improvements to or alterations of the Property and repairs to and restoration of the Property in accordance with the other provisions of these By-Laws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings;

(n) negotiating and settling all claims and actions relating to the Condominium;

(o) borrowing money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the Common Elements, provided, however, that

(a) the consent of a majority of all Unit Owners shall be required for the borrowing of any sum in excess of \$50,000 and

(b) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the written consent of the Unit Owner.

If any sum borrowed by the Board of Managers on behalf of the Condominium, pursuant to the authority contained in this paragraph (o), is not repaid by the Board, a Unit Owner who pays to the creditor such proportion thereof as his or her interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements, shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor shall have filed or shall have the right to file against the Unit Owner's Unit;

(p) levying fines against Unit Owners for violations of the Rules and Regulations governing the operation and use of the Property and levying late payment charges against Unit Owners for late payment of their Common Charges;

(q) notwithstanding anything to the contrary contained in these By-Laws, [i] for a period of five (5) years following the closing date of the first Unit, or [ii] so long as Sponsor or any Sponsor-designee, separately, will continue to own Units, the percentage Common Interest

of which, in the aggregate, equals more than 25%, whichever is earlier, the Board of Managers may not, without Sponsor's or Sponsor-designee's prior written consent, as the case may be:

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

If both Sponsor and Sponsor-designee, individually, continue to own Units, the percentage Common Interest of which, in the aggregate, equals more than 25%, they are both entitled to veto power for a period not ending more than five (5) years after the first closing.

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

- (a) amend the Declaration, the By-Laws or the Rules and Regulations attached hereto so as to limit in any way or eliminate rights of Sponsor or Sponsor-designee under the Declaration, the By-Laws or the Rules and Regulations attached hereto; or
- (b) interfere with the offer and sale or leasing of Units or the operation of general, sales or leasing offices at the Property or interfere with actions necessary for construction, renovation, repair or correction at the Property, as required by Sponsor or Sponsor-designee.

Sponsor or Sponsor-designee shall have the right to withhold its consent to any of the foregoing actions. However, notwithstanding the provisions of this Section 2(q), Sponsor or Sponsor-designee shall not withhold its consent, or use its veto power:

- (a) to the making of capital repairs or replacements to the Common Elements or assessment of any Common Charge for expenses required to comply with applicable law or regulations;
- (b) to remedy any notice of violation;
- (c) to remedy any work order by an insurer; or
- (d) to preserve the safety of the Building or the safety and health of its occupants.

Sponsor or Sponsor-designee may not exercise veto power over expenses in Schedule B.

(r) establishing the reserve fund, which will be used only for capital expenditures. The amount of the reserve fund will be equal to 10% of the projected annual budget of the Condominium, including the reserve amount;

Section 3. Managing Agent and Manager. The Board of Managers may employ for the Condominium a managing agent and/or a manager, at a compensation established by the Board of Managers, to perform such duties and services as the Board of Managers shall authorize. The Board of Managers may delegate to the managing agent or manager, all of the powers granted to the Board of Managers by these By-Laws other than the powers set forth in subdivisions (b), (e), (f), (g), (h), (i), (j), (k), (n), (o) and (p) of Section 2 of this Article II.

Section 4. First Board of Managers. The first Board of Managers shall consist of persons designated by Sponsor, who shall hold office and exercise all powers of the Board of Managers until the first meeting of Unit Owners called for the purpose of electing Managers. Any or all of said Managers shall be subject to replacement in the event of resignation or death in the manner set forth in Section 6 of this Article.

Section 5. Removal of Members of the Board of Managers. At any regular or special meeting of Unit Owners, any one or more of the members of the Board of Managers may be removed without cause by the affirmative vote of Unit Owners whose aggregate Common Interest exceeds 50% of the Common Interest of the Condominium, and a successor may then and there or thereafter be elected to fill the vacancy thus created.

At any regular or special meeting of the members of the Board of Managers, any one or more of the members of the Board of Managers may be removed for cause by the affirmative vote of the remaining members of the Board of Managers, and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any member of the Board of Managers whose removal has been proposed for cause shall be given an opportunity to be heard at the meeting.

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

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

Section 6. Vacancies. Vacancies on the Board of Managers caused by any reason, other than the removal of a member thereof by a vote of the Unit Owners, shall be filled by a vote of the majority of the remaining members at a special meeting of the Board of Managers held for that purpose, promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Managers until a successor is elected and qualified at the next annual meeting of the Unit Owners. If all members of the Board of Managers die or resign, any Unit

Owner may call a special meeting of Unit Owners as provided herein, and Managers for the unexpired term may be elected at such special meeting in the manner provided for their election at the annual meeting. Notwithstanding the foregoing, vacancies of members designated by Sponsor or Sponsor-designee shall be filled only by a person designated by Sponsor or Sponsor-designee.

Section 7. Organization Meeting. The first meeting of the members of the Board of Managers following the annual meeting of the Unit Owners shall be held within ten (10) days thereafter, at such time and place as shall be fixed by a majority of the members of the Board of Managers, elected at the meeting at which they shall have been elected, and no notice shall be necessary to the newly elected members of the Board of Managers in order to legally constitute such meeting, providing a majority of the whole Board of Managers shall be present thereat.

Section 8. Regular Meetings. Regular meetings of the Board of Managers may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Managers, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Managers shall be given to each member of the Board of Managers, by mail, at least five (5) business days prior to the day named for such meeting. The business to be transacted at any regular meeting of the Board of Managers need not be specified in the notice of such meeting.

Section 9. Special Meetings. Special meetings of the Board of Managers may be called by the President on three (3) business days' notice to each member of the Board of Managers. Notice of special meetings shall be given by mail or personal delivery to each member of the Board of Managers and shall state the time, place and purpose of the meeting. Special meetings of the Board of Managers shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) members of the Board of Managers.

Section 10. Waiver of Notice. Any member of the Board of Managers may at any time waive notice of any meeting of the Board of Managers in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Managers at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board of Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 11. Quorum of Board of Managers. At all meetings of the Board of Managers, a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board of Managers present at a meeting at which a quorum is present shall constitute the decision of the Board of Managers. If, at any meeting of the Board of Managers, there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time, without notice other than the announcement at the meeting, until a quorum shall be present. At any such adjourned meeting at which a quorum is present, any business, which might have been transacted at the meeting originally called, may be transacted without further notice. Any action required or permitted to be taken by the Board of Managers or any committee thereof may be taken without a meeting if all members of the Board consent in writing to the adoption of a resolution authorizing such

action, and the writing or writings are filed with the minutes of the proceedings of the Board or the committee.

If there are non-Sponsor members of the Board of Managers, and there is a vote on whether to sue Sponsor, the Sponsor's board representative cannot lawfully vote on that issue.

Section 12. Fidelity Bonds. The Board of Managers may obtain fidelity bonds in the amount of \$50,000.00 or more for all officers and employees of the Condominium handling or responsible for Condominium funds and for the managing agent. The premiums on such bonds, if obtained, shall constitute a Common Expense.

Section 13. Compensation. No member of the Board of Managers shall receive any salary or compensation from the Condominium for his or her services as Manager.

Section 14. Liability of the Board of Managers. The members of the Board of Managers shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall severally indemnify and hold harmless each of the members of the Board of Managers against any liability or claims except those arising out of the bad faith or willful misconduct of the members of the Board of Managers. A Unit Owner's liability is limited to such proportionate share of the total liability as the Common Interests of such Unit Owner bear to the aggregate Common Interest of all Unit Owners and such Unit Owner's interest in his or her Unit's and its appurtenant Common Interest, unless otherwise provided by law. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium within the scope of their authority. It is possible that the original Board of Managers may contract with Sponsor and affiliated corporations without fear of being charged with self-dealing, however the Board shall at all times uphold its fiduciary duty to the Unit Owners, notwithstanding anything to the contrary. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers or out of the aforesaid indemnity in favor of the members of the Board of Managers shall be limited to such proportion of the total liability thereunder as his or her interest in the Common Elements bears to the interests of all the Unit Owners in the Common Elements. Every agreement made by the Board of Managers or by the managing agent or by the manager, on behalf of the Condominium, shall provide that the members of the Board of Managers, or the managing agent, or the manager, as the case may be, are acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his or her interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

Section 15. Executive Committee. The Board of Managers may, by resolution duly adopted, appoint an Executive Committee to consist of three (3) members of the Board of Managers, at least one of whom shall be a member designated by Sponsor or Sponsor-designee, so long as Sponsor or Sponsor-designee has the right to designate a member of the Board. Such Executive Committee shall have and may exercise all the powers of the Board of Managers in the management of the business and affairs of the Condominium during the intervals between the

meetings of the Board of Managers insofar as may be permitted by law, except that the Executive Committee may not exercise any of the powers set forth in subdivisions (b), (e), (g), (h), (i) and (o) of Section 2 of Article II.

Section 16. Other Committees. The Board of Managers may, by resolution, create such other committees as it shall deem appropriate and such committees shall have such powers and authority as the Board of Managers shall vest therein. The members of any such committee, at least one of whom shall be designated by Sponsor or Sponsor-designee, so long as Sponsor or Sponsor-designee has the right to designate a member of the Board, shall be appointed by the President of the Condominium. The members of any such committee need not be a member of the Board of Managers, but must be eligible to be elected to the Board of Managers. Such committee shall not have power to do any act, which the Executive Committee may not do under Section 15 of Article II.

ARTICLE III UNIT OWNERS

Section 1. Annual Meetings.

A. Within thirty (30) days after the closing of title to Units whose aggregate Common Interest equals more than 50%, or one (1) year after the first closing, whichever is sooner, Sponsor shall call a special Unit Owners meeting for the purpose of electing a Board of Managers. At such meeting, the Board of Managers shall resign and a new Board shall be elected by the Unit Owners. Thereafter, annual meetings shall be held on or about the anniversary of such date each succeeding year. At such meetings, there shall be elected by ballot of the Unit Owners a Board of Managers in accordance with the requirements of Article II of these By-Laws. The Unit Owners may also transact such other business of the Condominium as may properly come before them.

B. Sponsor or Sponsor-designee will retain the right to designate the members of the Board of Managers for three (3) years after the closing of title to the first Unit or whenever the Unsold Units constitute less than 50% of the Common Interests, whichever is sooner (hereinafter called "Sponsor Control Period). Sponsor or Sponsor-designee, during the time there are Unsold Units, will have the right to, and intends to, vote the percentage of Common Interests allocated to such Units, but subsequent to the expiration of the Sponsor's Control Period Sponsor or Sponsor-designee will not use such vote to elect a particular individual to the Board of Managers, which would, by the election of such individual, give Sponsor or Sponsor-designee control of the Board. So long as Sponsor or Sponsor-designee will continue to own Unsold Units Sponsor or Sponsor-designee will have the right to elect one (1) member of the Board of Managers. The Unit Owners may transact such other business at such meetings as may properly come before them.

Section 2. Place of Meetings. Meetings of the Unit Owners shall be held at the principal office of the Condominium or at such other suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the Unit Owners as directed by the Board of Managers or upon a petition signed by a majority of the Unit Owners as defined in Section 9 of this Article III having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice for such meeting.

Section 4. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting of the Unit Owners, at least ten (10) days but not more than thirty (30) days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record, at the building or at such other address as such Unit Owner shall have designated by notice in writing to the Secretary. The mailing of a notice of meeting in the manner provided for in this Section shall be considered service of notice.

Section 5. Adjournment of Meetings. If any meeting of Unit Owners cannot be held because a quorum is not present, a majority of the Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting from time to time, without notice other than the announcement at the meeting, until a quorum shall be present. No such adjourned meeting shall be held earlier than 48 hours from the time the prior meeting was called.

Section 6. Order of Business. The order of business at all meetings of the Unit Owners shall be as follows:

- (a) call to order;
- (b) roll call and presentation and examination of proxies;
- (c) presentation of proof of due calling of meeting;
- (d) reading of minutes of previous meeting;
- (e) reports of officers;
- (f) report of Board of Managers;
- (g) reports of committees;
- (h) appointment of inspectors of election (when so required);
- (i) election of members of the Board of Managers (when so required);
- (j) unfinished business;
- (k) new business;
- (l) adjournment.

Section 7. Title to Units. Title to Units may be taken in the name of an individual or in the names of two (2) or more persons, as joint tenants, tenants-in-common, tenants by the entirety or in the name of a corporation or partnership, or in the name of a fiduciary or trust, estate, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity permitted to own real property in the State of New York. The term "Unit Owner" as used in these By-Laws shall include any person, group of persons, association or entity taking title as set forth in this Section. The above shall not constitute consent of any activity not permitted under existing certificates of occupancy, zoning requirements or other applicable law or regulation.

Section 8. Voting. The Owner or Owners of each Unit, or some person designated by such Owner or Owners to act as proxy on their behalf, who need not be an Owner, shall be entitled to cast the votes appurtenant to such Unit at all meetings of Unit Owners. The designation of any such proxy shall be made in writing but need not be acknowledged or witnessed and shall be filed with the Secretary at or previous to the time of the meeting and shall be revocable at any time by written notice to the Secretary by the Owner or Owners so designating. Any or all of such Owners may be present at any meeting of Unit Owners. The Owners of each Unit (including Sponsor or Sponsor-designee, if Sponsor or Sponsor-designee shall then own one or more Units) shall be entitled to cast one vote for each 1% of interest in the Common Elements attributable to the Unit or Units owned by them on all matters put to a vote at all meetings of Unit Owners; except that, when voting for the election of members of the Board of Managers, each Unit Owner: (i) shall be entitled to one vote for each 1% of Common Interest attributable to his or her Unit per member to be elected, and (ii) shall not have the right to cumulate his or her votes in favor of any one or more members to be elected. If one or more Units are owned by more than one person as joint tenants, tenants-in-common, tenants by the entirety or in the name of a corporation or partnership or other entity permitted for herein, the persons owning said Unit shall agree among themselves and cast the votes for their Unit. A fiduciary shall be the voting member with respect to any Unit in a fiduciary capacity. Any Unit or Units owned by the Board of Managers or its designee, corporate or otherwise shall not be entitled to vote.

Section 9. Majority of Unit Owners. As used in these By-Laws the term “majority of Unit Owners” shall mean those Unit Owners having greater than 50% of the total authorized votes of all Unit Owners present in person or by proxy and voting at any meeting of the Unit Owners, determined in accordance with the provisions of Section 8 of this Article III.

Section 10. Quorum. Except as otherwise provided for in these By-Laws, the presence in person or by proxy of a majority of Unit Owners shall constitute a quorum at all meetings of the Unit Owners.

Section 11. Majority Vote. The vote of a majority of Unit Owners at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes except where, in the Declaration or these By-Laws or by law, a higher percentage vote is required.

Section 12. Action Without Meeting. Any action required or permitted to be taken by the Unit Owners may be taken without a meeting if the number of Unit Owners required by the Declaration, these By-Laws or applicable law, consent in writing to the adoption of a resolution authorizing such action and the writing or writings are filed with the records of the Condominium.

ARTICLE IV OFFICERS

Section 1. Designation. The principal officers of the Condominium shall be the President, the Secretary, and the Treasurer, all of whom shall be elected by the Board of

Managers. The Board of Managers may appoint a Vice President, Assistant Treasurer, an Assistant Secretary, and such other officers as in its judgment may be necessary. The President must be both a member of the Board of Managers and either a Unit Owner, the principal or officer of a Unit Owner, or the spouse of a Unit Owner. If appointed, the Vice President must be a Unit Owner, the principal or officer of a Unit Owner, or the spouse of a Unit Owner.

Section 2. Election of Officers. The officers of the Condominium shall be elected annually by the Board of Managers at the organization meeting of each new Board of Managers and shall hold office at the pleasure of the Board of Managers and until their successors are elected.

Section 3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Managers, any officer may be removed, either with or without cause, and his or her successor may be elected at any regular meeting of the Board of Managers, or at any special meeting of the Board of Managers called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Condominium. He shall preside at all meetings of the Unit Owners and of the Board of Managers. He shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York, including but not limited to, the power to appoint members of committees created by the Board of Managers from among the Unit Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium.

Section 5. Vice President. If appointed, the Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If the Vice President is not appointed, or if neither the President nor the Vice President is able to act, the Board of Managers shall appoint some other member of the Board of Managers to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Managers or by the President.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Board of Managers; he shall have charge of such books and papers as the Board of Managers may direct; and he shall in general perform all the duties incident to the office of secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 7. Treasurer. The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. He shall be responsible for the deposit of all moneys and other valuable effects in the name of the Board of Managers, or the managing agent, in such depositories as may from time to time be designated by the Board of Managers, and he shall, in general, perform all the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 8. Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any two (2) officers of the Condominium or by such other person or persons as may be designated by the Board of Managers.

Section 9. Compensation of Officers. No officer shall receive any salary or compensation from the Condominium for his or her services as officer.

Section 10. Liability of Officers. The officers of the Condominium shall have the same rights and liabilities as the members of the Board of Managers under Article II Section 14 of these By-Laws.

ARTICLE V NOTICES

Section 1. Definition. Whenever, under the provisions of the Declaration or of these By-Laws, notice is required to be given to the Board of Managers, any manager, Unit Owner or mortgagee, it shall not be construed to mean personal notice; but such notice may be given in writing, by mail, by depositing the same in a post office or letter box, in a postpaid sealed wrapper, addressed to the Board of Managers, any manager, Unit Owner or mortgagee at such address as appears on the books of the Condominium. Members of the Board of Managers may be given notice in writing personally delivered to them.

Section 2. Service of Notice Waiver. Whenever any notice is required to be given under the provisions of the Declaration or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

Section 3. Service on Mortgagee. The Board of Managers shall give the mortgagee and guarantor of the mortgage on any Unit in the condominium timely written notice of:

- (a) any condemnation or casualty loss that affects either a material portion of the condominium or the Unit securing its mortgage;
- (b) any sixty (60) day delinquency in the payment of assessments or charges owed by the owner of any Unit on which it holds the mortgage;
- (c) a lapse, cancellation, or material modification of any insurance policy maintained by the homeowners' association; and
- (d) any proposed action that requires the consent of a specified percentage of mortgagees.

ARTICLE VI OPERATION OF THE PROPERTY

Section 1. Determination of Common Expenses and Fixing of Common Charges.

The Board of Managers shall from time to time, at least annually, prepare a budget for the Condominium, determine the amount of Common Charges payable by the Unit Owners to meet the Common Expenses of the Condominium and allocate and assess such Common Charges among the Unit Owners according to their respective Common Interests. The Board of Managers, in apportioning expenses for insurance on the Building may take into consideration higher premium rates on some units than on others. The Common Expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Managers pursuant to the provisions of Section 2 of this Article VI and the fees and disbursements of the Insurance Trustee, if any.

The Common Expenses shall also include such amounts as the Board of Managers may deem proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Condominium for a general operating reserve, and for a reserve fund for capital expenditures only, to make up any deficit in the Common Expenses for any prior year.

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

The Board of Managers shall also, where necessary, impose an assessment or additional Common Charge in order to meet any unanticipated Common Expense. The Board of Managers shall advise all Unit Owners, promptly, in writing, of the amount of Common Charges payable by each of them, respectively, as determined by the Board of Managers, as aforesaid, and shall furnish copies of each budget on which such charges are based, to all Unit Owners and to their mortgagees, if so required.

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

Section 2. Insurance. The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance:

- (a) fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring the Building containing the Units (including all of the Units and the fixtures initially installed therein by Sponsor or by prior construction and any other property usual to the servicing and general occupancy, but not including improvements, furniture, furnishings or other personal property supplied or installed by Unit Owners), together with all service machinery and equipment contained therein and covering the

interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees as their interests may appear, in an amount to be determined by the Board of Managers but in no event to be less than eighty 80% of the full replacement cost of the Building, including the above noted items, but exclusive of footings and foundations, as approved by a fire insurance company or a qualified insurance broker; each of said policies shall contain a Condominium Property Endorsement and a New York standard mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee, if any, as herein provided;

- (b) worker's compensation insurance if the Condominium has employees; and
- (c) such other insurance as the Board of Managers may determine.

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

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

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

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

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

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

Section 3. Repair or Reconstruction After Fire or Other Casualty. In the event of a fire or other casualty which damages or destroys less than 75% of the Building containing the Units, the Board of Managers shall arrange for the prompt repair and restoration of the Building containing the Units (including any damaged Units, and any kitchen and bathroom fixtures and floor coverings initially installed therein by Sponsor, but not including any wall, ceiling or floor decorations or coverings or other improvements, furniture, furnishings, fixtures, appliances or equipment installed in the Units by the Unit Owners), and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies in appropriate progress payments for distribution to the contractors engaged in such repairs and restoration. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a Common Expense and the Board of Managers may assess all the Unit Owners for such deficit as part of the Common Charges.

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

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

Section 4. Payment of Common Charges. All Unit Owners shall be obligated to pay the Common Charges assessed by the Board of Managers pursuant to the provisions of Section 1 of this Article VI at such time or times as the Board of Managers shall determine.

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

However, any first mortgagee who obtains title to a condominium Unit pursuant to the remedies in the mortgage or through foreclosure will not be liable for more than six (6) months of the Unit's unpaid regularly budgeted common charges accrued before acquisition of the title to the Unit by the mortgagee. Any first mortgagee who obtains title to a condominium Unit pursuant to the remedies in the mortgage or through foreclosure will be liable for any fees or costs related to the collection of the unpaid common charges.

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

Section 6. Default in Payment of Common Charges or Assessments. In the event of default by any Unit Owner in paying to the Board of Managers the Common Charges or any assessment as determined by the Board of Managers, such Unit Owner shall be obligated to pay interest at the highest legal rate on such Common Charges or assessments from the due date thereof, together with all expenses, including late fees charged by the Board of Managers and attorneys' fees incurred by the Board of Managers in any proceeding brought to collect such unpaid Common Charges or assessments. The Board of Managers shall have the right and duty to attempt to recover such Common Charges or assessments, together with interest thereon, and the expenses of the proceeding, including attorneys' fees, in an action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit granted by Section 339-z of the Real Property Law of the State of New York, in the manner provided in Section 339-aa of the Real Property Law of the State of New York. A Unit Owner defaulting in the

payment of Common Charges or assessments shall not be permitted to vote at any regular or special meeting of Unit Owners.

SPONSOR SHALL CAUSE THE BOARD OF DIRECTORS TO FILE A LIEN AS PROVIDED FOR IN SECTION 339-aa OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK ON UNITS IN WHICH SPONSOR IS MORE THAN THIRTY (30) DAYS IN ARREARS OF COMMON CHARGES WHILE IT IS IN CONTROL OF THE BOARD OF MANAGERS.

Section 7. Foreclosure of Liens for Unpaid Common Charges. In any action brought by the Board of Managers to foreclose a lien on a Unit because of unpaid Common Charges, the Unit Owner shall be required to pay a reasonable rental for the use of his or her Unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of all Unit Owners, shall have the power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage, convey or otherwise deal with the same (but not to vote the votes appurtenant to). A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing the same.

Section 8. Statement of Common Charges and Assessments. The Board of Managers, managing agent or manager shall promptly provide any Unit Owner so requesting the same in writing, with a written statement of all unpaid Common Charges due from such Unit Owner.

Section 9. Abatement and Enjoinment of Violations by Unit Owners. The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-law contained herein, or the breach of any provision of the Declaration, shall give the Board of Managers the right, in addition to any other right set forth in these By-Laws:

- (a) upon reasonable notice to the Unit Owner, to enter the Unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof (provided, however, that no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Property of the Condominium or for the safety of residents of the Condominium or other persons or required to avoid the suspension of any necessary service to the Condominium); or
- (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach; and
- (c) in any event, to charge the Unit Owner with the cost of reasonable legal and other fees and costs incurred in enjoining, abating or remedying such violation, which costs and fees shall be deemed a Common Charge against the Unit Owner.

Section 10. Maintenance and Repairs.

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

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

- (a) by the Board of Managers as a Common Expense, if such Limited Common Element involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, all necessary waterproofing of the Limited Common Elements except as set forth below, and the repair of any leaks that are not caused by the acts or omissions of the Unit Owner, having direct and exclusive access thereto), or
- (b) the Unit Owner having direct and exclusive access thereto at his or her sole cost and expense, if involving non-structural ordinary maintenance, repairs or replacements, including but not limited to painting, decorating and/or maintenance, waterproofing, repair and/or replacement of decking, tile or railings and/or means of terrace or balcony access constructed or installed by or at the request of the Unit Owner, or as a result of the Unit Owner's negligence, misuse or neglect.

Section 11. Restrictions on Use of the Units, the Common Elements and the Limited Common Elements. In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of the Property shall be restricted to and shall be in accordance with the following provisions:

A. Each Residential Unit may be used as a residence only.

Each Storage Unit S1-S10 may be used solely for storage of personal effects of the Owners of the Storage Unit. In no event shall any (a) valuable items, (b) animals, (c) food or other perishable items, (d) hazardous substances, (e) flammable, combustible, explosive or other dangerous items, (f) items which have an objectionable odor or which may spoil or decay, or (g) items which may impose a health or safety threat or cause dirt or other sanitary problems or create a nuisance, be stored therein. A Storage Unit may not be legally used for any residential uses including bedroom, dining room, or any other use considered to be a habitable space as

defined by the New York City Building Code. The use of a Storage Unit as a living or sleeping space may result in a building code violation being issued against the Building and the imposition of fines against the Building. The Unit Owner, who caused the violation, will be obligated to remove it and pay all fines associated with the violation.

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

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

B. The Common Elements and the Limited Common Elements may only be used for the furnishing of the services and facilities for which they are reasonably suited and which are incidental to the use and occupancy of Units. However, the Common Elements and the Limited Common Elements may not be used as a dwelling space, and for kindling, building, maintaining or using an open fire, including, without limitation, charcoal, piped natural gas or LPG fired barbeques. The use of balconies and terraces as contemplated in the Plan will comply with the requirements set forth in the New York City Department of Building's Buildings Bulletin 2018-002.

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

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

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

Section 12. Additions, Alterations or Improvements by the Board of Managers. Subject to the provisions of Section 2 of Article II of these By-Laws, whenever in the judgment of the Board of Managers the Common Elements shall require additions, alterations or improvements (but not maintenance) costing in excess of \$50,000.00, and the making of such additions, alterations or improvements shall have been approved by a majority of the Unit Owners, the Board of Managers shall proceed with such additions, alterations or improvements

and shall assess all Unit Owners for the cost thereof as a Common Expense. Any additions, alterations or improvements costing \$50,000.00 or less may be made by the Board of Managers without approval of the Unit Owners and the cost thereof shall constitute part of the Common Expenses.

Section 13. Additions, Alterations or Improvements by Unit Owners. Except as provided below, no Unit Owner shall make any addition, alteration or improvement in or to his or her Unit which is structural or which affects the exterior of the Building or the value of other Units, without the prior written consent thereto of the Board of Managers which consent shall not be unreasonably withheld. Any requests for consent to make additions, alterations or improvement in a Unit which is structural in nature, or affects the exterior of the Building of the value of other Unit, must be made via certified mail with return receipt. The Board of Managers must grant or deny such consent within thirty (30) days of receiving a request for such consent. If such request is neither granted nor denied within forty-five (45) days of receipt of the notice, such request shall be deemed granted. In connection with the approval of any addition, alteration or improvement by a Unit Owner as required herein, the Board of Managers may require that such Unit Owner enter into a written agreement, reasonably satisfactory to the Board of Managers, regarding such work. Such agreement may include, but shall not be limited to, provisions for adequate insurance, indemnification of the Condominium and the Board of Managers, submission of all plans and specifications to the Board of Managers, and restrictions on the hours during which the work may be done. Any application to any department of the City of New York or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any Unit shall be executed by the Board of Managers only, without however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom.

In the event the Board of Managers grants its consent to any addition, alteration or improvement to be made by a Unit Owner in accordance with the provisions of this Section 13, such consent shall be deemed to provide that any such work shall be at the Unit Owner's sole cost and expense, that work shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances, that all work shall be done by reputable contractors with adequate liability, property damage and worker's compensation insurance (certificates of which shall be delivered to the Board of Managers prior to the commencement of construction), that any additions, alterations or improvements, shall be maintained in their entirety by said Unit Owner who shall also be responsible for any repairs, including structural repairs, to such area in any event, and to the Unit and any Common Elements where such repairs become necessary, due to additional stresses caused by such addition, alteration, or improvement, or due to improper design or construction of such addition, alteration, or improvement, and such approval shall further provide that the Unit Owner shall reimburse the Board of Managers for any out-of-pocket expenses incurred by the Board of Managers in connection with the granting of such approval and for any services provided in connection with such addition, alteration, or improvement; such expenses may include, but shall not be limited to, any fees of an attorney and/or fees of an architect consulted in connection with any request by a Unit Owner for approval of such work.

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

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

Section 14. Use of Common Elements and Facilities. A Unit Owner shall not place or cause to be placed in the lobby, public halls, stairways or other common areas or common facilities, any furniture, packages or objects of any kind. The public halls and stairways shall be used for no purpose other than for normal transit through them. Sponsor and Sponsor-designee shall have the right to use the Common Elements, without the vote or consent of the Board of Managers, other Unit Owners or the holders of Unit mortgages, for the purposes set forth in Section 11 of this Article VI.

Section 15. Right of Access. A Unit Owner must grant a right of access to his or her Unit or Limited Elements appurtenant to the Unit, to the other Unit Owner, to the manager and/or the managing agent and/or any other person authorized by the Board of Managers, for the purpose of making inspections or for the purpose of correcting any condition originating in his or her Unit and threatening another Unit, a Common Element or a Limited Common Element, or for the purpose of performing installations, alterations or repairs to the Common Elements the Limited Common Elements or elsewhere in the Building, or remedying any condition which would violate the provisions of any mortgage encumbering another Unit, or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof, or to cure any defaults by a Unit Owner, or to cure any violations of a building code, or for any other purposes permitted by the By-Laws, provided that requests for

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

Section 16. Rules of Conduct. Rules and regulations concerning the use of the Units and the Common Elements may be promulgated and amended by the Board of Managers. The vote of a majority of Unit Owners at a meeting may overrule the Board. Copies of such Rules and Regulations shall be furnished by the Board of Managers to each Unit Owner prior to the time when the same shall become effective. Initial Rules and Regulations, which shall be effective until amended by the Board of Managers are annexed hereto and made a part hereof as Schedule A. Notwithstanding this provision, for as long as Sponsor or Sponsor-designee remains the Owner of one or more Units, the Rules and Regulations of the Condominium may not be amended or modified in any way so as to adversely affect Sponsor or Sponsor-designee without Sponsor's prior written consent.

Section 17. Water Charges and Sewer Rents. Water shall be supplied to all of the Units and the Common Elements through one building meter and, the Board of Managers shall pay, as a Common Expense, all charges for water consumed by the Units together with all related sewer rents arising therefrom, promptly after the bills for the same shall have been rendered. In the event of a proposed sale of a Unit by the Owner thereof, the Board of Managers, on request of the selling Unit Owner, shall execute and deliver to Purchaser of such Unit or to Purchaser's title insurance company, a letter agreeing to pay all charges for water and sewer rents affecting the Unit as of the date of closing of title to such Unit, promptly after such charges shall have been billed.

Section 18. Utilities. Except for telephone, cable and air-conditioning service, and electricity in each Unit all utilities shall be paid for by the Condominium as a Common Expense.

Section 19. Vault Charges. All license fees and all periodic taxes and charges for street vaults or other protrusions, if any, beyond the lot line shall be paid by the Board of Managers as a Common Expense.

ARTICLE VII MORTGAGES

Section 1. Notice to the Board of Managers. A Unit Owner who mortgages his or her Unit shall notify the Board of Managers of the name and address of his or her mortgagee and shall file a conformed copy of the note and mortgage with the Board of Managers; the Board of Managers shall maintain such information in a book entitled "Mortgages of Units."

Section 2. Notice of Unpaid Common Charges. The Board of Managers shall promptly notify any mortgagee of a Unit of such Unit Owner's default, including non-payment of Common Charges, in the obligations of such Unit Owner under the Declaration, By-Laws,

Rules and Regulations, as the same are amended from time to time, or in any order of the Board of Managers issued with respect thereto.

Section 3. Notice of Default. The Board of Managers, when giving notice to a Unit Owner of a default in paying Common Charges or other default, shall send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has heretofore been furnished to the Board of Managers.

Section 4. Examination of Books. Each Unit Owner and each mortgagee of a Unit shall be permitted to examine the books of account of the Condominium, during business days, at reasonable times, upon reasonable notice to the manager, managing agent or Board of Managers.

ARTICLE VIII SALES, LEASES, GIFTS AND MORTGAGES OF UNITS

Section 1. Sales and Leases. Each Unit Owner has the right to sell or lease his or her Unit without any restrictions, unless specifically set forth herein.

Section 2. No Severance of Ownership. No Unit Owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to his or her Unit without including therein the Appurtenant Interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit to which such interest or interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the Appurtenant Interests of all Units.

Section 3. Financing of Purchase of Units by the Board of Managers. Acquisition of Units by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, may be made from the working capital and Common Charges in the possession of the Board of Managers, or, if such funds are insufficient, the Board of Managers may levy an assessment against each Unit Owner, other than the offering Unit Owner, in proportion to his or her ownership in the Common Elements, as a Common Charge, which assessment shall be enforceable in the same manner as provided in Section 6 and 7 of Article VI, or, the Board of Managers, in its discretion, may borrow money to finance the acquisition of such Unit, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the Unit, together with the Appurtenant Interests, so to be acquired or leased by the Board of Managers.

Section 4. Gifts and Devises, etc. Each Unit Owner has the right to convey or transfer his or her Unit by gift or to devise his or her Unit by will, or pass the same by intestacy, without any restrictions, unless specifically set forth herein.

Section 5. Waiver of Right of Partition with Respect to Such Units as are Acquired by the Board of Managers or its designee, on Behalf of All Unit Owners as Tenants in Common. In the event that a Unit shall be acquired by the Board of Managers or its designee, corporate or otherwise on behalf of all Unit Owners as tenants in common, all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Unit.

Section 6. Payment of Common Charges and Assessments. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his or her Unit unless and until he or she shall have paid in full to the Board of Managers all unpaid Common Charges and assessments theretofore assessed by the Board of Managers against his or her Unit and until he or she shall have satisfied all unpaid liens against such Unit, except permitted mortgages.

Section 7. Mortgage of Units. Each Unit Owner has the right to mortgage his or her Unit without any restrictions, unless specifically set forth herein.

Prior to or simultaneously with the closing of any mortgage, the Unit Owner must satisfy all arrearages for unpaid Common Charges or assessments and discharge any liens therefor.

ARTICLE IX CONDEMNATION

Section 1. Condemnation. In the event of a taking in condemnation or by eminent domain of part or all of the Common Elements, the award made for such taking shall be payable to the Board of Managers, if such award amounts to \$50,000.00 or less, and to the Insurance Trustee, if any, if such award amounts to more than \$50,000.00. If 75% or more of the Unit Owners duly and promptly approve the repair and restoration of such Common Elements, the Board of Managers or the Insurance Trustee, as the case may be, shall arrange for the repair and restoration of such Common Elements, and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event that 75% or more of the Unit Owners do not duly and promptly approve the repair and restoration of such Common Elements, the Board of Managers shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds where there is no repair or restoration of the damage, as provided in Section 3 of Article VI of these By-Laws. As used in this Section, the words "promptly approve" shall mean not more than sixty (60) days from the date of such taking.

ARTICLE X RECORDS

Section 1. Records and Audits. The Board of Managers or the managing agent or manager shall keep detailed records of the actions of the Board of Managers and the managing agent or manager, minutes of the meetings of the Board of Managers, minutes of the meetings of the Unit Owners, and financial records and books of account of the Condominium, including a

chronological listing of receipts and expenditures, as well as a separate account for each Unit which, among other things, shall contain the amount of each assessment of Common Charges against such Unit, the date when due, the amounts paid thereon, and the balance remaining unpaid. In addition, it is the obligation of the Board of Managers of the Condominium to give to all Unit Owners annually, the following:

- (a) the financial statement of the Condominium prepared by a certified public accountant or, public accountant within one hundred fifty (150) days after the end of each calendar year for the prior fiscal year;
- (b) prior notice of the annual Unit Owner's meeting;
- (c) a copy of the proposed annual budget, if any, of the Condominium.

ARTICLE XI MISCELLANEOUS

Section 1. Invalidity. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

Section 2. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws, or the intent of any provision thereof.

Section 3. Gender. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 4. Waiver. No restriction, condition, obligation or provision contained in these By-Laws, shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 5. Insurance Trustee. The Insurance Trustee, if selected, shall be a bank, trust company or savings and loan association in the State of New York, designated by the Board of Managers (with the approval of each of the holders of Unit first mortgages). In the event that the Insurance Trustee shall resign, the new Insurance Trustee shall also be a bank, trust company or savings and loan association in the State of New York, designated by the Board of Managers (with the approval of each of the holders of Unit first mortgages). The Board of Managers shall pay the fees and disbursements of any Insurance Trustee and such fees and disbursements shall constitute a Common Expense of the condominium.

Section 6. Definition of "Mortgagee". As used in these By-Laws, the term "mortgagee" or "holder of a first mortgage" shall include the holder of any construction loan mortgage, which shall be a lien on a Unit.

ARTICLE XII AMENDMENTS TO THE BY-LAWS

Section 1. Amendment to By-Laws. These By-Laws may be modified or amended by the vote of 66 2/3% in number and in Common Interest of all Unit Owners at a meeting of Unit Owners duly held for such purpose.

No amendment of a material adverse nature to mortgagees shall be made unless agreed to by mortgagees that represent at least 51% of the votes of Units that are subject to mortgages. A mortgagee shall be deemed to have consented to any amendment, which requires the consent of such mortgagee when the mortgagee fails to submit a response to any written proposal for an amendment within sixty (60) days after it receives proper notice of the proposal, provided that the notice was delivered by certified or registered mail, with a "return receipt" requested.

However, for as long as Sponsor or Sponsor-designee remains the Owner of one or more Units, these By-Laws, including the Rules and Regulations of the Condominium attached hereto, may not be amended or modified in any way so as to adversely affect Sponsor or Sponsor-designee, in Sponsor's sole discretion, without Sponsor's prior written consent.

ARTICLE XIII CONFLICTS

Section 1. Conflicts. These By-Laws are set forth to comply with the requirements of the Condominium Act. In case any of these By-Laws conflict with the provisions of the Condominium Act or of the Declaration, the provisions of the Condominium Act or of the Declaration, as the case may be, shall control.

ARTICLE XIV ARBITRATION

Section 1. Procedure. Any matter arising out of the Condominium Documents, except for an action to foreclose a lien for unpaid common charges by the Board of Managers or an action seeking injunctive relief, shall be submitted for resolution by a panel of three (3) arbitrators in a proceeding held in the City of New York, which arbitrators shall be appointed as follows: One arbitrator shall be chosen by the Board of Managers, one arbitrator shall be chosen by the Unit Owner and the third arbitrator shall be chosen by the two aforementioned arbitrators. The decision of the arbitrators so chosen shall be given within thirty (30) days after his or her selection or appointment. The decision shall be enforceable in a court of law of competent jurisdiction.

Section 2. Variation by Agreement. The parties to any dispute required or permitted to be resolved by arbitration pursuant to the terms of the Condominium Documents may, by written agreement, vary any of the terms of Section 1 hereof with respect to the arbitration of such dispute or may agree to resolve their dispute in any manner, including, without limitation, the

manner set forth in Section 3031 of the Civil Practice Law and Rules of the State of New York and known as “New York Simplified Procedure for Court Determination of Disputes.”

Section 3. Binding Effect. The decision in any arbitration conducted pursuant to the terms of Sections 1 and 2 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction. Notwithstanding the foregoing, however, any arbitration held pursuant to the terms of the Condominium Documents with respect to a matter that arose prior to the first annual meeting of all Unit Owners held pursuant to the terms of Section 3.1 hereof shall be non-binding.

Section 4. Costs and Expenses. (A) The fees, costs and expenses of the arbitrators shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of his or her counsel and expert witnesses. (B) All costs and expenses paid or incurred by the Board of Managers in connection with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses shall constitute Common Expenses.

**SCHEDULE A
RULES AND REGULATIONS
OF
THE MATTEO CONDOMINIUM**

1. Except as set forth above, no industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise, designed for profit, altruism, or otherwise, shall be conducted, maintained or permitted in any part of the Residential Units or Common Elements or Limited Common Elements, nor shall any "For Sale," "For Rent" or "For Lease" signs or other window displays or advertising be maintained or permitted in any Unit therein or adjoining Limited Common Elements, nor shall any Unit be rented for transient, hotel or motel purposes. The right, however, is reserved by Sponsor, Sponsor-designee and the Board of Managers, or its agent, to place "For Sale," "For Rent" or "For Lease" or similar signs on any unsold or unoccupied Unit, and such right is hereby given to any mortgagee, who may become the owner of any Unit, to place such signs on any Unit owned by such mortgagee. Additionally, Sponsor and Sponsor-designee shall have the right, without any limitation whatsoever and without the vote or consent of the Board of Managers, other Unit Owners or the holders of Unit mortgages, to place "For Sale," "For Rent" or "For Lease" signs or similar signs on or in the vicinity of the Building. Sponsor or Sponsor-designee shall be responsible for installing and removing such signs.

2. Except as elsewhere provided, no exterior of any Unit or the windows or doors thereof or any other portions of the Common Elements or the Limited Common Elements shall be painted or decorated by any Owner or in any manner without the prior written consent of the Board of Managers.

3. No furniture, equipment, or other personal articles shall be placed in entrances, hallways, stairways, or other Common Elements.

4. No Unit Owner shall make or permit any noise or objectionable odor that will disturb or annoy the occupants of any of the Units in the Building or do or permit anything to be done therein which will interfere with the rights, comfort, or convenience of other Unit Owners.

5. Each Unit Owner shall keep his or her Unit in a good state of preservation and cleanliness. Nothing shall be hung or shaken from any doors or windows and no Unit Owner shall sweep or throw or permit to be swept or thrown, any dirt or other substances therefrom.

6. No exterior shades, awnings, window guards, ventilators, fans or air-conditioning devices shall be used on or about the Building or Common Elements except such as shall have been approved by the Board of Managers, or as required by law.

7. Except as provided above, no sign, notice, lettering, or advertisement shall be inscribed or exposed on or at any window, door, or other part of the Building, except such as shall have been approved in writing by the Board of Managers, nor shall anything be projected out of any window of the Building without similar approval.

8. All garbage and refuse from the Building shall be deposited with care in plastic bags or other suitable receptacles intended for such purpose only at such times and in such manner as the Board of Managers may direct.

9. No Unit Owner shall engage any employee of the Condominium for any private business of the Unit Owner without the prior written consent of the Board of Managers.

10. No pigeons or other birds or animals shall be fed from the window sills, terraces, or other public portions of the Building, or on the sidewalk or street adjacent to the Building.

11. No radio or television aerial shall be attached to or hung from the exterior of the Building without the written approval of the Board of Managers. The Board of Managers, upon the request of any Unit Owner, shall allow the installation of any hook-up necessary to provide cable television service to the Units. All radio, television, or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements, or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television, or other electrical equipment.

12. The agents of the Board of Managers, and any contractor or workmen authorized by them, may enter any Unit at any reasonable hour of the day for any purpose permitted under the terms of the Declaration, By-Laws, or Rules and Regulations of the Condominium.

13. The Board of Managers or the Managing Agent may retain a pass-key to each Unit. If any lock is altered or a new lock is installed, the Board of Managers or the Managing Agent shall be provided with a key thereto immediately upon such alteration or installation. If a Unit Owner is not personally present to open and permit an entry to his or her Unit at any time when an entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws, and has not furnished a key to the Board of Managers or the Managing Agent, then the Board of Managers, or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium or an officer of the Managing Agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Unit Owner's property).

14. All damage to the Building or Common Elements caused by the moving or carrying of any article therein shall be paid for by the Unit Owner responsible for the presence of such article.

15. No Unit Owner shall interfere in any manner with any portion of the heating, air-conditioning, or lighting apparatus, which are part of the Common Elements and not part of the Unit Owner's Unit.

16. Nothing shall be done or kept in any Unit or in the Common Elements that will increase the rate of insurance for the Building, or the contents thereof, without the prior written consent of the Board of Managers. No Unit Owner shall permit anything to be done or kept in his or her Unit or in the Limited Common Elements, which will result in the cancellation of

insurance on the Building, or the contents thereof, or that would be in violation of any law. No Unit Owner or any of his or her family members, agents, servants, employees, licensees, or visitors shall, at any time, bring into or keep in his or her Unit or Limited Common Elements any flammable, combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of such Unit.

17. Any damage to the Building or equipment caused by Unit Owners, their guests, tenants, or visitors shall be repaired at the expense of the said Unit Owner.

18. Complaints regarding the management of the Property or regarding the actions of other Unit Owners shall be made in writing to the Board of Managers.

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

20. Children shall not play in the public halls, cellar space, Building exists, Building entrances, stairways, roof or roof landings.

21. The agents of the Board of Managers or the Managing Agent, and any contractor or workmen authorized by the Board of Managers or the Managing Agent, may enter any room in the Building or Unit at any reasonable hour of the day, on at least three (3) days prior notice to the Unit Owner, for the purpose of inspecting such Unit for the presence of any vermin, insects, or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects, or other pests; however, such entry, inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Unit for its permitted purposes.

22. Unit Owners will not clean nor require, permit, suffer or allow any windows to be cleaned from the outside in violation of Section 202 of the Labor Law of the State of New York or the rules of the Board of Standards and Appeals or of any other board or body having or asserting jurisdiction thereof.

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

24. Refuse should not be placed on the sidewalk except on days of collection. Placing refuse on the sidewalk on days other than days of collection may result in a fine or

penalty being levied against the Building. In turn, the Board of Managers will seek compensation for said fine or penalty from the Unit Owner, who caused said fine or penalty.

25. Subject to provisions of the By-Laws, these Rules and Regulations may be added to or repealed at any time by the Board of Managers. Further, any consent or approval given under these Rules and Regulations may, in the discretion of the Board of Managers or the Managing Agent, be conditional in nature, or may be amended, modified, added to or repealed at any time by resolution of the Board of Managers.

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

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

28. [A] Inhaling, exhaling, burning or carrying any lighted or heated cigar, cigarette, little cigar, pipe, water pipe or hookah, herbal cigarette, non-tobacco smoking product (e.g., marijuana or non-tobacco shisha), or any similar form of lighted object or device designed for people to use to inhale smoke, and [B] use of battery-operated devices that heat a liquid, gel, herb or other substance and produces vapor for people to inhale are not permitted:

- [i] inside of the Units;
- [ii] anywhere in the Limited Common Elements of the Units;
- [iii] anywhere inside of the Building;
- [iv] outdoor Common Elements, including play areas, rooftops, courtyards, patios, porches or yards; and
- [v] outdoors within 15 feet of entrances, exits, windows, and air intake units in the Building.

Section 339-kk of the Real Property Law of the State of New York

§339-kk. Rents

(a) For the purposes of this section, “non-occupying owner” shall mean a unit owner in a condominium association who does not occupy the dwelling unit.

(b) If a non-occupying owner rents any dwelling unit to a rental tenant and then fails to make payments due for common charges, assessments or late fees for such unit within sixty (60) days of the expiration of any grace period after they are due, upon notice in accordance with subdivision (c) of this section, all rental payments from the tenant shall be directly payable to the condominium association.

(c) If the common charges, assessments or late fees due for any unit have not been paid in full, within sixty (60) days after the expiration of any grace period of the earliest due date, the board of managers shall provide written notice to the tenant and the non-occupying owner providing that, commencing immediately and until such time as all payments for common charges, assessments or late fees are made current, all rental payments due subsequent to the issuance of such notice are to be made payable to the condominium association at the address listed on the notice. Where a majority of the board of managers has been elected by and from among the unit owners who are in occupancy, the board may elect not to require that rental payments be made payable to the condominium association. At such time as payments for common charges, assessments and late fees from the non-occupying owner are once again current, notice of such fact shall be given within three (3) business days to the rental tenant and non-occupying owner. Thereafter all rental payments shall be made payable to the non-occupying owner or a designated agent. A non-occupying owner who disputes the association’s claim to rental payments pursuant to this section shall be entitled to present facts supporting such owner’s position at the next scheduled meeting of the board of managers, which must be held within thirty (30) days of the date that such board receives notice that such owner seeks to dispute such claim.

(d) Nothing in this section shall limit any rights of unit owners or of the board of managers existing under any other law or agreement.

(e) Payment by a rental tenant to the condominium association made in connection with this section shall relieve that rental tenant from the obligation to pay such rent to the non-occupying owner and shall be an absolute defense in any non-payment proceeding commenced by such non-occupying owner against such tenant for such rent.

TAX ESCROW AGREEMENT

AGREEMENT made this 17 day of May, 2022, by and among Boomerang 79 LLC, (hereinafter called the "Sponsor"), and The Board of Managers of The Matteo Condominium, (hereinafter called the "Board").

WITNESSETH:

WHEREAS, the Sponsor has filed the offering plan, (hereinafter called the "Plan"), with the Attorney General to offer for sale condominium units, (hereinafter called the "Units" or "Unit"), at the property, located at 323 East 79th Street, New York, NY 10075, and known as The Matteo Condominium, (hereinafter called the "Condominium"), subject to the terms and conditions set forth in the Plan; and

WHEREAS, the Board is charged with governing the operation of the Condominium; and

WHEREAS, the Units have not been separately assessed for real estate tax purposes prior to the closing of the first Unit; and

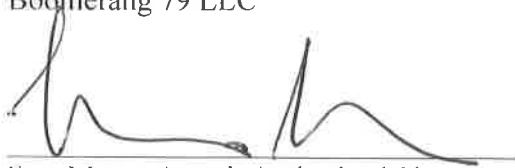
WHEREAS, pursuant to the terms of the Plan, the Sponsor desires to secure its obligation to pay real estate taxes for the Unsold Units.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

1. On the first closing of a Unit, the Sponsor will deposit in escrow with the Board in a special segregated escrow account to be maintained by the Board in its own name, an amount equal to the real estate taxes attributable to the Unsold Units, which will be levied against the premises for the 6-month period following the first closing, or until the Units are separately assessed, whichever is sooner.
2. The Board is irrevocably authorized to pay such real estate taxes as are assessed against the premises from the escrow account when such taxes are due and payable.
3. Upon each subsequent closing of the Units, the Sponsor may collect the estimated amount of taxes attributable to such Units for the balance of the six (6) month period from Purchasers thereof.
4. If the escrow is kept in an interest-bearing account, the interest earned thereon shall belong to the Sponsor.
5. The escrow account shall be maintained in accordance with the laws, rules, and regulations of the State of New York; specifically including, but not limited to, the General Business Law of the State of New York and, shall be deemed held for the benefit of the Condominium.

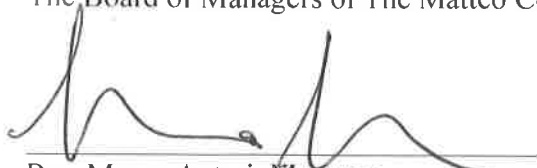
IN WITNESS WHEREOF, the parties set their hands the date above first written.

Boomerang 79 LLC

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke, positioned above a horizontal line.

By: Marco Auteri, Authorized Signatory

The Board of Managers of The Matteo Condominium

A handwritten signature in black ink, identical to the one above, positioned above a horizontal line.

By: Marco Auteri, Manager

CERTIFICATION BY SPONSOR AND SPONSOR'S PRINCIPALS
PURSUANT TO SECTION 20.4 OF THE REGULATIONS ISSUED
PURSUANT TO ARTICLE 23-A OF THE GENERAL BUSINESS LAW, AS AMENDED

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

Re: The Matteo Condominium
 323 East 79th Street
 New York, NY 10075

Dear Sir/Madam:

We are the sponsor and the principals of sponsor of the condominium offering plan for the captioned property. We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law of the State of New York, the regulations promulgated by the Department of Law in Part 20 and such other laws and regulations as may be applicable.

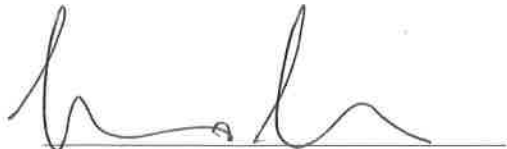
We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the offering plan does, and that documents submitted hereafter by us, which amend or supplement the offering plan will:

- (i) set forth the detailed terms of the transaction and be complete, current and accurate;
- (ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;
- (iii) not omit any material fact;
- (iv) not contain any untrue statement of a material fact;
- (v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;
- (vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) not contain any representation or statement which is false, where we:
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;

- (c) made no reasonable effort to ascertain the truth; or
- (d) did not have knowledge concerning the representation or statement made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law of the State of New York.

Boomerang 79 LLC



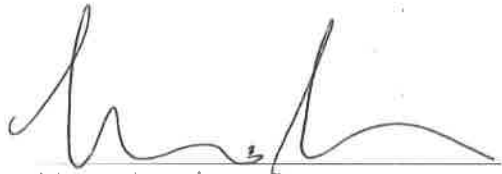
By: Marco Auteri
Authorized Signatory

Subscribed and sworn to before me this
17 day of May, 2022



Notary Public

STEPHEN A. STEFANO
Notary Public, State of New York
Reg. No. 01ST6057348
Qualified in Nassau County
Commission Expires 06/26/2023



Marco Auteri

Subscribed and sworn to before me this
17 day of May, 2022



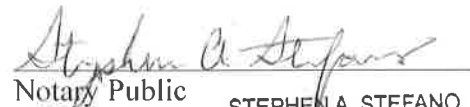
Notary Public

STEPHEN A. STEFANO
Notary Public, State of New York
Reg. No. 01ST6057348
Qualified in Nassau County
Commission Expires 06/26/2023



Daniel Pipitone

Subscribed and sworn to before me this
17 day of May, 2022



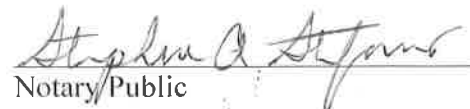
Notary Public

STEPHEN A. STEFANO
Notary Public, State of New York
Reg. No. 01ST6057348
Qualified in Nassau County
Commission Expires 06/26/2023



Giovanni Ferrara

Subscribed and sworn to before me this
17 day of May, 2022



Notary Public

STEPHEN A. STEFANO
Notary Public, State of New York
Reg. No. 01ST6057348
Qualified in Nassau County
Commission Expires 06/26/2023

CERTIFICATION BY SPONSOR'S ARCHITECT
PURSUANT TO SECTION 20.4 OF THE REGULATIONS ISSUED
PURSUANT TO ARTICLE 23-A OF THE GENERAL BUSINESS LAW, AS AMENDED

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

Re: The Matteo Condominium
323 East 79th Street
New York, NY 10075

Dear Sir/Madam:

The sponsor of the offering plan to convert the captioned property to condominium ownership retained me to prepare a report describing the construction of property (hereinafter called the "Report"). I visually inspected the property on March 11, 2023. I prepared the plans and specifications, dated March 13, 2023, and prepared the Report dated March 13, 2023. A copy of the Report is intended to be incorporated into the offering plan so that prospective Purchasers may rely on the Report.

I am a registered architect licensed in the State of New York.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to this Report.

I have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

I certify that the Report:

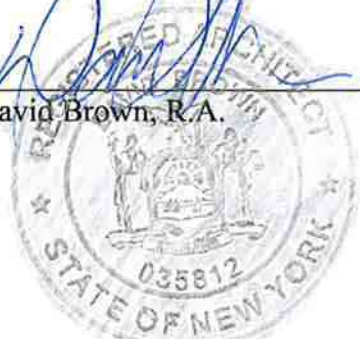
- (i) sets forth in narrative form the description and physical condition of the entire property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I prepared;

- (ii) in my professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and physical condition of the property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I prepared;
- (iii) does not omit any material fact;
- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment, or suppression;
- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) does not contain any representation or statement which is false, where I:
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to ascertain the truth; or
 - (d) did not have knowledge concerning the representation or statement made.

I further certify that I am not owned or controlled by and have no beneficial interest in the sponsor and that my compensation for preparing this Report is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.

New York County - NY State
Subscribed and sworn to before me this
13 day of March, 2023



David Brown, R.A.




Notary Public

TAREK M ELBARKATAWY
NOTARY PUBLIC-STATE OF NEW YORK
No. 01EL6413650
Qualified in New York County
My Commission Expires 02-01-2025





733 Third Ave, 16th Floor
 New York, NY 10017
 Tel 212-288-0757 Fax 646-383-1987

CERTIFICATION BY SPONSOR'S EXPERT ON ADEQUACY OF BUDGET
PURSUANT TO SECTION 20.4 OF THE REGULATIONS ISSUED
PURSUANT TO ARTICLE 23-A OF THE GENERAL BUSINESS LAW, AS AMENDED

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

Re: The Matteo Condominium
 323 East 79th Street
 New York, NY 10075

Dear Sir/Madam:

The sponsor of the condominium offering plan for the captioned property retained me to review Schedule B, containing projections of income and expenses for the first year of condominium operation, and Schedule B-1, containing projections of income and expenses for the first year of condominium operation. I am familiar with prices, practices and procedures in the area of this condominium. I am an owner Joseph Taube of Taube Management Realty LLC., which has managed approximately 30 properties in the last 20 years, including cooperatives, condominiums, and rental properties. .

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to Schedules B and B-1, (hereinafter collectively called the "Schedules").

I have reviewed the Schedules and investigated the facts set forth in the Schedules and the facts underlying them with due diligence in order to form a basis for this certification. I also have relied on my experience in managing residential buildings.

I certify that the projections in the Schedules appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

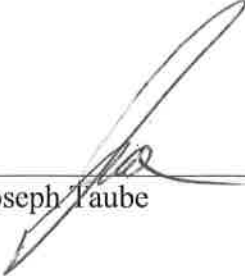
I certify that the Schedules:

- (i) set forth in detail the projected income and expenses for the first year of condominium operation;

- (ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;
- (iii) do not omit any material fact;
- (iv) do not contain any untrue statement of a material fact;
- (v) do not contain any fraud, deception, concealment, or suppression;
- (vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) do not contain any representation or statement which is false, where I:
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to ascertain the truth; or
 - (d) did not have knowledge concerning the representation or statement made.

I further certify that I am not owned or controlled by the sponsor. I understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation. This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made.

I understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law of the State of New York.



 Joseph Taube

Subscribed and sworn to before me this
 19 day of April, 2022



 Notary Public

MANUEL FIGUERO
 NOTARY PUBLIC, STATE OF NEW YORK
 NO. 01F16146120
 QUALIFIED IN NEW YORK COUNTY
 COMMISSION EXPIRES MAY 15, 2022