
CONDOMINIUM OFFERING PLAN

355 CONDOMINIUM

**355 53 Street, Brooklyn,
County of Kings, NY 11220**

Residential Units: 8.....	\$5,427,769.00
Total Amount of Offering.....	\$5,427,769.00

SPONSOR AND SELLING AGENT:

**355 REIG LLC
175 E. SUNRISE HWY,
FREEPORT, NY, 11520**

Date of acceptance for filing of this Offering Plan is _____. This plan may not be used after _____, unless extended by a duly filed amendment.

FILE NUMBER CD23-0282

THIS PLAN CONTAINS SPECIAL RISKS TO THE PURCHASERS. (SEE PAGE 1 FOR SPECIAL RISKS TO PURCHASERS.)

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

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

PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE BOARD OF MANAGERS UNDER THE TERMS OF THIS PLAN. (SEE SPECIAL RISKS SECTION OF THE PLAN.)

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SECTION (C): 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'S RIGHT TO RENT UNITS AFTER CONSUMMATION AND SPONSOR'S LENDER'S LIMITATIONS ON SPONSOR

BECAUSE SPONSOR IS RETAINING THE RIGHT TO RENT RATHER THAN SELL UNITS AFTER CONSUMMATION OF THE OFFERING PLAN, THIS PLAN MAY NOT RESULT IN THE CREATION OF A CONDOMINIUM IN WHICH A MAJORITY OF THE UNITS ARE OWNED BY OWNER-OCCUPANTS OR INVESTORS UNRELATED TO THE SPONSOR.

Sponsor has obtained a mortgage loan from Crowdfunz 616 LLC, with an address at 2807 Jackson Avenue, 5th Floor, Long Island City, NY 11101 (the "Lender") in the sum of \$1,500,000. The loan was made after Sponsor complete the foundation of the building. The Lender imposes no minimum number or percentage of units which must be under contract before the plan can be declared effective. There is no provision provided in the loan documents for the minimum release price. Sponsor represents that it has sufficient fund with the proceeds from sale of the first unit to pay off the entire loan at the closing of the first unit.

There are no limits or requirements imposed by the lender for sponsor to rent rather than sell under specified market conditions. **(SEE CLAUSES (1) AND (9) OF SECTION (T): RIGHTS AND OBLIGATIONS OF THE SPONSOR.)**

Further, Sponsor hereby advises Purchasers of the special risk that Sponsor disclose, in the Special Risks section, that because sponsor is not limiting the conditions under which it will rent rather than sell units, there is no commitment to sell more units than the fifteen percent (15%) necessary to declare the plan effective and owner-occupants may never gain effective control and management of the condominium. **In addition, Purchaser of a unit which has been previously rented shall note that the unit is sold subject to the wear and tear of the prior occupancy.** (SEE SECTION (D): INTRODUCTION; CLAUSES (20) OF SECTION (T): RIGHTS AND OBLIGATIONS OF THE SPONSOR FOR A MORE COMPLETE EXPLANATION.)

Owner-occupants and non-resident owners, including Sponsor, may have inherent conflicts on how the condominium should be managed because of their different reasons for purchasing, i.e., purchase as a home as opposed to an investment. **(SEE SECTION (U): CONTROL BY THE SPONSOR; AND SECTION (V): BOARD OF MANAGERS.)**

2. REQUIREMENTS OF LENDERS OF PURCHASERS

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 apartments 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 or successor sponsor still owns a substantial ownership interest, 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 has an ownership interest of 10% or more. It also may be difficult for a purchaser to resell an apartment if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions. **(SEE SECTION (O): PROCEDURE TO PURCHASE).**

3. FINCEN'S GEOGRAPHIC TARGETING ORDER

Purchasers should note that the Financial Crimes Enforcement Network (FinCEN) requires U.S. title insurance companies to report to FinCEN the personal identity of purchasers in residential real estate transactions in which:

- (a) the purchaser is a legal entity as defined in the Geographic Targeting Order (GTO);
- (b) the purchaser purchases residential real property located in the Boroughs of Bronx, Brooklyn, Queens, Manhattan, and Staten Island;
- (c) the total purchase price is in the amount of \$300,000 or more;
- (d) such purchase is made without a bank loan or other similar form of external financing; and
- (e) the purchase is made, at least in part, using currency or 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.

As long as the Geographic Targeting Order (GTO) remains in effect, its reporting requirements apply to all residential real property closings meeting the above criteria and occurring on or after November 17, 2018, which is the revised GTO's effective date.

4. NO BOND POSTED BY SPONSOR

Sponsor is liable for all common charges, special assessments, and real estate taxes with respect to unsold units, and represents that Sponsor has financial resources to meet these obligations. no bond or other security has been furnished to secure the Sponsor's obligations. However, Sponsor has sufficient funds to complete the project. **(SEE SECTION (O): PROCEDURE TO PURCHASE; AND SECTION (W): RIGHTS AND OBLIGATIONS OF THE UNIT OWNERS AND BOARD OF MANAGERS.)**

5. TIME IS OF ESSENCE

There are numerous time constraints imposed in the Purchase Agreement set forth in Part II of this Offering Plan. Time is of the essence as to all such time constraints. This means that if the Purchaser fails to perform within the applicable time frame, he may waive substantive rights, or incur a forfeiture of substantial sums of money. Thus, a Purchaser who fails to cure a default within thirty (30) days after receipt of written notice of said default, will both have the Contract canceled, and lose his down payment as liquidated damages. Similarly,

a Purchaser who fails to notify the Sponsor in the event he has failed to obtain mortgage financing within forty (40) days after executing the Purchase Agreement, will be required to proceed to closing, notwithstanding the fact that Purchaser has failed to obtain mortgage financing; and, if such Purchaser fails to proceed to closing, the down payment may be retained by the Sponsor. Purchasers are advised to consult with their attorneys concerning all terms of this offering. **(SEE SECTION (O): PROCEDURE TO PURCHASE AND PART II, PURCHASE AGREEMENT SECTION FOR STATEMENTS OF ALL APPLICABLE TIME LIMITATIONS.)**

6. SPONSOR'S RIGHT TO SPECIFIC PERFORMANCE

Pursuant to 13 NYCRR 20.3(o)(9), Sponsor hereby advises Purchasers of the special risk that Sponsor may seek specific performance of the Purchase Agreements, requiring Purchasers to close and purchase the condominium units for which Purchasers have executed the Purchase Agreements. Specific performance is a remedy that must be court ordered and that such remedy cannot be sought until a default has occurred that has last beyond all applicable cure periods. **(SEE SECTION (O): PROCEDURE TO PURCHASE.)**

7. CERTIFICATE OF OCCUPANCY

Closing will not take place, and no individual condominium unit will be sold until a permanent or temporary Certificate of Occupancy has been obtained for the premises. In the event closing occurs after the issuance of a temporary Certificate of Occupancy, but prior to the issuance of permanent Certificate of Occupancy, then it will remain the obligation of the Sponsor and its principals to, at its own cost and expense, obtain such permanent Certificate, and the Certificate must be obtained within two (2) years from date of closing. Prior to obtaining the permanent Certificate of Occupancy, the Sponsor is required to either: (a) maintain all deposits and funds in a special escrow account required by GBL-352e(2)(b) unless the Sponsor's engineer or architect certifies that a lesser amount will be reasonably necessary to complete the work needed to obtain the permanent Certificate of Occupancy, in which case the sum exceeding the amount so certified may be released; or, (b) deposit with an escrow agent an unconditional, irrevocable letter of credit, or post a surety bond, in the aforesaid specified amount, in accordance with the regulations of the New York State Department of Law. Investors are advised to visit the Department of Building (DOB) Website/CONSUMERS TIPS for its recommendations when purchasing units in a condominium that does not have a Final Certificate of Occupancy.

Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a final certificate of occupancy ("FCO") covering the entire building but with only a temporary certificate of occupancy ("TCO"), and sometimes with several successive temporary certificates of occupancy. Certificates of occupancy are generally governed by Section 301 of the New York Multiple Dwelling Law and local building codes and rules. Both TCOs and FCOs are issued by the New York City Department of Buildings ("DOB"). A TCO is intended to indicate that the property conforms substantially to the DOB approved plans and specifications, and to the requirements of all applicable laws, rules, and regulations for the uses and occupancies specified in the TCO. No change of use or occupancy shall be made unless a new certificate of

occupancy is issued. All TCOs have an expiration date. A TCO typically expires 90 days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance, or sell units. In New York City, it is common for sponsors to commence unit closings when some or all units are covered by a TCO rather than a FCO. Sponsor anticipates this scenario may occur. Sponsor and its principals will undertake the responsibility for extending each TCO received prior to expiration thereof, and ultimately for obtaining a FCO covering the entire building. 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 a FCO. NOTWITHSTANDING THE FOREGOING, SPONSOR AND ITS PRINCIPALS ARE OBLIGATED 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.

Buyers are advised to visit the DOB website for further recommendations when purchasing a unit in a building that does not have a FCO. A Factsheet on Certificates of Occupancy is available on the DOB website at: http://www.nyc.gov/html/dob/downloads/pdf/co_factsheet.pdf. (SEE SECTION (T): RIGHTS AND OBLIGATIONS OF THE SPONSOR.)

8. DECLARATION EFFECTIVENESS

Pursuant to existing law and regulation, the Sponsor may declare the plan effective by entering into a contract for a minimum of fifteen percent (15%) of the Residential Units in the building. **Two (2)** Residential Unit is required to declare the plan effective. In the event Purchase Agreements counted towards the minimum number of unit sales required to declare the plan effective fail to close, it is possible that the building will be converted to condominium status with less than fifteen percent (15%) of the Residential Units in the building actually sold to Purchaser. Notwithstanding the fact that not all purchaser used for purposes of declaring the plan effective may actually close, Sponsor must re-declare the plan effect in order to consummate the offering plan in accordance with 13 N.Y. C.R.R. Section 20.1 (c) (6). If all purchase agreements are either rescinded or terminated prior to the date of first unit closing, regardless of whether the condominium declaration has been recorded, Sponsor must re-declare the offering plan effective. (SEE SECTION (Q): EFFECTIVE DATE.)

9. SPONSOR'S RETAINED VOTING POWERS

At the sooner of the second (2nd) anniversary of the first closing date, or such time as less than fifty percent (50%) of the units of the Condominium constitute unsold units, control of the Condominium shall be transferred to a Board of Managers elected by Unit Owners other than Sponsor. Notwithstanding the end of the Sponsor control period, Sponsor may cast its votes for Unit Owners (other than the Sponsor or successor sponsor) of its choice. Prior to that time, the Condominium will be controlled by a Board of Managers elected by the Sponsor. There are certain limitations on actions which can be taken by the Sponsor while he remains in

control of the Board of Managers, which limitations are set forth in the **SECTION (U): CONTROL BY THE SPONSOR** of this Offering Plan.

Until the earlier of five (5) years from the date of closing of the first unit or the time at which the Sponsor or successor sponsor owns units consisting of less than twenty five percent (25%) of the common interest of the Condominium, Sponsor may exercise veto power over any expenses other than those expenses described in Schedule B or expenses required to comply with applicable laws or regulations, to remedy any notice of violation or to remedy any work order by an insurer. Additionally, so long as the Sponsor retains ownership of at least ten percent (10%) in the building, the By-Laws, Declaration, and Rules and Regulations of the Condominium, may not be amended or modified in any way so as to affect the Sponsor without written consent by the Sponsor. **(SEE SECTION (U): CONTROL BY THE SPONSOR FOR A MORE COMPLETE EXPLANATION.)**

Sponsor exercises voting control of the board of managers for two (2) years after the closing of the first unit or whenever the unsold units constitute less than fifty percent (50%) of the total units, whichever is sooner. A meeting to elect a new Board of Managers unrelated to the sponsor will be held within thirty (30) days of fifty percent (50%) the units being sold, or within thirty (30) days of the second (2nd) anniversary of the closing date of the first unit, whichever is sooner. The By-Laws of the condominium does not include a provision that, after an 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 the sponsor and its principals. Purchasers for their own occupancy may never gain control of the Board of Managers. Owner-occupants and non-resident owners, such as Sponsor, may have inherent conflicts on management of the Condominium. **(SEE SUBDIVISION 1 TO SECTION (U): CONTROL BY THE SPONSOR FOR A MORE COMPLETE EXPLANATION.)**

10. BULK SALE

Sponsor has the right to make bulk sales of Units and to sell any Unit to a Purchaser who does not intend to occupy same but intends to lease such Unit to others. Purchasers of the bulk sales need not occupy the Units they purchase. The Sponsor would need to amend the offering to disclose any material changes such as the Sponsor's decision to offer less than the current number of Units or withhold one or more Units for its own use. If sponsor makes a bulk sale of all or some of its unsold units, the transferee successor sponsor is bound by sponsor's representations regarding its commitment to sell units. A bulk sale refers to the purchase of either 10 or more units or at least 20% of the units of the condominium, whichever is less. The number of units for bulk sale in this offering plan is five. This threshold determines whether a bulk purchaser is subject to regulatory oversight by the New York State attorney general and is deemed a "sponsor" or "successor-sponsor" of the offering plan of the condominium. **(SEE SECTION (D): INTRODUCTION; AND SECTION (T): RIGHTS AND OBLIGATIONS OF THE SPONSOR.)**

11. MATERIALS OR WORKMANSHIP

Pursuant to 13 NYCRR 20.3(t)(14), Sponsor hereby advises Purchasers of the special risk that Sponsor agrees to warrant the materials or workmanship of each unit and limited common elements as only those therein specified on the Architect's Report. The Sponsor's

obligation, regardless of any limitations in the warranty or in this Offering Plan, is to construct the premises in accordance with all applicable codes and filed plans and specifications, and that any conflict between the disclaimers and the Sponsor's obligation to construct the premises in accordance with all applicable codes and filed plans and specifications shall be resolved in favor of the latter. **(SEE PART II, DESCRIPTION OF PROPERTY AND SPECIFICATIONS.)**

12. WARRANTY

Sponsor shall not be obligated to correct, repair or replace any defects relating to construction of the Units or the Common Elements or in the installation or operation of any appliances, fixtures, or equipment therein, except as provided in the Offering Plan. Sponsor will not warrant the materials or workmanship of any Unit or any of the Common Elements, except as provided in the Offering Plan. The Sponsor makes no Housing Merchant Implied Warranty or any other warranty, express or implied, in connection with the sale of the Units and all such warranties are excluded, except as provided in the Offering Plan. There are no warranties covering the windows of the condominium building except the manufacturer's warranty. There will be a one (1) year warranty on the roofing material from roof contractor. The Sponsor warrants the roofing surface for one year with respect to defects and failure of the roof surfacing performed in a skillful manner. No manufacturing warranty is to be provided, except the windows and doors manufacturer warranty. The Housing Merchant Implied Warranty would otherwise be applicable. However, Sponsor has chosen to a more limited warranty as stated above, as such, the Housing Merchant Implied Warranty shall not apply to his offering. **(SEE PART II, DESCRIPTION OF PROPERTY AND SPECIFICATIONS.)**

Sponsor's obligation, regardless of any limitations in the warranty, cannot go below the duty to construct the premises in accordance with all applicable codes, filed plans and specifications and locally accepted building practices for items which are not covered by codes, pursuant to General Business Law s777-b(4)(e)(l). Sponsor's obligation, regardless of any limitations in the warranty or in this offering plan, is to construct the premises in accordance with all applicable codes and filed plan and specifications, and that any conflict between the disclaimers and the Sponsor's obligation to construct the premises in accordance with all applicable codes and filed plans and specifications shall be resolved in favor of the latter. **Nothing herein relieves the Sponsor and its principals of any obligations that they might have under the Martin Act.** [See **CLAUSE (14) TO SECTION (T): RIGHTS AND OBLIGATIONS OF THE SPONSOR.**]

13. RESERVE FUND AND/OR WORKING CAPITAL FUNDS

Schedule B – Budget for First Year of Condominium Operation includes a line item for a Reserve Fund for the sole purpose of costs and expenses related to capital repairs, replacements, and improvements. As the systems are new in this project, it is estimated that there will be no foreseeable major capital improvements and/or replacements within the next five (5) years. It is anticipated that the Reserve Fund will be sufficient to provide for needed capital expenditures within five (5) years. Sponsor makes no representation that the Reserve Fund will satisfy the requirements of a Purchaser's lender. **(SEE SECTION (Z): RESERVE FUND.)**

As per Working Capital Funds, at closing of title to each residential Unit, the Unit Owner for such Unit will contribute an amount equal to two (2) months Common Charges then in effect for the Unit pursuant to the budget in accordance with Schedule A hereto, as the same may be amended from time to time at the closing of title to his or her unit for a working capital fund of the Condominium. **(SEE SECTION (Z): WORKING CAPITAL FUNDS FOR A MORE COMPLETE EXPLANATION.)**

14. SQUARE FOOTAGE OF UNITS

The approximate square foot area of each Unit is measured horizontally from the exterior side of the exterior walls (columns, mechanical pipes, shafts, shaft ways, chases, chase ways and conduits are not deducted from the measurements of each unit) to the centerline of the partitions separating one unit from another unit, or separating one unit from corridors, stairs, elevators and other mechanical equipment spaces or any other Common Element not within a unit or to the exterior side of the opposite exterior walls. Each unit will be measured vertically from the top of the floor (located under the finish flooring and sub-flooring materials) to the underside of the ceiling. Any Common Elements located within or appurtenant to any Unit, such as Terraces and Private Storage Spaces, shall not be considered as part of that Unit. The square foot areas determined using the methodology set forth above, as shown in Schedule A in Part I of the Plan, would be different from that derived by using an alternative methodology of measuring from interior surfaces to interior surfaces (which would yield lesser actual useable floor area for each Unit). **The actual usable space is significantly less than this measurement.** A decrease in a unit's area of 5% or less will not affect a purchaser's obligations unless such decrease is determined to be a material change. The stated method of measurement used is applicable to all Units. There is a rebuttable presumption that a unit area that is diminished by 5% or less is not material, and shall not be considered a material adverse change that would trigger a right of rescission. The room count for each Residential Unit was determined by Sponsor's architect in accordance with industry practice for new construction condominiums and does not necessarily conform to the zoning room count or the method utilized by the Real Estate Board of New York. The square footage listed in SECTION (G): OFFERING PRICES AND RELATED INFORMATION (SCHEDULE A) does not reasonably represent the actual usable floor space within each unit. **(SEE PART II, DESCRIPTION OF PROPERTY AND SPECIFICATIONS; and FOOTNOTE TO SECTION (G): OFFERING PRICES AND RELATED INFORMATION (SCHEDULE A) FOR A MORE COMPLETE EXPLANATION.)**

15. INCREASE OR DECREASE IN COMMON INTEREST

The Common Interest of each of the Units has been determined pursuant to Section 339-i (1)(iv) of the Condominium Act and accordingly based upon a comparison of the floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of common elements for exclusive or shared use and the overall dimensions of the particular Unit.

Based upon final specifications, construction conditions and/or "as-built" plans for the Building reflecting relative measurements, areas and uses of portions of the Building, application of such method of allocation of Common Interest may justify a minor increase or decrease in the aggregate Common Interest appurtenant to the Units. In such event, the Common

Interest appurtenant to each individual Unit would be adjusted pro rata. Sponsor may, at any time before and/or after the Declaration is recorded, change the layout, size, or number of the unsold Units, and reapportion, among the unsold Units affected by any such changes, their common interest, and 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. Sponsor reserves the right at any time, except to the extent prohibited by law, before and/or after the filing of the declaration, without prior notice and without consent of any Board, prospective Unit Owner or Mortgagee, to change the layout of, the number of rooms in the use of, or the size of (by combining Units or subdividing them into two or more separate Units) unsold Units and to reapportion the Common Interest among the unsold Units affected by any such changes. No change will be made in the size or number of units and/or their respective percentages of common interest, and no material change will be made in the size or quality of common elements except by amendment to the plan, and when applicable, to the declaration. There is a rebuttable presumption that an increase or decrease in the square footage of a Unit, as set forth in the Schedule A, by 5% or less (excluding interior partitions) is not a material and/or adverse change. Sponsor's sole obligation if the net square footage of the Unit is decreased by more than 5% shall be to refund all Deposits made under the Purchase Agreement and any interest earned thereon, except for any Special Work Funds to the extent that such Special Work Funds have been expended.

Sponsor's right to make such changes are subject to 13 NYCRR 20.3 (k)(3) & (4) which can be found in the Changes in Prices and Units section of the Plan. Unless an affected purchaser consents, no material change will be made in unit size, layout, or percentage of common interest if a purchase agreement has been executed and delivered to the Sponsor for that 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 the common elements. **(SEE SECTION (K): CHANGES IN PRICES AND UNITS; and SECTION (T): RIGHTS AND OBLIGATIONS OF THE SPONSOR.)**

16. NOTIFICATION OF RESIDENT CHILDREN UNDER ELEVEN (11) YEARS

Each Unit Owner must notify the Managing Agent and/or the Board of Managers when a child or children who is (are) under eleven (11) years old live or reside, permanently or temporarily in the Condominium Units. Each Unit Owner must install at the Unit Owners' sole costs and expenses the required window guards in all windows of the Units. The Unit Owners must maintain all window guards installed in the Units and shall not remove same until permitted by applicable law and in any event, without written consents of the Managing Agent and/or Board of Managers. **(SEE CLAUSE 7 (x) OF SECTION (W): RIGHTS AND OBLIGATIONS OF THE UNIT OWNERS AND BOARD OF MANAGERS.)**

17. SPONSOR'S LIABILITY LIMITATIONS

Pursuant to 13 NYCRR §20.3(t) (2), it is disclosed that the Sponsor has an obligation to defend suits or proceedings if and only if they arise out of Sponsor's acts or omissions and an obligation to indemnify the Board of Managers and Unit Owners for claims if and only if they arise out of the acts or omissions of the Sponsor.

The Sponsor and its principals may not and does not include any financial limitation on the Sponsor's liability for their failure to perform its obligations under this Offering Plan.

Directors' and Officers' liability insurance may be procured by the Sponsor and may not be effective at the closing of the Condominium and the filing of the Declaration. If the Board of Managers desires to obtain Directors and Officers' liability insurance, the cost for such insurance shall be borne by the Condominium.

Sponsor and its principals will remain liable notwithstanding any disclaimers or limitations of liability on the part of the Sponsor or its principals for failure to perform any obligations imposed by applicable statute or regulation. This Offering Plan does not include any financial limitation on Sponsor's liability for failure to perform its obligations under the Offering Plan. **(SEE SECTION (T): RIGHTS AND OBLIGATIONS OF THE SPONSOR FOR A MORE COMPLETE EXPLANATION.)**

18. RESALE RESTRICTION AND NO RIGHT TO ASSIGN OR TRANSFER PURCHASE AGREEMENT

Purchasers of Units may not assign their Purchase Agreements without first obtaining the written consents of the Sponsor, which consents may be granted or withheld in Sponsor's sole and absolute discretion. Purchasers are prohibited from listing their Units for sale prior to the closing of such unit. In the event that purchasers sell their Units within 12 months of the closing date of their Units (the "subsequent sales"), purchasers shall be obligated to pay to the Sponsor 50% of the net profit from the subsequent sales. Net profit is defined as the sale price for the subsequent sale, less transfer taxes and brokerage fees paid by a purchaser (who purchased from Sponsor), less the price which the purchaser paid to sponsor for the purchase of the Unit and any other costs incurred in selling the Unit. **(SEE SECTION (O): PROCEDURE TO PURCHASE.)**

Further, the Purchase Agreements may not be assigned, amended, or recorded, and any proposed assignment, amendment to the purchase agreement, or recordation without express written permission of the Seller shall be deemed a default hereunder entitling Seller to cancel the contract and retain all sums deposited pursuant hereto. Consent to such assignment, amendment to purchase agreement, or recordation may be withheld at Sponsor's sole discretion. In the event that Sponsor allows such assignment or amendment to purchase agreement, Purchaser shall pay a fee of \$1,000 for each assignment or amendment to the purchase agreement. **(SEE CLAUSE (43) OF PART II, PURCHASE AGREEMENT.)**

19. PURCHASERS PAYMENT OF TRANSFER TAXES AND REIMBURSEMENTS

Purchaser shall be required to pay New York State and New York City Real Property Transfer Taxes. While NYS and NYC taxes are obligations generally borne by the Seller in single family home transactions, the burden of paying such taxes may be modified by contract. As is common with many other Condominium developments in New York State, the Purchase Agreement provides that the Purchaser of a unit will be required to pay these transfer taxes at closing. The City of New York Department of Finance and the State of New York Department

of Taxation and Finance have taken the position that when a Purchaser assumes the obligation to pay the New York City Real Property Transfer Tax and New York State Deed Documentary Stamps, except that pursuant to the New York State Tax Law Section 1404(a), effective as of July 1, 2021, the amount of New York State Transfer Taxes shall be excluded from the calculation of consideration subject to tax. **(SEE PART II, PURCHASE AGREEMENT; SECTION (S): UNIT CLOSING COSTS AND ADJUSTMENTS; FOOTNOTES TO SCHEDULE A; AND SECTION (R): TERMS OF SALE.)**

The Purchaser is responsible to pay Sponsor's Attorney's closing documents preparation fee of \$2,000.00, and may be responsible for additional \$300 in the event the transaction requires financing as well as certain other fees such as travel fees and default fees. The Purchaser is responsible to reimburse the Sponsor's Prepaid Taxes, Common Charges and Insurance Premium. Purchaser is responsible to reimburse to Sponsor Acris Transfer Tax Return preparing fee for \$250. **(SEE SECTION (S): UNIT CLOSING COSTS AND ADJUSTMENTS.)**

20. REQUIREMENTS OF LENDERS OF PURCHASERS

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 apartments 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 or successor sponsor still owns a substantial ownership interest, 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 has an ownership interest of 10% or more. It also may be difficult for a purchaser to resell an apartment if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions. **(SEE SECTION (O): PROCEDURE TO PURCHASE.)**

21. MORTGAGE TAX CREDIT

Sponsor shall, upon the closing of each Unit, have the right to receive a rebate for recording taxes already paid, if any, which rebate shall be credited to Sponsor from amounts any Unit Purchaser otherwise would have paid in connection with the recording of a mortgage against his unit at the time of purchase. **(SEE SECTION (S): UNIT CLOSING COSTS AND ADJUSTMENTS.)**

22. ESCROW OF PURCHASER FUNDS

All funds received by the Sponsor for upgrades or extras must initially be placed in the escrow account set forth herein. However, Purchaser should note that such funds may be released from the escrow account by the escrow agent as long as the Sponsor uses the funds for such upgrades or extras. As a result, in the event the Purchaser is entitled to a rescission, the Purchaser will not receive a refund of any funds used for upgrades or extras. If the Plan is abandoned, Purchaser shall receive a return of the down payment and any money for extras or upgrades. **(SEE SECTION (O): PROCEDURE TO PURCHASE.)**

23. DOWN PAYMENT AND IOLA

All down payments will be placed in an IOLA account of Dylan Chan Law Firm, P.C.. The account, but not the individual deposits, will be federally insured up to \$250,000.00. To the extent that the total (not individual) contract deposits exceed \$250,000.00, they will not be federally insured. IOLA stands for "interest on lawyer accounts" and is a special type of escrow account maintained by an attorney. Interest earned on an IOLA account does not accrue to the benefit of either the buyer or the Sponsor but is paid over to the state of New York. The escrow agent makes no guarantee of the solvency of any of the escrow banks. If the federal insurance limits change in any manner in the future, the escrow agent will have no obligation to make any changes to the escrow accounts. For purpose of determining whether the deposit exceeds the maximum amount covered by federal deposit insurance, the aggregate amount of the deposits (not only the down payment) that the Purchaser has in the bank and its branches will be considered. If Purchasers have accounts at the same bank as Sponsor's account that holds escrowed funds, Purchaser funds at the escrow bank factor into the \$250,000 insurance limit. **(SEE SECTION (O): PROCEDURE TO PURCHASE.)**

24. CONDOMINIUM DOCUMENTS

The As-Built drawings, the original balancing report for the HVAC system and all required maintenance manuals for the mechanical system, etc., will be transferred to the condominium management upon conversion. **(SEE PART II, CONDOMINIUM BY-LAWS.)**

25. LOCAL LAW 11/98

Local Law 11/98 does not apply to the Condominium as the building is less than six (6) stories. Local Law 11/98 (amending Local Law 10/80) requires one periodic inspection every five years of building facades on buildings higher than 6 stories. An owner must retain a professional inspector to inspect the façade and submit a report to the Department of Buildings about its condition. **(SEE PART II, DESCRIPTION OF PROPERTY AND SPECIFICATIONS.)**

26. RISK OF LOSS

Prior to the first closing, the entire building will be insured by the 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 closing assumes the risk of losses not covered by insurance. **(SEE SECTION (N): INTERIM LEASE; SECTION (O): PROCEDURE TO PURCHASE; SECTION (R): TERMS OF SALE; AND SECTION (T): RIGHTS AND OBLIGATIONS OF THE SPONSOR.)**

The condominium building is covered by the insurance, but the building's insurance does not cover the contents of each Unit. The risk of loss from fire or other casualty of the contents of units remains with Sponsor unless and until either a Purchaser takes actual possession of a unit pursuant to a written agreement with the Sponsor or legal title to the Unit has been conveyed to the purchaser. It is a special risk if the purchaser enters into possession

prior to closing since risk of loss of the contents and interior of the Unit which are not fully covered by the building's insurance passes upon either closing or possession. Any purchaser who enters into possession before closing should obtain insurance for the contents of the unit as he would if closing had taken place. **(SEE SECTION (N): INTERIM LEASES.)**

27. NO RIGHT TO APPROVE OR DISAPPROVE AS TO SPONSOR SALE

The approval, consent or waiver of the right of first refusal is not required from the Board of Managers of the Condominium in the event of any Sponsor sale or lease of any unit of the Condominium. Right of first refusal is a legal provision that grants a condominium board the right to purchase a unit that an owner is attempting to sell or lease. Essentially, if a unit owner receives an offer to sell or lease their unit, they are required to notify the condominium board of the offer. The board then has a specified period of time, thirty (30) days, to decide whether to exercise its right of first refusal and purchase or lease the unit on the same terms as the offer made by the potential buyer or tenant. If the board declines to exercise its right of first refusal, the unit owner may proceed with the sale or lease to the original offeror. Sponsor sale or lease is NOT subject to such right of first refusal. **(SEE SECTION (T): RIGHTS AND OBLIGATIONS OF THE SPONSOR.)**

All Purchasers shall note that the condominium board does not have the right to approve or disapprove Purchasers. There is no limit on the number of owners who may purchase for investment rather than for personal occupancy, and there may always be a substantial percentage of owners who are non-resident. **(SEE SECTION (D): INTRODUCTION.)**

28. UNIT OWNERS' REPAIR AND MAINTENANCE RESPONSIBILITIES OF LIMITED COMMON ELEMENTS

Each unit may have balcony, cellar, yard and/or storage, as limited common element, as shown in Schedule A. No structures may be built on these areas without the express written permission of the Board of Managers. Unit Owners who enjoy use of a limited common element are responsible for regular repair and maintenance of such limited common element such as cleaning, painting, repair to surface damage, etc. Damage to the structural or mechanical systems serving such limited common element (except where directly caused by act or omission of the Unit Owners, their agents, employees or invitees) are the responsibility of the condominium through the Board of Managers. The limited common elements may not be used for any type of occupancy, including but not limited to dining, sleeping, living room, recreation and office, breach of which may result in a violation issued by Department of Building against the Condominium building and in which case, Unit Owner shall be fully responsible for clearance of the violation at Owner's cost and expense. The cellar spaces are below-grade and more susceptible to dampness. Accessory cellar space for Units 1A and 1B is typically considered a non-habitable portion of the unit, rather than a limited common element. **(SEE PART II, DESCRIPTION OF PROPERTY AND SPECIFICATIONS; SECTION (D): INTRODUCTION; AND SECTION (W): RIGHTS AND OBLIGATIONS OF THE UNIT OWNERS AND BOARD OF MANAGERS.)**

29. LAYOUT

Sponsor may, at any time before and/or after the Declaration is recorded, change the layout, size, or number of the Units, and reapportion, among the Units affected by any such changes, their common interest, and 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. Sponsor reserves the right at any time, except to the extent prohibited by law, before and/or after the filing of the declaration, without prior notice and without consent of any Board, prospective Unit Owner or Mortgagee, to change the layout of, the number of rooms in the use of, or the size of (by combining Units or subdividing them into two or more separate Units) Units and to reapportion the Common Interest among the Units affected by any such changes. No change will be made in the size or number of units and/or their respective percentages of common interest, and no material change will be made in the size or quality of common elements except by amendment to the plan, and when applicable, to the declaration. Unless an affected purchaser consents, no material change will be made in unit size, layout, or percentage of common interest if a purchase agreement has been executed and delivered to the Sponsor for that 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 the common elements. Sponsor is obligated to build and complete the condominium in accordance with the building plans and specifications identified in the Plan and Sponsor has the right to substitute equipment or materials and make modifications of layout or design, provided however, that Sponsor may not (i) substitute equipment or materials unless they are of equal or better quality or (ii) change the size, location of the building or 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 and contract vendees consent in writing to such change. **(SEE SECTION (T): RIGHTS AND OBLIGATIONS OF THE SPONSOR.)**

33. DELAY OF PAYMENT OF COMMON CHARGES

Sponsor reserves the right, in its sole and absolute discretion, to delay the collection of Common Charges from Purchasers under the Plan for a period of time prior to full occupancy of Residential Units (the "Delay Period"); provided, however, that Sponsor shall be solely responsible for timely payment of all expenses to operate the Condominium during the Delay Period (the "Operating Expenses") as well the Residential Units' share of General Common Charges. The expenses shall include, but not be limited to, insurance premiums and any reserve fund payment. All Operating Expenses paid by Sponsor during the Delay Period are based on the actual cost of operating the Residential Units and not on estimates set forth in Schedule B "Projected Budget for First Year of Condominium". Purchasers should note that Schedule B will not be in effect until the expiration of the Delay Period. Notwithstanding anything to the contrary set forth above, the Operating Expenses shall not include individual Unit Owner expenses such as utility charges, real estate taxes, etc. regardless of whether the Unit has been separately assessed. In all instances the Unit Owners will remain responsible for the payment of the real estate taxes. Sponsor, in its sole and absolute discretion, may upon thirty (30) days prior written notice to Unit Owners terminate the Delay Period.

In the event Sponsor elects to delay the collection of Common Charges as set forth above, Sponsor shall disclose such fact in the closing notice to Purchasers and in the post-closing amendment to the Plan as a benefit to subsequent Purchasers. Such amendment shall also disclose the anticipated period of delay. Sponsor will give all Unit Owners at least thirty (30) days prior written notice (which may, but need not be by amendment) of the commencement of collection of Common Charges. Thereafter, to the extent not already included in an amendment to the Plan, Sponsor will disclose in the next substantive amendment to the Plan that the collection of Common Charges is commencing or has commenced as a benefit to subsequent Purchasers. Upon expiration of any such Delay Period and the commencement of assessment of Common Charges against the Units, there will not be any assessment over and above the amount of such common charges against Units or Unit Owners for any item set forth in the approved budget that is in effect at the time of commencement of assessment of common charges. During any such Delay Period, Sponsor shall remain obligated to update the operating budget for the Condominium when and as needed, as provided in the New York State Department of Law regulations as to the same. Sponsor shall also remain obligated to provide certified financial statements for the condominium during the delay in the collection of common charges. Upon commencement of collection of common charges, there will not be an assessment for any item in the approved budget for the condominium. **(SEE SECTION (T): RIGHTS AND OBLIGATIONS OF THE SPONSOR.)**

34. FINANCING CONTINGENCY

Whether the individual Purchase Agreements will contain a financing contingency is subject to negotiation between Sponsor and Purchasers. The obligations of a purchaser under a Purchase Agreement may not be conditional on obtaining financing unless it is agreed in the Purchase Agreement. In the event the Purchase Agreement is not contingent on financing, any prospective purchaser who executes a Purchase Agreement and does not obtain financing may lose the deposit if unable to pay the balance of the purchase price. Prospective purchasers who need financing to purchase are advised to consult with a bank before executing a Purchase Agreement to ascertain the likelihood of obtaining financing. No representation is made by the Sponsor as the availability or cost of such financing.

In the event there is a financing contingency, Purchaser's obligation is contingent upon obtaining a firm written commitment for financing and actually obtaining financing. Purchaser shall have 40 days from the date on which a signed and executed Purchase Agreement is delivered to such Purchaser within which to obtain such financing. If a Purchaser fails to obtain a firm written commitment for financing within such 40-day period, and fails to notify Sponsor's attorney within five days thereafter, time being of the essence thereto, Purchaser shall conclusively be deemed to have waived the financing contingency and will be required to proceed to closing, or forfeit his down payment, whether or not a mortgage commitment is obtained. If Purchaser, after a good faith attempt to do so, fails to obtain a firm written commitment for financing, and notifies Sponsor within the prescribed time period, then Sponsor will return the down payment or deposit within 10 days after receipt of such notice. Similarly, if the commitment expires prior to closing, Purchaser shall be under a good faith duty to take all required actions necessary to extend such commitment, including the payment of any extension fee required by the lending institution. Purchasers should also note that the

Purchase Agreement will provide that Purchaser's failure to provide information to the lender promptly upon request thereof, or to accept a commitment issued to purchaser by lender on terms set forth in the Purchaser Agreement shall constitute a default by purchaser under the Purchase Agreement, whereupon Sponsor shall have remedies as set forth therein. Under New York law, when a mortgage commitment is not fulfilled through no fault of a purchaser, performance is excused. Therefore, if the purchaser acts in good faith and the lender revokes the loan commitment after the contingency period expires, performance is excused, and Sponsor must grant to such purchaser a right of rescission and a reasonable period of time to exercise such right. **(SEE SECTION O: PROCEDURE TO PURCHASE; AND PART II, PURCHASE AGREEMENT.)**

35. WAIVER OF JURY TRIAL

Except as prohibited by law, the Purchaser expressly waives trial by jury in any litigation arising out of, or connected with, or relating to, the Purchase Agreement, or the relationship created hereby. **(SEE PART II, AND PURCHASE AGREEMENT.)**

36. ARBITRATION

Any dispute relating to the expenses to be borne by the Unit Owners concerning operation of the Condominium shall be submitted to arbitration in accordance with the Condominium By-Laws. A single arbitrator shall determine the matter in a proceeding held in New York, New York in accordance with the then existing rules of the American Arbitration Association. Any arbitrator will be a neutral third party independent of any parties in the dispute. The decision in any arbitration shall be binding on all parties. The fees, costs, and expenses of the arbitrator shall be borne by the losing party in the arbitration. Each disputant shall bear the fees and expenses of his counsel and expert witnesses. All costs and expenses paid or incurred by the Condominium Board in connection with any arbitration held, including, without limitation, the fees and expenses of counsel and expert witnesses shall constitute Common Expenses. However, Disputes regarding the downpayment are not subject to arbitration. **(SEE PART II, ARTICLE X OF CONDOMINIUM BY-LAWS.)**

37. SUBSEQUENT CLOSING DELAY

The Sponsor anticipates that the first closing of a unit will occur by April 1, 2024. Purchasers will be afforded a right of rescission if: (i) the actual date of closing of title to the first unit; or (ii) the projected date of closing of title to the first unit occurs later than twelve months after the projected date for the first closing. If the Plan is amended to provide for a later projected date for the first closing, purchasers will be entitled to an offer of rescission if the first closing occurs more than 12 months beyond that amended, later date. Purchasers should note that even if the first closing occurs on or before April 1, 2025 (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 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 the sponsor for damages or losses as a result of

such delays and will not be excused from paying the full purchase price for the unit. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER THE POSSIBILITY OF SUCH DELAYS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT. **(SEE SECTION (D): INTRODUCTION; AND SECTION (O): PROCEDURE TO PURCHASE.)**

38. CLOSING ADJOURNMENT FEE AND INTEREST

If a closing takes place at the request of the Purchaser and so approved by Sponsor's attorney, at any location other than the office of Sponsor's attorney, Purchaser shall pay to Sponsor's attorney (in addition to the fee set forth above), a travel fee in the sum of \$750.00 in New York County, Kings County, and Richmond County and \$600 in Queens County. In the event that a closing is adjourned with Sponsor's consent, at the request of the Purchaser, or Purchaser's attorney, Purchaser shall also pay Sponsor's attorney an adjournment fee in the sum of \$250.00. In the event that a Purchaser does not close on the Closing Date set forth in the Notice of Closing, the Sponsor elects not to cancel the Purchase Agreement or if the Sponsor approves the Purchaser's request to adjourn the Purchaser's Closing to his unit, interest shall accrue on the unpaid amount of the purchase price from the Closing Date until such amount is paid. The interest rate shall be twelve percent (12%) per annum. This rate shall be in effect for as long as there is any unpaid amount owing towards the full purchase price. Such penalty and interest will not violate NYS usury laws. **(SEE SECTION S: UNIT CLOSING COSTS AND ADJUSTMENTS; AND PART II, PURCHASE AGREEMENT.)**

39. LIMITATIONS ON SMOKING

Smoking and using electronic cigarettes is prohibited in any common areas within the interior of the building as required by all applicable laws and is permitted in any of the dwelling units. Smoking and using electronic cigarettes is permitted in all outdoor areas, including but not limited to, common courtyards, rooftops, balconies and patios, and any outdoor areas connected to dwelling units. **(SEE SECTION W: RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND BOARD OF MANAGERS; PART II, PURCHASE AGREEMENT; AND PART II, CONDOMINIUM BY-LAWS.)**

40. TAX CUTS AND JOBS ACT OF 2017

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.

Each Unit Owner may deduct from adjusted gross income for income tax purposes real estate taxes and mortgage interest, subject to certain exceptions and limitations as discussed in the "Opinion of Counsel – Income Tax Deductions to Unit Owners and Tax Status of Condominium."

Purchasers are advised to consult with a tax expert regarding whether the new law will affect the purchaser's taxes. Purchasers should not rely on any representations in this offering

plan addressing taxes without first consulting a tax expert. **(SEE INCOME TAX DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF CONDOMINIUM.)**

41. NOTICES

All notices, elections, consents, demands and communications (collectively called "notices" or individually called "notice") shall be deemed received or given in writing by email, regular mail, registered or certified mail, return receipt requested, postage prepaid, or by nationally recognized overnight courier, and, if sent to purchaser, addressed to purchaser at purchaser's address given in the preamble to the Purchase Agreement and, if sent to Sponsor, addressed to the Sponsor's Attorney as indicated in this Plan. Either party may, by written notice to the other, change the address to which notices are to be sent. Unless otherwise provided herein, all notices shall be deemed given when personal delivery is effected or when deposited in any branch station or depository maintained by the U.S. Postal service in the City and State of New York, except that a notice of change of address shall be deemed given when actually received. Notice may also be given by nationally recognized overnight courier overnight delivery service or fax, email and regular mail, and shall be deemed effective when received or when delivery is attempted. Any notice required to be given hereunder may be given to the attorney of the respective parties. A delay in the actual delivery of the notice to a purchaser may affect the time period allotted to purchaser to respond in instances in which the purchaser is required to respond within a specified time period.

42. PROHIBITION AGAINST ADVERTISING OF UNIT FOR SALE

A purchaser who signed the purchase agreement with Sponsor is prohibited to place an advertisement for the sale of the unit in any newspaper or other publication or media, or list the unit with any real estate broker prior to closing of the unit. Such action will constitute a material breach of the purchase agreement entitling Seller to retain monies paid on account of the purchase agreement plus the cost of extras as liquidated damages. **(SEE PART II, PURCHASE AGREEMENT, SECTION 27.)**

43. PROHIBITION AGAINST SIGNS ON UNIT AND RESTRICTIONS ON SALE

A purchaser who acquired title to the unit from Sponsor is prohibited to (i) place any sign anywhere on the unit or anywhere in the Condominium at any time; and (ii) sell the unit under the purchase Agreement for a period of one (1) year from the date the purchaser acquired title of the unit, except in the case of the death of the purchaser or spouse. Failure to abide by this requirement shall result in the purchaser paying the Sponsor a sum equal to 25% of the difference between the new purchase price of the condominium unit and the purchase price set forth in page 1 of the purchase agreement but in no event less than 10% of the purchase price set forth in page 1 of the purchase agreement. **(SEE PART II, PURCHASE AGREEMENT, SECTION 26 AND 28.)**

44. LOT LINE WINDOWS.

There are lot line windows in the kitchen of all the units. Lot line windows are not

operable. They are not providing legal light and ventilation and may be blocked by adjacent neighbors with future developments. Each lot line window must have sprinkler head and tested as per ASTM E119. These lot line windows cannot be credited towards meeting the mandatory light and ventilation requirements for habitable spaces. There is also no agreement or easement to protect these lot line windows from sealing in the future. Unit owner with these lot line window(s) will have the obligation to seal it/them at the Unit owner's own expense, estimated at about \$5,000 per window, if the neighboring lot is developed. In such an event, the Unit will lose the light and air for the sealed lot line window(s).

45. MANAGEMENT COMPANY.

Sponsor will manage the condominium free of charge for the earlier of the first year of operation or until unsold units constitute less than 50% of the common interests, and thereafter the condo will be self-managed by the board of managers. In the event the Board hires a managing agent, the common charged is estimated to increase for nine to ten (9-10%) of the budget, which is about \$2,750 each year.

46. Accessory Cellar Spaces for Units 1A and 1B.

The cellar space is designated for non-habitable, accessory use only. It is not intended for living, sleeping, or cooking and may not be rented independently of the dwelling unit above. The accessory cellar for ADA Units 1A and 1B is not ADA accessible, as there is no accessible route to the cellar.

47. Front Yard of Unit 1A

Unit Owner of 1A shall keep and maintain the grass/planting area within the limited common element front yard, in order for the Building to comply with Quality Housing front yard planting requirements.

48. Staircase Safety Risk for Units 1A and 1B

The interior Unit "convenience" stairs for Units 1A and 1B indicate winder treads which converge to a point and therefore may pose a stumbling/falling hazard.

SECTION (D): INTRODUCTION

(1) PURPOSE OF THE OFFERING PLAN

The purpose of this Offering Plan is to fully set forth all material terms of the offer. This plan may be amended from time to time, if such amendment is filed with the New York State Department of Law. Any such amendments will be served on all prospective Purchasers who have executed a Purchase Agreement for any unit, all Unit Owners, and all other persons entitled to service pursuant to local law or statute.

(2) APPLICABLE LAW

This Condominium will be subject to, and in compliance with, the New York State Condominium Act (Article 9-B of the New York Real Property Law).

(3) SPONSOR

This is an Offering Plan for the sale of condominium units known as 355 Condominium, located at 355 53 Street, Brooklyn, NY 11220. The Sponsor, 355 Reig LLC, acquired title to the properties on November 19, 2021 in CRFN: 2021000472748. This is a newly constructed building. The prior use of the property is a three-story building with an office and two family residential.

(4) GOOD FAITH TO SELL AND CONSTRUCTION FINANCING OBLIGATIONS

Sponsor will endeavor in good faith to sell all of the Residential units and reserves the right to rent the units after the plan has been consummated. Sponsor needs to sell at least fifteen percent (15%), i.e. 2 units, necessary to declare the plan. Sponsor will in good faith to sell units. If sponsor makes a bulk sale of all or some of its unsold units, the transferee successor sponsor is bound by sponsor's representations regarding its commitment to sell units. Notwithstanding the fact that not all purchaser used for purposes of declaring the plan effective may actually close, Sponsor must re-declare the plan effect in order to consummate the offering plan in accordance with 13 N.Y. C.R.R. Section 20.1 (c) (6). If all purchase agreements are either rescinded or terminated prior to the date of first unit closing, regardless of whether the condominium declaration has been recorded, Sponsor must re-declare the offering plan effective.

(5) SIZE OF THE OFFERING

Number and Type of Units Being Offered. The building will consist of one cellar and four (4) floors. Sponsor offers for sale of eight (8) Residential Units in one (1) newly constructed building.

Limited Common Elements. Numerous units in the subject premises have been

allocated limited common elements. Unit 1A has a front yard and a cellar space as limited common element. Unit 1B has a back yard and a cellar space as limited common element. Unit 2A, 2B, 3A, 3B, 4A and 4B each has a balcony and accessory cellar storage as limited common element. The measurement of the balconies, terraces, roof area and accessory cellar storage are listed in Schedule A of the Offering Plan. The limited common elements may not be used for any type of occupancy, including but not limited to dining, sleeping, living room, recreation and office, breach of which may result in a violation issued by Department of Building against the Condominium building and in which case, Unit Owner shall be fully responsible for clearance of the violation at Owner's cost and expense. The space in the cellar of this Condominium is inhabitable. The cellar space has less light and air than ordinary living space and it is more susceptible to dampness.

Parking. There is no parking spaces.

General Description of Recreational Facilities and Amenities. There is no recreational facility and amenity in this building. (See PART II, DESCRIPTION OF PROPERTY AND SPECIFICATIONS included in this Offering Plan.)

Prices in Schedule A. The prices contained in this offering are as set forth in SCHEDULE A of this Offering Plan.

Units or Property Interest Not Being Sold. There is no unit or property interests that are not being offered, except the common areas as identified in this Offering Plan which will be owned by all unit owners as common element.

There are eight (8) residential units being built pursuant to this Offering Plan.

Storage Space. There are accessory cellar storage space for Unit 2A, 2B, 3A, 3B, 4A and 4B.

(6) AMENDMENT TO DECLARATION

This Offering Plan contains the percentages of common interest, the number of units that will be built and the timetable for completing the units, as set forth on Schedule A of the Offering Plan.

(7) BASIC ASPECTS OF CONDOMINIUM OWNERSHIP

Ownership of a condominium unit resembles in many ways ownership of a private home. An outline of the basic aspects of condominium ownership is as follows:

(i) Outright Ownership

Each Purchaser owns his or her Unit outright and is entitled to exclusive possession of his or her unit. Each Purchaser also has an interest, and a right to use common elements and exclusive right to use limited common elements of the building. However, each Unit Owner is obligated to comply with the Declaration, By Laws, rules and regulations, and any other requirements of the Board of Managers.

(ii) Description of Differences between Unit Spaces, Common Elements and Limited Common Elements

Space located inside of the Condominium Unit is owned by a Unit Owner for his or her exclusive use. Use of the Unit is controlled by the provisions of the Condominium Declaration, By-Laws and any rules and regulations promulgated pursuant to these documents. The interior living space of the Unit is generally exclusive space. It must be maintained and decorated by the Unit Owner at his or her expense.

Common Elements are those portions of the building used by all Unit Owners together. Examples of Common Elements are the entryways, stairways, hallways, utility areas, and similar elements of the building, which serve all Unit Owners. Also the land, roofs, walls and structural elements of the building, windows, boiler room and certain other portions of the building are to be set aside for common use. The Common Elements are not the exclusive property of any one Unit Owner.

Limited Common Elements of the Condominium consist of the portion of the land or building, other than the Units themselves, which are for the use of one or more specified Units to the exclusion of all other Units. In other words, Limited Common Elements are those areas appurtenant to a particular Unit or Units, the use of which is restricted to the Owner(s) of such Unit or Units, but which are not owned by that Unit Owner. Examples of Limited Common Elements are balconies and terraces.

(iii) Payment of Common Charges

Each Unit Owner must pay common charges in accordance with the New York Condominium Act, Real Property Law Sections 339 (i) and (m), and any applicable state or local law. The common charges payable under the By-Laws will be based strictly on the projected cash requirements of ownership and operation of the Property and may include an allowance for contingencies, replacements, and/or repairs. Furthermore, the Board of Managers may impose special assessments in order to meet emergencies, contingencies, or other unforeseen events, which will become the financial obligation of each Purchaser of a Condominium unit. These assessments will be levied in direct proportion to the percentage of common interest allocated to each unit.

(iv) Compliance with Declaration, By-Laws and Regulations

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

(v) Restrictions on Use, Resale, Leasing and Mortgaging Condominium Unit

In the event that a purchaser sells his or her unit within 12 months of the closing date of their unit (the "subsequent sale"), purchaser shall be obligated to pay to the sponsor 50% of the net profit from the subsequent sale. Net profit is defined as the sale price for the subsequent sale, less transfer taxes and brokerage fees paid by purchaser (who purchased from Sponsor), less the price which purchaser paid to sponsor for the purchase of the unit and any

other costs incurred in selling the unit. A Unit Owner may not lease any Unit for a term of less than one (1) year. There are no restrictions on the use or mortgaging of condominium Units. The Department of Law may, in its discretion, require an opinion from counsel for sponsor or independent counsel as to the legality and enforceability of these restrictions.

The resale or lease of a Unit by the Unit Owner is subject to the right of first refusal from the board of managers of the condominium. The Unit Owner shall first give the Board of Managers thirty (30) days prior written notice of the terms of any bona fide sale or lease, together with a copy of a contract of sale or lease executed by a prospective purchaser or tenant, which the Unit Owner desires to execute. The Board of Managers shall have thirty (30) days to exercise the right of first refusal. If the Board of Managers fails to act within such thirty (30) day period, it shall be deemed to have waived the right of first refusal to the proposed transaction.

(vi) Board of Managers

The Board of Managers will set common charges based on cash needs of building operation, decide on special assessments; and, in general, make all decisions necessary to run the building. Each Unit Owner may vote for the members of the Board of Managers, which is the group elected by Unit Owners to operate the Condominium.

(vii) Taxation and Mortgage

Each Unit will be separately taxed and may be separately mortgaged after filing of the Declaration. Each Unit Owner may deduct from adjusted gross income for income tax purposes real estate taxes and mortgage interest, subject to certain exceptions and limitations. Unit owners who itemize their deductions should, for federal income tax purposes, be entitled to a deduction for real estate taxes in the year in which same are paid or accrued, only up to \$10,000 (\$5,000 in the case of a married individual filing a separate return). A detailed discussion of the exceptions and limitations are found in the “Opinion of Counsel – Income Tax Deductions to Unit Owners and Tax Status of Condominium.” No Unit Owner will be responsible for payment of, or any lien arising out of non payment of, real estate taxes assessed against any other Unit in the building.

(viii) Maintenance, Repairs and Insurance

A Unit Owner is responsible for maintenance and repairs and for casualty and liability insurance for the Unit and the Limited Common Elements he or she owns, as distinguished from the obligations of the Board of Managers, who shall be responsible for maintenance and repairs and for casualty and liability insurance for the Limited Common Elements, excluding the Units and the Limited Common Elements inside the Units.

Individual Purchaser should explore obtaining insurance coverage, which would be at their own cost and expense, to insure them for such risks as fire and casualty losses in their Units to their personal contents therein, as well as liability insurance for each occurrence which might occur within their respective units.

(ix) Condominiums' Right to Approve or Disapprove

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

(8) EQUIPMENT AND FIXTURES INCLUDED IN OFFERING PLAN

All of the equipment and fixtures described in this Offering Plan are included in the Offering Price. Major fixtures or equipment such as refrigerator, plumbing fixtures, kitchen cabinets or partition walls are included in the offering price. Specifically, each residential unit will have a gas range (LG, LCE3010SB), a refrigerator (LG, LRBCC1204S), Range Hood (FOTILE, JQG7502), a dishwasher (LG, LDP6810SS) and a microwave (LG, LMC2075BD). There will be a washer and a dryer installed in each of the residential unit. Washers and dryers are stackable units on the second, third and fourth floor dwelling units. **(SEE PART II, DESCRIPTION OF PROPERTY AND SPECIFICATIONS OF THIS OFFERING PLAN.)**

No fixtures or equipment may be installed without the permission of the Sponsor and Condominium Board of Managers. To the extent the Purchaser is permitted and elects to install the same and any other appliances in their unit, the same will represent an additional cost of purchasing the unit.

The owner reserves the right to substitute any appliances, fixtures, equipment and material of Equal or Better Quality even though the sponsor intends to use the appliances, fixtures, equipment and material described herewith.

Effective November 5, 2004, owners of Class A multiple dwellings in New York City, which include condominium units, must install carbon monoxide detectors. The Sponsor will install a carbon monoxide detector in each residential condominium unit. The law requires the unit owners of the residential condominium units to maintain the carbon monoxide detectors. **(SEE CLAUSE 2 OF SECTION (E): DESCRIPTION OF PROPERTY AND IMPROVEMENTS; AND PART II, DESCRIPTION OF PROPERTY AND SPECIFICATIONS.)**

(9) PRICES NOT SUBJECT TO APPROVAL

The prices contained in this offering, as set forth in SCHEDULE A, are set by the Sponsor, and are not subject to approval by the New York State Department of Law, or any other governmental agency.

(10) PLAN CONTAINS ALL MATERIAL TERMS

This 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 Office of the Attorney General in connection with the filing of the plan will be available

for inspection without charge and for copying at a reasonable charge to prospective Purchasers and their attorneys at the site whenever the on-site sales office is open and at the office of the selling agent or sponsor.

(11) LAWFUL LIMITATIONS ON WHO MAY PURCHASE UNITS

This offering is made only to individuals over the age of eighteen (18) years old, corporations, and other entities that may legally own real property in the State of New York.

In accordance with the provisions of the Laws of the City of New York, the Sponsor represents that neither the Sponsor; nor the Condominium nor the Selling Agent will discriminate against any person because of his race, creed, color, sex, sexual orientation, national origin, ancestry, or any other reason prohibited by civil rights law in the sale of Condominium units offered by this Plan, or in the leasing of any units in the Building.

(12) LEGAL AND FINACIALS CONSEQUENCES

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

(13) PARKING SPACES

There is no parking space.

(14) CONSTRUCTION FINANCING

Sponsor has obtained a mortgage loan from Crowdfunz 616 LLC, with an address at 2807 Jackson Avenue, 5th Floor, Long Island City, NY 11101 (the "Lender") in the sum of \$1,500,000. The loan was made after Sponsor complete the foundation of the building. The Lender imposes no minimum number or percentage of units which must be under contract before the plan can be declared effective. There is no provision provided in the loan documents for the minimum release price. Sponsor represents that it has sufficient fund with the proceeds from sale of the first unit to pay off the entire loan at the closing of the first unit. . **(SEE SECTION D: INTRODUCTION; AND SECTION (R): TERMS OF SALE.)**

(15) DEFINITION

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

1. **"Board" or "Board of Managers" or "Condominium Board"** means the Board of Managers of the Condominium which is the overall governing body of the Condominium which represents all the Unit Owners and managers the Condominium pursuant to the provisions of the Declaration, By-Laws, and of the Plan.
2. **"Building"** means the building known by the address 355 53 Street, Brooklyn, NY 11220.

3. **"By-Laws"** means the By-Laws governing the operation of the Condominium, the form of which is set forth in Part II of the Plan, as the same may be amended from time to time.
4. **"Closing" or "Closing Date"** means the date of closing of the Purchaser's Unit pursuant to the Plan, unless another closing date is set forth in a Purchase Agreement covering a Unit, in which event such other date shall be the Closing Date for such Unit.
5. **"Code"** means the Internal Revenue Code of 1986, as amended.
6. **"Common Charges"** means any charges assessed by the Board against any Unit Owner and/or each Unit's proportionate share of the common expenses in accordance with its Common Interest.
7. **"Common Elements"** means all portions of the Condominium other than the Units, including but without limitation the land, roofs, walls and structural elements of the Buildings, hallways, if any, and certain other portions of the Buildings to be set aside for common use.
8. **"Common Expense"** means all costs and expenses incurred or paid generally by the Board in connection with the operation of the Condominium, which pursuant to the Plan, the Declaration and the By-Laws, are, except as set forth in the Plan and the Condominium By-Laws, to be paid by the Unit Owners in proportion to their Common Interest, as summarized in "Rights and Obligations of Unit Owners and Board of Managers; Summary of By-Laws" and as more fully described in the Declaration and the By-Laws.
9. **"Common Interest"** means the proportionate, undivided interest each Unit Owner has in the Common Elements.
10. **"Condominium"** means "" which is composed of the Unit Owners.
11. **"Condominium Act"** means Article 9-B of the Real Property Law of the State of New York as the same may be amended from time to time.
12. **"Condominium Documents"** means collectively this Plan, the Declaration, the By- Laws and the Rules and Regulations thereunder, as the same may be amended from time to time.
13. **"Declaration"** means the instrument by which the property is submitted to the provisions of the Condominium Act, and such instrument as from time to time amended, consistent with the provisions of the Condominium Act and of the By- Laws.
14. **"Department of Law"** means the Real Estate Financing/Investor Protection Bureau of the Department of Law, 28 Liberty Street, 15th Floor, New York, NY 10005.
15. **"Designee"** means any individual or entity so designated in writing by a Unit Owner or Sponsor as the case may be authorized to make such designation.
16. **"Equal or Better Quality"** means comparable or better quality as recognized by industry standards for performance, efficiency, longevity, and/or classifications, as applicable.

17. **"Exhibits"** means collectively Exhibits A, B, C and D which were submitted to the Department of Law in connection with the submission of this Plan to such Department.
18. **"First Unit Closing"** means the first date that title to a Unit is transferred to a Purchaser under the Plan.
19. **"Floor Plans"** means the condominium floor plans of the Building, to be filed with the Office of the City Register, copies of which are reproduced in Part II of the Plan, subject to being further amended and recorded.
20. **"General Common Elements"** means those portions of the Land and the Building, designated for the common use of all Unit Owners, as more particularly defined in the Declaration.
21. **"Land"** means the parcel of land upon which the Building is situated, as more fully described in Exhibit A to the Declaration.
22. **"Limited Common Elements"** means, with respect to each Unit, those Common Elements, if any, which are so designated on the Floor Plans or in the Declaration and which serve or benefit some, but not all, of the Unit Owners. Limited Common Elements includes unit entrances, balconies, terraces and rear yards.
23. **"Plan"** means the Condominium Plan for Condominium promulgated by the Sponsor.
24. **"Property"** means collectively the Land and the Building.
25. **"Purchase Agreement"** means an agreement to purchase a Unit.
26. **"Rules and Regulations"** means the rules and regulations made in accordance with the By-Laws and attached thereto as Schedule A as the same may be amended from time to time.
27. **"Schedule B"** means the projected budget for the first year of Condominium operations.
28. **"Selling Agent"** means the Sponsor.
29. **"Sponsor"** means 355 Reig LLC.
30. **"Title Company"** means Federal Standard Abstract Inc. or any successor Title Company at the time in question.
30. **"Unit"** means any space designated as a residential unit and identified as "Unit" in the Declaration and all such units are collectively referred to as "Units".
31. **"Unit Owner" or "Unit Owners"** means any owner or owners of a Unit in the Condominium. All of such Unit Owners are collectively referred to as "Unit Owners".

32. **"Unsold Unit"** means any unit held by the Sponsor or Sponsor's designee or any Construction Lender or Sponsor or Receiver appointed by such Construction Lender or a Purchaser at a foreclosure sale held by such Construction Lender or any designee of such Construction Lender or any entity acquiring Sponsor's Units by a deed in lieu of foreclosure. The owner of Unsold Units shall have the same rights, privileges, exemptions and benefits with respect to its Unsold Units as Sponsor has under this Plan and the Declaration and By-Laws with respect to the Units owned by Sponsor.

All other capitalized terms used in Part I of the Plan which are not separately defined in Part I shall have the meaning ascribed thereto in the By-Laws or the Declaration as the case may be.

SECTION (E): DESCRIPTION OF PROPERTY AND IMPROVEMENTS

(1) GENERAL DESCRIPTION BY SPONSOR

General Description of Land. The Land of the condominium is located at 355 53 Street, Brooklyn, NY 11220. A metes and bounds description of the Land is set forth in the Declaration in Part II of the Plan. The Land is designated as Block 806 Lot 54 on the Tax Map of the City of New York for the Borough of Brooklyn, County of Kings. The Land Zoning is R6B, with a permissible use of residential use.

General Description of Building. The condominium consists of a single building, comprised of:

(1) from 1st floor through 4th floor,

- Two Residential Unit on the 1st floor;
- Two Residential Unit on the 2nd floor;
- Two Residential Unit on the 3rd floor;
- Two Residential Unit on the 4th floor.

(2) Cellar

- Accessory Storage for Unit 2A, 2B, 3A, 3B, 4A and 4B
- Mechanical Room
- Equipment Rooms

All of the units are handicap accessible. The building conforms to NYC Local Law 58/87.

The building contains eight (8) residential units. The building is classified as **1-B** per the Building Code of the City of New York, in which the walls, exit ways, shafts, structural members, floors and roofs are constructed of noncombustible materials and assemblies, which provides a fire resistance rating of one-hour.

General Description of Units. General Unit Description is as follows:

There are eight (8) units for residential use.

General Description of Parking Facilities. There is no parking space available.

General Description of Recreational Facilities and Amenities. There is no recreational facility and amenity in this building. (See PART II, DESCRIPTION OF PROPERTY AND SPECIFICATIONS included in this Offering Plan.)

Detailed Description and Outline Specifications. Included in Part II of the plan is a

detailed description and outline specifications prepared by Xiao Huang, P.E., of NYX Engineering, PLLC, having address at 6820 15 Avenue, Brooklyn, NY, that complies with the requirements set forth in 13 NYCRR Section 20.7 promulgated by the Department of Law. (See PART II, DESCRIPTION OF PROPERTY AND SPECIFICATIONS of this Offering Plan.)

There is no existing building as this property is newly constructed. As such the detailed description does not include a statement of building condition.

Included in **PART II, DESCRIPTION OF PROPERTY AND SPECIFICATIONS** of this Offering Plan is the legal description of units and common elements.

Any Limited Common Elements located within or appurtenant to any Unit, such as Terraces, shall not be considered as part of that Unit.

Any Common Elements located within or appurtenant to any Unit, such as Terraces and Private Storage Spaces, shall not be considered as part of that Unit. See the chart above under General Description of the Units.

The only existing building element to remain is the west foundation wall along the western property line, about 30-feet long, that is to abandon in place. A new foundation and footing is constructed to support the load of the western exterior wall. (SEE PART I SPECIAL RISK 44 AND SEE PART II DESCRIPTION OF PROPERTY AND SPECIFICATIONS)

The secondary roof drainage (emergency overflow), as required by building and plumbing codes, has not been provided at the roof. (SEE PART I SPECIAL RISK 45 AND SEE PART II DESCRIPTION OF PROPERTY AND SPECIFICATIONS)

(2) FIXTURES OR EQUIPMENT

Major fixtures or equipment such as washer and dryer, refrigerator, plumbing fixtures, kitchen cabinets or partition walls are included in the offering price. For specific fixtures or equipment included in this Offering Plan, see PART II Description of Property and Specifications of this Offering Plan.

No fixtures or equipment may be installed without the permission of the Sponsor or Condominium Board of Managers. To the extent the Purchaser is permitted and elects to install the same and any other appliances in their unit, the same will represent an additional cost of purchasing the unit.

The owner reserves the right to substitute any appliances, fixtures, equipment and material of Equal or Better Quality even though the sponsor intends to use the appliances, fixtures, equipment and material described herewith.

Effective November 5, 2004, owners of Class A multiple dwellings in New York City, which include condominium units, must install carbon monoxide detectors. The Sponsor will install a carbon monoxide detector in each residential condominium unit. The law requires the owners of the residential condominium units to maintain the carbon monoxide detectors. (See

SECTION (C): SPECIAL RISK and SECTION (T): RIGHTS AND OBLIGATIONS OF THE SPONSOR of this Offering Plan.)

(3) COMPLIANCE WITH ZONING AND BUILDING LAWS

The property will be improved and the Units will be constructed in accordance with all applicable zoning and building laws and requirements; including, but not limited to, the New York City Administrative Code and the Zoning Resolution of 1961 as amended in September 2008 New York City Building Code, and subject to procurement of all applicable and proper permits which are required, if any.

It should be noted by Purchasers that the closing of individual Units under the Plan may occur prior to obtaining a permanent Certificate of Occupancy for the Building. Rights and obligations of Units Owners and Board of Managers with regard to the issuance of Certificate of Occupancy and improvements to the Units are explained therein SECTIONS (E): DESCRIPTION OF PROPERTY AND IMPROVEMENTS and SECTION (W): RIGHTS AND OBLIGATIONS OF THE UNIT OWNERS AND THE BOARD OF MANAGERS of this Offering Plans.

(4) APPROXIMATE CONSTRUCTION TIME TABLE

It is anticipated that the building will be substantially completed on or about January 2024 in accordance with the plans and specification, to permit an issuance of the temporary certificate of occupancy, unless delayed by weather, strikes, lockouts, acts of God, shortages of or inability to obtain materials, equipment or labor, governmental restrictions or preemption, damage by fire or the elements or any other cause over which the developer has no control. Currently about ninety five percent (95%) of the project has been completed.

Purchasers will be afforded a right of rescission if: (i) the actual date of closing of title to the first unit; or (ii) the projected date of closing of title to the first unit occurs later than twelve months after the projected date for the first closing. If the Plan is amended to provide for a later projected date for the first closing, purchasers will be entitled to an offer of rescission if the first closing occurs more than 12 months beyond that amended later date. Purchasers should note that even if the first closing occurs on or before March 31, 2025 (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 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 the sponsor for damages or losses as a result of such delays and will not be excused from paying the full purchase price for the unit. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER THE POSSIBILITY OF SUCH DELAYS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT.

(5) ACCESS TO PUBLIC ROADS

There are no streets owned or maintained by the project. 53rd Street is a public street fully paved, total width of 60 feet per title report prepared by Federal Standard Abstract, Inc. dated .

(6) STORAGE SPACES

There is accessory cellar storage space for Unit 2A, 2B, 3A, 3B, 4A and 4B.

(7) UNIT OWNERS' REPAIR AND MAINTENANCE RESPONSIBILITIES OF LIMITED COMMON ELEMENTS

Numerous units in the subject premises have been allocated limited common elements. Unit 1A has a front yard and a cellar space as limited common element. Unit 1B has a back yard and a cellar space as limited common element. Unit 2A, 2B, 3A, 3B, 4A and 4B each has a balcony and accessory cellar storage as limited common element. The measurement of the balconies, terraces, roof area and accessory cellar storage are listed in the Schedule A of the Offering Plan. No structures may be built on these areas without the express written permission of the Board of Managers. Unit Owners who enjoy use of a limited common element are responsible for regular repair and maintenance of such limited common element such as cleaning, painting, repair to surface damage, etc. Damage to the structural or mechanical systems serving such limited common element (except where directly caused by act or omission of the Unit Owners, their agents, employees or invitees) are the responsibility of the condominium through the Board of Managers. The limited common elements may not be used for any type of occupancy, including but not limited to dining, sleeping, living room, recreation and office, breach of which may result in a violation issued by Department of Building against the Condominium building and in which case, Unit Owner shall be fully responsible for clearance of the violation at Owner's cost and expense. **(SEE PART II, DESCRIPTION OF PROPERTY AND SPECIFICATIONS; SECTION (D): INTRODUCTION; AND SECTION (W): RIGHTS AND OBLIGATIONS OF THE UNIT OWNERS AND BOARD OF MANAGERS.)**

(8) CELLAR

The space in the cellar of this Condominium is inhabitable. The cellar space has less light and air than ordinary living space and it is more susceptible to dampness. The space in the cellar is uninhabitable.

SECTION (F): LOCATION AND AREA INFORMATION

(1) LOCATION AND SURROUNDING AREAS

Location

The premises are located in the Borough of Brooklyn, County of Kings, in the City of New York and State of New York, in Sunset Park area. It is situated on 53rd Street, between 3rd Avenue and 4th Avenue, in the County of Kings. The property is surrounded on all sides by residential development. There are residential structures on either side of the Condominium and across 53rd Street. Buildings with commercial first floors are located on 3rd Avenue and 4th Avenue, approximately a block from the Condominium.

Transportation

This is a highly developed area essentially residential in character. The R subway line serve the area at the 53rd Street Station, which is located within walking distance from the Condominium. The buses B11 and B17 serve the area.

Recreational, Schools, Religious and Medical Facilities

The area is served by a rich and diverse assortment of shopping, recreational, medical, religious, and educational facilities. The condominium is on the northeast of 53rd Street, which spans the area between 52nd Street and 53rd Street. New York City public schools and private schools are located nearby from the Property. The Public School 836, Sunset Park Children's School, PS 94 the Henry Longfellow School, PS 503 The School of Discovery and Salam School are near the Condominium. Nearby religious facilities include Macedonia Iglesia Penteco, Pentecostal Evangelist Church, Emmanuel Pentecostal Church, Sunset Park Community Church, St Jacobi Lutheran, and Manna Church. The medical facilities located near the Condominium are CityMD Sunset Park Urgent Care, Lutheran Family Health Centers, Sunset Park Community Medical Center, Sunrise Medical Center, and NYU Langone Hospital.

Police, Fire, Water, Sanitation, Snow Removal and Road Maintenance Services

These services are provided by the City of New York. Both local police and fire stations are nearby and includes the 68th Police Precinct, located at 333 65th Street, , Brooklyn, NY 11220 and the FDNY Engine 201/Ladder 114/Battalion 40, located at 5113 4th Avenue, Brooklyn, , NY11220.

Sanitation services and rubbish is picked up by the New York City Sanitation Department. Unit Owners are required to place their rubbish and recycle items in cans to be located in the designated refuse area on the first floor of the condominium. Agent of the management company will place the refuse container at the area designated by the Sanitation Department for pick up on collection days.

The City of New York will remove snow and maintain the roads in the street in front

of the condominium. Agent of the management company or superintendent hired by Condominium will remove snow and maintain the sidewalk in front of the condominium.

(2) ZONING AND USES

The subject premises are located in an R6B Zone, which permits residential use of all kinds and accessory uses.

(3) ADJACENT AREAS OWNERSHIP OF SPONSOR

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

Any change in this information that occurs while sales are continuing must be disclosed in an amendment within 30 days after the information becomes known to Sponsor.

SECTION (G): OFFERING PRICES AND RELATED INFORMATION
SCHEDULE A
PURCHASE PRICE AND ALLOCATION OF COMMON INTEREST
First Year of Operation
April 1, 2024 – March 31, 2025

	1a	1b	2a	2b			3c	3	4	5	6a	6b	7
Unit No.	Bed-rooms	Baths	Approximate Square Footage (Sq.ft.)	Limited Common Element (Sq.ft.)			Cellar	Offering Price	Percentage of Common Interest	Projected Monthly Common Charges	Projected Annual RE Tax	Projected Monthly RE Tax	Projected Monthly Carrying Charges
				Balcony	Storage	Yard							
1A	0	1.5	502.00			199.52	424.00	\$521,952.00	13.07%	\$294.99	\$7,275.15	\$606.26	\$901.25
1B	1	1.5	717.00			753.44	424.00	\$792,344.00	21.18%	\$478.03	\$11,789.42	\$982.45	\$1,460.49
2A	1	1	594.00	62.94	26.69			\$600,294.00	10.33%	\$233.15	\$5,749.99	\$479.17	\$712.31
2B	1	1	628.00	62.94	26.69			\$634,294.00	10.88%	\$245.56	\$6,056.13	\$504.68	\$750.24
3A	1	1	633.00	92.75	23.36			\$642,275.00	11.15%	\$251.66	\$6,206.42	\$517.20	\$768.86
3B	1	1	631.00	92.75	22.56			\$640,275.00	11.12%	\$250.98	\$6,189.73	\$515.81	\$766.79
4A	1	1	633.00	92.75	22.56			\$642,275.00	11.16%	\$251.88	\$6,211.99	\$517.67	\$769.55
4B	1	1	631.00	92.75	21.75			\$640,275.00	11.11%	\$250.75	\$6,184.16	\$515.35	\$766.10
Total			4,969.00	496.88	143.61	952.96	848.00	\$5,113,984.00	100%	\$2,257.01	\$55,663.00	\$4,638.58	\$6,895.59

Notes:

1. Unit 1A includes a cellar space of approximately 424 square feet and a front yard, designated as a limited common element, of approximately 199.52 square feet. Unit 1B includes a cellar space of approximately 424 square feet and a back yard, designated as a limited common element, of approximately 753.44 square feet. Unit 2A and 2B each has a balcony and accessory cellar storage as limited common element the size of approximately 62.94 square feet and 26.69 square feet respectively. Unit 3A has a balcony and accessory cellar storage as limited common element the size of approximately 92.75 square feet and 23.36 square feet respectively. Unit 3B and 4A each has a balcony and accessory cellar storage as limited common element the size of approximately 92.75 square feet and 22.56 square feet respectively. Unit 4B has a balcony and accessory cellar storage as limited common element the size of approximately 92.75 square feet and 21.75 square feet respectively. The measurement of the balconies, yard and accessory cellar storage are listed in the Schedule A of the Offering Plan. The balconies, yard and accessory cellar storage may not be used for any type of occupancy, including but not limited to dining, sleeping, living room, recreation and office, breach of which may result in a violation issued by Department of Building against the Condominium building and in which case, Unit Owner shall be fully responsible for clearance of the violation at Owner's cost and expense.
2. In addition to the purchase price, there are additional closing costs assessed against each unit, such as document preparation fee, reimbursement fee, working capital fund contribution and payment of transfer taxes. Additionally, Purchaser will pay their own title insurance costs, title clearance fee, recording charges and mortgage recording taxes. Please see the UNIT CLOSING COSTS & ADJUSTMENTS section of this Offering Plan for more completed explanation.

FOOTNOTES TO SCHEDULE A

1a and 1b: Purchasers should refer to the Floor Plans included in Part II of the Plan for an approximation of the dimensions and typical layouts for the Units. The number of bedrooms and bathrooms for each Residential Unit was determined by Sponsor's architect in accordance with the New York City Administrative Code and industry practice for new construction condominiums and does not necessarily conform to the zoning room count or the method utilized by the "Real Estate Board of New York". Each Residential Unit should be inspected to determine its actual dimensions, layout and physical condition prior to Closing. Dimensions listed on Schedule A are not based upon measurements from interior surfaces of interior walls, the usable floor area of each Unit is significantly less than the area listed in Schedule A.

2a. The approximate square foot area of each Unit is measured horizontally from the exterior side of the exterior walls (columns, mechanical pipes, shafts, shaft ways, chases, chase ways and conduits are not deducted from the measurements of each unit) to the centerline of the partitions separating one unit from another unit, or separating one unit from corridors, stairs, elevators and other mechanical equipment spaces or any other Common Element not within a unit or to the exterior side of the opposite exterior walls. Each unit will be measured vertically from the top of the floor (located under the finish flooring and sub-flooring materials) to the underside of the ceiling. As is customary in New York, these square footages exceed the usable floor area of each Unit. The stated method of measurement used is applicable to all Units. Any Common Elements located within or appurtenant to any Unit shall not be considered as part of that Unit. A decrease in a unit's area of 5% or less will not affect a purchaser's obligations unless such decrease is determined to be a material change. There is a rebuttable presumption that a unit area that is diminished by 5% or less is not material, and shall not be considered a material adverse change that would trigger a right of rescission.

2b. Unit 1A has a front yard as limited common element the size of approximately 199.52 square feet. Unit 1B has a back yard as limited common element the size of approximately 753.44 square feet. Unit 2A and 2B each has a balcony and accessory cellar storage as limited common element the size of approximately 62.94 square feet and 26.69 square feet respectively. Unit 3A has a balcony and accessory cellar storage as limited common element the size of approximately 92.75 square feet and 23.36 square feet respectively. Unit 3B and 4A each has a balcony and accessory cellar storage as limited common element the size of approximately 92.75 square feet and 22.56 square feet respectively. Unit 4B has a balcony and accessory cellar storage as limited common element the size of approximately 92.75 square feet and 21.75 square feet respectively. The measurement of the balconies, yard and accessory cellar storage are listed in the Schedule A of the Offering Plan. The balconies, yard and accessory cellar storage may not be used for any type of occupancy, including but not limited to dining, sleeping, living room, recreation and office, breach of which may result in a violation issued by Department of Building against the Condominium building and in which case, Unit Owner shall be fully responsible for clearance of the violation at Owner's cost and expense.

3c. Unit 1A includes a cellar space of approximately 424 square feet and Unit 1B includes a cellar space of approximately 424 square feet. The accessory cellar space for Units 1A and 1B is typically considered a non-habitable portion of the unit rather than a limited common element.

3. Across-the-board changes in unit prices, advertised price changes, and increase in individual unit prices may be made by duly-filed amendments only; however, individually negotiated reductions in the purchase price of a unit may be made without prior amendment. Purchasers will also incur certain closing costs in connection with the purchase of their unit. See CHANGES IN PRICES IN UNITS and CLOSING COSTS section of this Offering Plan.

4. The determination of percentages 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 a particular unit as per Section 339(i)(1)(iv) of the New York State Real Property Law.

5. Projected Common Charges for the first year of operation include only those expenses which are enumerated in Schedule B. Maintenance charges do not include such expenses as repairs to the interior of the owner's unit, and the owner's individual gas, electricity, and telephone expenses; individual cost for heat and hot water for each unit is set forth in SCHEDULE B1 of this Offering Plan. Moreover, if the purchaser should obtain financing for the purchase, the debt service on that loan will be an additional expense not covered by the common charges. Common charges are arrived at by allocating to each unit a share of the Monthly Charges proportionate to the Common Interest which that unit bears in the condominium.

6a and 6b. The Property is taxed by the City of New York which, through the Department of Finance, has assessed the property at a pre-construction value of \$21,497.00 for 2023/2024 tax year, and imposes a tax rate of 12.502%. It is anticipated that the real estate taxes for the building will significantly increase in the tax year of 2024/2025. The projected assessed value for 2024/2025 Tax Year is \$586,404. The first year of condominium operation will begin in April 2024 and end in March 2025. It is anticipated that the real property for the buildings will not significantly increase in the tax year of 2025/2026. The estimated real property for the first year of Condominium operating is calculated as follows:

	Assessed Value	Tax Rate	Real Property Tax
25.00% of year 2023/2024	\$5,427	12.502%	\$678
75.00% of year 2024/2025	\$439,803	12.502%	\$54,984
First year	Total: \$445,230		\$55,663

The projected post-completion real estate taxes payable in the total amount of \$55,663 are set forth in SCHEDULE A and the amounts are determined by applying the applicable tax rate to the non-exempt portion of the assessment as set forth in the attached letter from Metropolitan Realty Exemptions, Inc., and then allocating the amount due in conformity with the allocation of Common Interests. 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 real estate taxes on other units. Column 6a displays the annual real estate property tax for each unit, while Column 6b shows the monthly tax for each unit. **(SEE SECTION (Y): OPINIONS OF COUNSELS)**

7. Monthly carrying charges are composed of the monthly common charges and the monthly real estate taxes projected against each unit. Monthly carrying charges do not include debt service on any individual mortgage financing obtained by the purchaser. This will represent an additional expense to unit purchasers.

Unit owners who itemize their deductions should, for federal income tax purposes, be entitled to a deduction for real estate taxes in the year in which same are paid or accrued, subject to certain exceptions and limitations as discussed in the “Opinion of Counsel – Income Tax Deductions to Unit Owners and Tax Status of Condominium.” The projected tax deduction may vary in future years due to changes in the interest rate on the unit owner's mortgage (if any), or from changes in the allocation of constant debt service payments to interest and principal; or due to changes in real property taxes resulting from the expiration of real estate tax benefits, or from changes in the assessed value, tax rates, or the method of assessing real property; or from changes in the tax law governing deductibility of mortgage interest and real estate taxes. Each Unit will be separately taxed and may be separately mortgaged after filing of the Declaration. Each Unit Owner may deduct from adjusted gross income for income tax purposes real estate taxes and mortgage interest, subject to certain exceptions and limitations. Unit owners who itemize their deductions should, for federal income tax purposes, be entitled to a deduction for real estate taxes in the year in which same are paid or accrued, only up to \$10,000 (\$5,000 in the case of a married individual filing a separate return). A detailed discussion of the exceptions and limitations are found in the “Opinion of Counsel – Income Tax Deductions to Unit Owners and Tax Status of Condominium.” No Unit Owner will be responsible for payment of, or any lien arising out of non payment of, real estate taxes assessed against any other Unit in the building.

SECTION (H): BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION

SCHEDULE B

Budget For First Year of Condominium Operation

April 1, 2024 - March 31, 2025

Projected Income

Common Charges (1)	.....	\$27,084.07
Total Projected Income	.....	\$27,084.07

Projected Expenses

Labor (1)	.....	\$5,473.26
Utilities (gas and electricity) (3)	.....	\$2,175.20
Water charges and sewer rents (4)	.....	\$5,925.61
Repairs, maintenance and supplies (5)	.....	\$1,500.00
Insurance (6)	.....	\$7,000.00
Contingency (7)	.....	\$300.00
Legal fees and audit fees (8)	.....	\$2,000.00
Management Fee (9)	.....	\$0.00
Reserve fund (10)	.....	\$2,710.00
Total Projected Expenses	.....	\$27,084.07

IF THE ACTUAL OR ANTICIPATED DATE OF COMMENCEMENT OF CONDOMINIUM OPERATION IS TO BE DELAYED MORE THAN SIX (6) MONTHS BEYOND THE BUDGET YEAR PROJECTED IN THE OFFERING PLAN, THE PLAN WILL BE AMENDED TO INCLUDE A REVISED BUDGET DISCLOSING CURRENT PROJECTIONS. IF SUCH AMENDED PROJECTION EXCEEDS ORIGINAL PROJECTIONS BY 25% OR MORE, THE SPONSOR MUST OFFER ALL PURCHASERS

THE RIGHT TO RESCIND IN A REASONABLE PERIOD OF TIME THAT IS NOT LESS THAN 15 DAYS AFTER THE DATE OF PRESENTATION OF SAID AMENDED BUDGET, TO EXERCISE SAID RIGHT, WHETHER OR NOT SPONSOR OFFERS TO GUARANTEE THE PREVIOUS BUDGET PROJECTION. SPONSOR MUST RETURN ANY DEPOSIT OR DOWN PAYMENT TO A PURCHASER WHO RESCINDS WITHIN 10 DAYS AFTER RECEIPT OF NOTICE OF RESCISSION.

ADDITIONALLY, PURCHASERS WILL BE OFFERED THE OPPORTUNITY TO RESCIND THEIR PURCHASE AGREEMENT IN THE EVENT CLOSING DOES NOT OCCUR WITHIN 12 MONTHS FROM THE COMMENCEMENT DATE OF THE EXPECTED CLOSING DATE OF THE FIRST UNIT. SPONSOR MAY NOT DECLARE A PLAN EFFECTIVE WHERE THERE ARE ANY MATERIAL CHANGES TO THE BUDGET IF THESE CHANGES HAVE NOT BEEN DISCLOSED BY A DULY FILED AMENDMENT TO THE OFFERING PLAN.

FOOTNOTES TO SCHEDULE B

1. **Common Charges**: The estimate of the annual Common Charges to be collected during the first year of condominium operation is based upon a projection of the total amount of common charges that will be levied against the Residential Units (based upon full occupancy of the condominium). **SPECIAL ALLOCATION OF CERTAIN COMMON EXPENSES**

Each Unit Owner must pay Common Charges to cover the cost of the operation and maintenance of the Condominium and Building in accordance with the New York Condominium Act (Real Property Law §§339(i)1(iv) and 339(m)). These costs, including those directly attributable to the Units and an allocated share of expenses attributable to the Condominium as a whole, will generally be borne by the Unit Owners in proportion to their respective Common Interest.

2. **Labor**: Salary and wage costs for the first year of condominium operation are based upon the staffing listed below consisting of one (1) non-union part-time superintendent. The superintendent will work one hour each day for 6 days for each week at the hourly rate of \$15.00. The level of staffing complies with the applicable housing and labor laws. The budgeted amount reflects current wage rates and reasonably anticipated increases. The budget amount includes payroll taxes but there is no welfare and pension contribution by employers. Unit Owners will be responsible for ensuring the cleanliness of common areas and removing debris from those areas.

<u>Position</u>	<u>Yearly Base Wage Rate</u>
Part-Time Superintendent	
Wage/Hour	\$15
Hours/Day	1
Days/Week	6
Weeks/Year	52
Annual Basic Salary	\$4,680
FICA @ 7.65% of Base Wages	\$358.02
State Unemployment Insurance @ 4.0%	\$187.20
Federal Unemployment Insurance @ 0.8%	\$37.44
Worker's Compensation/Disability Insurance @ 4.5%	\$210.60
WAGES, TAXES & BENEFITS	\$5,473

3. **Utilities (Gas and Electricity)**: No gas will be used for cooking and heating in the Building. Electricity will be used for both cooking and heating. The Residential Units will be separately metered for electricity. All heating charges are not included in utilities as further explained in Utilities below, there is no gas meter for common use. (See Section (k) "Heating" in Description of Property and Specifications of Part II of the Offering Plan and 4. Utilities.)

The cost of electricity was based on an estimate on June 26, 2023 from Xiao Huang, P.E. NYX Engineering, PLLC, Inc., having address at 6820 15 Avenue, Brooklyn, NY11219, as follows: Common electricity will be used for the hall lighting, exterior lighting, stair lighting. Electric consumption is estimated at 7,062 KWH per year at an average cost of \$0.28 per KWH average for a total cost per year of \$1,977.45. The budget includes a 10% allowance for Utilities based on the engineer's estimate.

The projections are based on current tariffs. It is not possible to predict how closely the budgeted figure will reflect the actual cost of gas and electricity during the First Year of Condominium Operation, because such cost will vary with the level of consumption and the price of gas and electricity. Consumption will be affected by the severity of the weather and by any conservation measures adopted by the Condominium Board or Unit Owners.

It is believed that the projected figure should be sufficient to cover the electricity during the First Year of Condominium Operation, although no budget item is guaranteed.

The projection does not include the cost of electricity for each individual Unit. Each Unit shall be individually metered and billed directly. (See Schedule B-1 for estimated individual utility cost per unit)

4. **Water Charges and Sewer Rents:** Water and sewer Charges are based on information provided on June 26, 2023 from Xiao Huang, P.E. NYX Engineering, PLLC, Inc., having address at 6820 15 Avenue, Brooklyn, NY11219. The Condominium will have one main water meter which will measure actual water usage. The budgeted figure has been estimated upon annual water and sewer charges published by the New York City Bureau Of Water & Energy Conservation. The annual water and sewer charge is estimated at \$11.13 per hundred cubic feet (HCF). The estimate annual cost of water and sewer is based upon usage of 484 hundred cubic feet with respect to the residential units. The total water and sewer charges are estimated at \$5,386.92. The budget includes a 10% allowance for Utilities based on the engineer's estimate.

The projections are based on current tariffs. It is not possible to predict how closely the budgeted figure will reflect the actual cost of water and sewer charges during the First Year of Condominium Operation, because such cost will vary with the level of consumption and the price of water. Consumption will be affected by the severity of the weather and by any conservation measures adopted by the Condominium Board or Unit Owners.

It is believed that the projected figure should be sufficient to cover the cost of water and sewer during the First Year of Condominium Operation, although no budget item is guaranteed.

5. **Repairs, Maintenance and Supplies:** As the building is newly constructed, it has no operating history upon which to project future costs of repairs and maintenance.

The budgeted figure for this item includes the cost of normal maintenance and repairs to the Common Elements of the building that are the responsibility of the condominium. Each Unit Owner will be responsible for the cost of the interior maintenance, repairs, decoration and painting of their respective units, including the appliances, incremental heating/air-conditioning units and any Limited Common Elements appurtenant thereto.

The budgeted amount includes the cost of cleaning equipment and miscellaneous supplies for the Common Elements, as well as the anticipated cost of service contracts during the first year of Condominium operation.

It is projected that the Condominium will enter into services agreements for the following: extermination and grounds maintenance. No service agreements have been entered into as of the date of the Plan.

It is projected that the Condominium will enter into maintenance agreements for the following services, **based upon Sponsor's prior experience for the first year service charges:**

Sprinkler System/Fire Protective Alarm System	\$ 500
Exterminator	\$ 250
<u>Other charges and Miscellaneous Supplies</u>	<u>\$ 750</u>

TOTAL

\$ 1,500

This part of the estimate is made by Sponsor on or about July 9, 2023.

6. Insurance:

Based on the estimated value of the building and the exposure information, Oakmont Insurance Services LLC recommends to carry a replacement value of two (2) million and five hundred thousand (**\$2,500,000**) dollars and a liability coverage of one (1) million dollars per occurrence and two (2) million dollars aggregate. It also includes personal and advertising injury liability in the amount of one million (\$1,000,000) dollars. There is a deductible of five (5) thousand dollars. However, the policy does not guaranty the replacement of individual fixture 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, upgraded fixtures and improvements, and liability coverage for occurrences within the unit or, where applicable, on the limited common elements pertinent to the units. Insurance coverage meets the requirements of any mortgage lender procured by the Sponsor.

The terms of the insurance will provide that (1) each unit owner is an additional insured party and (2) there will be no cancellation of the policy without notice to the board of managers. The policy will contain a waiver of subrogation, a waiver of defense based upon the acts of the insured and Unit Owners and a waiver of any pro rata reduction if additional Unit Owners obtain coverage.

The following terms are not included in the budget and are applicable to the offering which may be available at extra cost: officers' and directors' liability; rent insurance; water damage; elevator collision; boiler and machinery; excess liability; auto liability; fidelity bond; and garage keeper's liability. The consequences of not having such additional insurance is that in the event of any uncovered claim or damage, the Board may need to assess a special assessment to the Unit Owners to be able to pay for the claim and/or damage. If applicable, the insurance coverage meets the requirements of any mortgage lender procured by the Sponsor.

7. **Contingency:** This item is to provide a fund for possible expenses not included in the budget or possible increases in one (1) or more items of operating expense above the amounts projected. The budget may be modified, from time to time, prior to the commencement of, or during, Condominium operation to add new items of expense or increase one (1) or more items of operating expense. The funds for such modifications may be provided by decreasing the contingency reserve or by decreasing one (1) or more items of expense, or both. The contingency fund will be part of the general operating funds and will not accrue on an annual basis. The contingency does not include a reserve for capital improvements or repairs for which no provision is made under this budget. Though the Sponsor makes no guarantees, it is unlikely any major improvements will be required during the first year of operation.

8. **Legal Fees and Audit Fees:** This estimate is based on an appraisal prepared on or about June 7, 2023 by of and confirmation by Lam S. Mui, CPA, P.C., with address at 133-53 37th

Avenue, Suite 307, Queens, NY 11354, estimate that \$1,500 for accounting services and the Sponsor estimates \$500 per year for legal services should be adequate for the normal operation of a building with eight (8) residential units. However, this total will be insufficient to cover any substantial litigation.

9. **Management Fee:** Given the limited scale of the condominium with only 8 units, it is highly practical to opt for self-management rather than engaging a management company. The Condominium will initially be managed by Sponsor free of charge for one (1) year after the closing of the first unit or whenever the unsold units constitute less than fifty percent (50%) of the common interests, whichever is sooner. In the event the Board hires a managing agent, the common charged is estimated to increase for nine to ten (9-10%) of the budget, which is about \$2,750 each year. As managing agent, Sponsor will collect common charges, bookkeep, and provide payroll services. After management duties are turned over to the Board of Managers, the Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium, as agent of all Unit Owners, as set forth in the By-Laws, and employ the services of a managing agent to manage the Condominium, this may increase the annual operating budget.

10. **Reserve Fund:** A reserve amount which equals ten (10%) percent of the total budget is being held for the replacement of equipment and capital improvements and/or repairs. The budget may be modified from time to time prior to the commencement of, or during, Condominium operation to add new items of expense or to increase one or more items of operating expense. The funds for such modifications may be provided by decreasing this budget item or by decreasing one or more items of expense, or both. At this time, the Sponsor has no knowledge of any capital improvements that may have to be made during the first five (5) years of Condominium operation. No major capital repairs are anticipated since all major construction and mechanical systems will be new. Future major capital repairs to the Common Elements will be borne by all Unit Owners. The reserve fund will be used for major capital repairs and improvements. Unit Owners will need to bear the costs of such repairs/improvements that exceed the amount of the reserve fund.

SCHEDULE B-1

PROJECTED ANNUAL UTILITY COST ESTIMATES FOR INDIVIDUAL UNIT

March 15, 2024

RE: 355 Condominium
355 53 Street, Brooklyn, NY 11220
Projected Annual Utility Cost Estimates

The following are my estimations of the domestic hot water, cooking, water, sewer, and electric utility costs for the above referenced project for 12-month period of condominium operation from April 1, 2024 to March 31, 2025.

A. ESTIMATED ANNUAL ELECTRICITY COST

The cost estimates were based on the following assumptions:

1. General lighting and electronic devices for residential units on the first floor with cellar space: 1.5W/sq. ft. for 6 hours utilization/day.
2. General lighting and electronic devices for residential units on the second, third and fourth floor: 2W/sq. ft. for 6 hours utilization/day.
3. General lighting and electronic devices for common area: 1W/sq. ft. stays on all time.
4. Appliance: 2.2KW for 3 hours/day.
5. Annual cooling: 6 hours for 90 days.
6. Annual heating: 6 hours for 150 days.
7. Electric cook top: 5.8KW for 2 hours/day.
8. Electricity rate: \$0.28/KWH

B. ESTIMATED ANNUAL NATURAL GAS COST

Not applicable.

C. ESTIMATED WATER & SEWER COMBINED COST

Estimated annual cost for water and sewer for the facility: 8 units with 1 bedrooms = $8 * 2 = 16$ occupants

Total estimated of 16 persons.

Estimated annual water consumption = 62 gallons * 16 * 365 = 362,080 gallons = 484 HCF

Estimated annual cost for water and sewer \$11.63/HCF * 484 = \$5,628.92

The above costs are estimated only and are based on conditions outlined herein and the following natural gas, electric, and water rates currently in effect which include latest utility company surcharges for fuel adjustments plus applicable taxes.

Natural Gas N/A /Therm

Electricity\$0.28/KWH

Water & Sewer Combined \$11.63 /HCF

*Including supply, delivery and all current surcharge.

Annual Utilities Cost Estimation for Individual Unit						
	Electricity		Natural Gas		Total Utilities	
	Monthly	Annually	Monthly	Annually	Monthly	Annually
1A	\$245.77	\$2,949.27	-	-	\$245.77	\$2,949.27
1B	\$263.61	\$3,163.33	-	-	\$263.61	\$3,163.33
2A	\$217.58	\$2,611.01	-	-	\$217.58	\$2,611.01
2B	\$220.45	\$2,645.34	-	-	\$220.45	\$2,645.34
3A	\$220.87	\$2,650.39	-	-	\$220.87	\$2,650.39
3B	\$220.70	\$2,648.37	-	-	\$220.70	\$2,648.37
4A	\$220.87	\$2,650.39	-	-	\$220.87	\$2,650.39
4B	\$220.70	\$2,648.37	-	-	\$220.70	\$2,648.37
Common	\$245.77	\$1,977.45	-	-	\$245.77	\$1,977.45

Please note that the estimated annual cost of \$5,628.92 for water and sewer for the facility has not been in the above total utility cost. However, the cost should be included in the common charges. The above projected cost estimates are not guaranteed, and it must be expected that these costs will increase with the passage of time and may be affected by many factors such as weather conditions, quality of construction, and the habits of the occupants.

Very Truly Yours,



NYX Engineering, PLLC

The above projected cost estimates are not guaranteed and it must be expected that these costs will increase with the passage of time and may be affected by many factors which are beyond the control of Sponsor such as inflation and availability of energy supply source. Furthermore, cost shown above is based on current year estimates and actual consumption will be metered and will vary based on the needs of occupants, weather conditions, and efficiency of equipment installed.

SECTION (I): COMPLIANCE WITH REAL PROPERTY LAW SECTION 339 (i)

SCHEDULE C

Youyork Management LLC

60 E 42nd St, Suite 2140, New York, NY 10165

T: 347-774-5720

E: info@youyorkmgt.com

COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-i

July 28, 2023

Department of Law
28 Liberty Street
New York, NY 10005

Re: 355 Condominium ("Condominium")

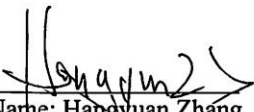
To Whom It May Concern:

You have requested an opinion from us with regards to your allocation of common interest to units in your proposed condominium at 355 53rd Street, Brooklyn, NY 11220, with section 339-i (1) (iv) of the New York Real Property Law. You have informed us that the method of allocation chosen is based upon floor space, subject to the location of such 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. Based on our review of the foregoing factors, we have concluded that the proposed allocation of common interest to individual units is in compliance with Section 339-i (1) (iv) of the New York State Real Property Law.

We have been a licensed Real Estate Broker with extensive experience in the sale, management and rental of cooperative and condominium units in Queens County. We have been a licensed real estate broker for at least four (4) years and have managed approximately eight (8) buildings in this area. We have previously participated in the preparation of individual unit value appraisals for the purpose of inclusion in Offering Plans for the sale thereof. We are not, in any way, associated with you or any other participant in the project, and have no beneficial interest in your business, 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 us in such reasonable inquiries as to the validity thereof as we deemed appropriate under the circumstances; and is not intended as a guarantee of the actual value of any individual unit. We consent to the inclusion of this letter in your Offering Plan.

Sincerely,

Youyork Management LLC

By: 
Name: Hangyuan Zhang
Title: Licensed Real Estate Broker

SECTION (K): CHANGES IN PRICES AND UNITS

(1) The offering prices set forth in Schedule A must be changed by a duly filed amendment to the plan when the change in price is an across the board increase or decrease affecting one or more lines of units or unit models, or is to be advertised, or is a price increase for an individual purchaser. **Furthermore, any price increase of a unit, not just across the board increases of the units, must be made by a duly filed amendment to the plan.** However, prices and other terms of payments (but not other terms of sale) are negotiable, and Sponsor may enter into an agreement with a Purchaser to sell one or more units at prices lower than those set forth in SCHEDULE A without filing an amendment.

(2) No change will be made in the size or number of units, and/or their respective percentage 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. There is a rebuttal presumption that an area that is diminished by 5% or less is not material, and shall not be considered a material adverse change that would trigger a right of rescission. Sponsor's right to make such changes are subject to 13 NYCRR 20.3 (k)(3) & (4) as set forth below.

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

(4) 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.

SECTION (N): INTERIM LEASE

(1) Sponsor may rent to an interim lessee only both before and after consummation. It shall be in the Sponsor's sole and exclusive discretion as to whether or not to offer an interim lease. The Sponsor may for any, or for no reason refuse to offer an interim lease to any Purchaser. Interim leases or short term leases shall not be offered to any party who has not executed a Purchase Agreement for a unit. The interim lease shall not create a landlord-tenant relationship but shall be deemed the use and occupancy agreement and part of the contract.

(2) No rental protection laws are applicable to interim leases. The interim lease will provide that in the event the contract is cancelled, or the Plan is abandoned, Interim Lessee will move out on thirty (30) days written notice.

Prior to the first closing, the entire building will be insured by the 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 closing assumes the risk of losses not covered by insurance.

(3) Interim lease will further provide that an uncured default under the Purchase Agreement is a default under the interim lease, and that an uncured default under the interim lease is a default under the Purchase Agreement. However, before the sponsor may utilize the default under the lease to declare a default under the purchase agreement, the sponsor must either obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the lessee unless the lessee has vacated the unit.

(4) Interim lessee has thirty (30) days to vacate the unit after receipt of written notice of a default, after delivery to the Sponsor of written notice of exercise of right of rescission or after delivery to the Purchaser of written notice that the Plan has been abandoned.

(5) Interim lease will provide that smoking and using electronic cigarettes are prohibited in any common areas within the interior of the building(s) as required by all applicable laws and is permitted in any of the dwelling units, provided that smoke does not enter into other Units or the Common Elements.

See Part II, Form of Interim Lease Agreement.

SECTION (L): PROCEDURE TO PURCHASE

The form of the Purchase Agreement is contained in Part II. Prospective purchasers will be required to execute a Purchase Agreement in substantially such form in quadruplicate. The Purchase Agreement will not be binding upon the Sponsor until Sponsor receives four originally

executed copies of the Purchase Agreement signed by the Purchaser(s), together with the down payment check as required hereunder and a copy of the Purchase Agreement is executed by the Sponsor and delivered to the Purchaser or Purchaser's counsel.

The purchase agreement and offering plan may not contain, or be modified to contain a provision waiving the purchaser's rights or abrogating sponsor's obligations under Article 23-A of the General Business Law.

The sales price at which the Units are being offered are shown in detail in Schedule A. The Sponsor reserves the right to change the sales price. Any such changes will not affect the common interest of the unit. However, some purchasers may pay less or more for the same unit.

The following are important provisions contained in the Purchase Agreement:

(1) **Down Payment.** The amount or the percentage of the deposit shall be ten percent (10%) of the offering price.

(2) **Statutory Requirement.** The sponsor shall comply with the escrow and trust fund requirements of GBL Sections 352-e(2-b) and 352-h and these regulations, and all funds paid by purchasers shall be handled in accordance with these statutes and regulations.

(3) **Escrow, Trust Fund.** The following requirements shall apply to this offering plan:

The Escrow Agent:

Dylan Chan Law Firm, P.C., with an address at 136-20 38th Avenue, Suite 11C, Flushing, NY 11354, telephone number (718) 888-9880, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. Escrow agent has designated the following attorneys to serve as signatories: Dylan Chan, Esq. All designated signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatories on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

The Escrow Account:

The Escrow Agent has established the escrow account at JP Morgan Chase Bank, located at 180 Canal Street, New York, NY 10013, in the State of New York ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled "Dylan Chan Law Firm, P.C. IOLA Account" ("Escrow Account"). The Escrow Account is federally insured by the FDIC at the maximum amount of \$250,000 per deposit. Any deposit in excess of \$250,000 will not be insured, unless Escrow Agent has established multiple accounts on behalf of Purchaser at various institutions. If Purchasers have accounts at the same bank as Sponsor's account that holds escrowed funds, Purchaser funds at the escrow bank factor into the \$250,000 insurance limit.

All Deposits received from Purchaser shall be in the form of checks, money orders, wire transfers, or other instruments, and shall be made payable to or endorsed by the Purchaser to the order of "Dylan Chan Law Firm, P.C. IOLA Account".

Any Deposits made for upgrades, extras, or custom work shall be initially deposited into the Escrow Account, and released in accordance to the terms of a written agreement between Purchaser and Sponsor. If the plan is abandoned, Purchaser shall receive a return of the down payment and any money for extras or upgrades.

The interest rate for all Deposits made into the Escrow Account shall be the prevailing rate for such accounts, which is currently 3% per annum. Interest shall begin to accrue upon placing the Deposit into the Escrow Account. However, all interest earned thereon shall be paid to or credited to the New York State as the funds will be deposited into an Interest On Lawyer Account (IOLA). No fees of any kind may be deducted from the Escrow Account, and the Sponsor shall bear all costs associated with the maintenance of the Escrow Account.

The escrow agent shall maintain all records concerning the escrow account for seven years after release of the funds. Upon the dissolution of any law firm which was the escrow agent, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of them or by the successor firm and shall notify the Department of Law of such transfer. Nothing contained herein shall diminish or impair the sponsor's statutory obligation to each purchaser pursuant to GBL section 352-h to hold in trust all deposits, advances or payments made in connection with the offer until consummation of the transaction with such purchaser. Consummation of the plan does not relieve sponsor of its obligations pursuant to GBL section 352-h. 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 the sponsor or the escrow agent upon any bankruptcy, incapacity or death.

Before funds are transferred to a new escrow account, or if the escrow agent is replaced, the plan must be amended to provide the same full disclosure with respect to the new account, the escrow agent and the escrow agreement as was originally provided.

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 the Escrow Agreement or the performance or non-performance of Escrow Agent's duties under the Escrow Agreement, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith or in willful disregard of the Escrow 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. Disputes regarding the downpayment are not subject to arbitration.

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. The Sponsor will not compensate the Escrow Agent for acting as such.

Escrow Agreement:

The Escrow Agreement is attached hereto in Part II of the Plan. The Escrow Agreement must be executed by the Sponsor, Purchaser, and Escrow Agent.

Notification to Purchaser:

Within ten (10) business days after the Purchase Agreement has been tendered to Escrow Agent along with the Deposit, the Escrow Agent shall sign the Purchase Agreement and place the Deposit into the Escrow Account. Escrow Agent shall notify the Purchaser that such funds have been placed in the Bank by providing written notice to Purchaser and Sponsor, confirming the deposit. The notice shall provide the account number and the initial interest rate to be earned on the Deposit. Any Deposits made for upgrades, extras, or custom work shall be initially deposited into the Escrow Account, and released in accordance to the terms of a written agreement between Purchaser and Sponsor. If the plan is abandoned, Purchaser shall receive a return of the down payment and any money for extras or upgrades.

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

Release of Funds:

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

Under no circumstances shall Sponsor seek or accept release of the Deposit of a defaulting Purchaser until after consummation of the Plan, as evidenced by the acceptance of an effectiveness amendment by the New York State Department of Law. Consummation of the Plan does not relieve the Sponsor of its obligations pursuant to GBL §§ 352-3(2-b) and 352-h.

The Escrow Agent shall release the Deposit if so directed:

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

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

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

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

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

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

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

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

Waiver Void:

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

(4) **Alternative to Escrow Account.** Pursuant to 13 NYCRR §20.3(0)(4), if Sponsor subsequently decides to use an alternative to the escrow account it will make an application to the Attorney General and disclose same in an amendment to the offering plan.

(5) **Surety Bonds.** Pursuant to 13 NYCRR §20.3(0)(5), if Sponsor subsequently decides to use an alternative to the escrow account and its application is approved by the Attorney General, Sponsor may meet its obligation to insure the availability of such funds to purchasers by effectuating the issuance of surety bonds to such purchasers by a licensed insurance company which agrees to act as surety for the amount of such down payments or deposits, subject to provisions of sub-section (i) to (x) of 13 NYCRR §20.3(0)(5).

(6) **Letter of Credit.** Pursuant to 13 NYCRR §20.3(0)(6), if Sponsor subsequently decides to use an alternative to the escrow account and its application is approved by the Attorney General, Sponsor may meet its obligation to insure the availability of such funds to purchasers by effectuating the issuance of a letter of credit for the benefit of the purchasers by an issuer qualifying hereunder; subject to provisions of sub-section (i) to (x) of 13 NYCRR §20.3(0)(6).

(7) **Change to Escrow Account.** Where alternate security as provided under a filed offering plan [as provided above under 13 NYCRR §20.3(0)(5) & (6)] is no longer needed by the sponsor, or new or additional alternate security cannot be obtained by a sponsor or its successor, sponsor shall submit an amendment for filing which provides that any future purchaser deposits or down payments shall be held in the escrow account in accordance with 13 NYCRR 20.3(o)(3). Such amendment shall not affect the sponsor's obligation to account for funds previously released to the sponsor unless the funds representing all such deposits or down payments are restored to the escrow account.

(8) **Compliance with Lien Law Section 71-a(3).** Section 71-a(3) of the Lien Law provides protections for Purchasers where the contract of sale by its terms provides for or is incidental to a contract providing for the construction of the subject building, or where a Deposit pursuant to a contract of sale is not deposited or kept in an escrow account as mandated by law. Sponsor will not use any Deposit towards the construction of the Building and will deposit and maintain all Deposits in the Escrow Account as described above in this Procedure to Purchase section, and therefore be in compliance with Section 71a(3) of the Lien Law and any other provision of law applicable to Purchasers' Deposits.

(9) **“Specific Performance.”** Sponsor may seek specific performance of the purchase agreement, requiring purchaser to close and purchase the condominium unit for which purchaser has executed a purchase agreement. (See **SECTION (C): SPECIAL RISK.**) Pursuant to 13 NYCRR 20.3(o)(9), Sponsor hereby advises Purchasers of the special risk that Sponsor may seek specific performance of the Purchase Agreements, requiring Purchasers to close and purchase the condominium units for which Purchasers have executed the Purchase Agreements. Specific performance is a remedy that must be court ordered and that such remedy cannot be sought until a default has occurred that has last beyond all applicable cure periods. (**SEE SECTION (O): PROCEDURE TO PURCHASE.**)

(10) **“Time is of Essence.”** “Time is of the essence” concerning purchasers' obligations as to the performance under the Purchase Agreement. This means that if Purchaser fails to perform the numerous time constraints imposed and set forth in the Purchase Agreement, within

the applicable time frame, he may waive substantive rights or incur forfeiture of substantial sums of money as liquidated damages. Specific performance is a remedy that must be court ordered and that such remedy cannot be sought until a default has occurred that has last beyond all applicable cure periods. (See **SECTION (C): SPECIAL RISK.**) There are numerous time constraints imposed in the Purchase Agreement set forth in Part II of this Offering Plan. Time is of the essence as to all such time constraints. This means that if the Purchaser fails to perform within the applicable time frame, he may waive substantive rights, or incur a forfeiture of substantial sums of money. Thus, a Purchaser who fails to cure a default within thirty (30) days after receipt of written notice of said default, will both have the Contract canceled, and lose his down payment as liquidated damages. Similarly, a Purchaser who fails to notify the Sponsor in the event he has failed to obtain mortgage financing within forty (40) days after executing the Purchase Agreement, will be required to proceed to closing, notwithstanding the fact that Purchaser has failed to obtain mortgage financing; and, if such Purchaser fails to proceed to closing, the down payment may be retained by the Sponsor. Purchasers are advised to consult with their attorneys concerning all terms of this offering. **(SEE SECTION (O): PROCEDURE TO PURCHASE AND PART II, PURCHASE AGREEMENT SECTION FOR STATEMENTS OF ALL APPLICABLE TIME LIMITATIONS.)**

(11) **Closing Date.** After the plan has been declared effective the sponsor will fix dates for closing title to all units for which purchase agreements have been executed by serving notice on each purchaser stating the date of the first closing and setting such purchaser's closing date. Such notice will be served in compliance with 13 NYCRR Section 20.1(d)(1) promulgated by the Department of Law no less than thirty (30) days before the date set for the closing of the units. Sponsor may permit purchasers to waive this thirty (30) day provision by including such waiver in an amendment thereto.

(12) **Expected First Closing.** Sponsor expects the first closing of a unit to occur on or about April 1, 2024; which should correspond to the first year of operation projected in Schedule B. Purchasers will be afforded a right of rescission if: (i) the actual date of closing of title to the first unit; or (ii) the projected date of closing of title to the first unit occurs later than twelve months after the projected date for the first closing. If the Plan is amended to provide for a later projected date for the first closing, purchasers will be entitled to an offer of rescission if the first closing occurs more than 12 months beyond that amended, later date. Purchasers should note that even if the first closing occurs on or before March 31, 2025 (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 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 the sponsor for damages or losses as a result of such delays and will not be excused from paying the full purchase price for the unit. **PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER THE POSSIBILITY OF SUCH DELAYS IN THEIR DETERMINATION AS**

TO WHETHER TO PURCHASE A UNIT.

(13) **Written Demand for Payment.** Sponsor must make a written demand for payment for default at least thirty (30) days before a default or forfeiture of the deposit may be declared, time is of the essence.

(14) **Power of Attorney.** Each unit purchaser will be required to sign a power of attorney to the Board of Managers of the condominium on the date of delivery of the deed to carry out any of the provisions of the Offering Plan including acquisition, leasing, or sale of the Units by the Board of Managers pursuant to Declaration and By-laws of the Condominium and filing the amendments to the Declaration of Condominium. A form of Power of Attorney is included in this Plan. The Power of Attorney must be returned to the selling agent or sponsor on the date of delivery of the deed. Sponsor will not close with any purchaser who refuses to sign a power of attorney and reserves the right to rescind the Purchase Agreement by returning the full down payment.

(15) **Purchaser's Right to Rescind Purchase Agreement.** At Sponsor's option, Purchasers shall be afforded (i) not fewer than three business days to review the offering plan and all filed amendments prior to executing a purchase agreement, or (ii) not fewer than seven days after delivering an executed Purchase Agreement together with the required deposit to rescind such Agreement by written notice sent to Sponsor by certified or registered mail, return receipt requested, or by personal delivery within seven days of such Purchaser's submission of the Agreement, whereupon Sponsor will refund, without interest (notwithstanding any provision of this Plan regarding interest to the contrary), the deposit received by Sponsor from such Purchaser in connection with such Agreement.

(16) **Risk of Loss.** Risk of loss from fire or other casualty remains with the sponsor unless and until a purchaser takes actual possession of a unit pursuant to an interim lease (or written agreement with the sponsor) or legal title to the unit has been conveyed to the purchaser. It is a special risk if the Purchaser enters into possession prior to closing since risk of loss passes upon either closing or possession and any Purchaser who enters into possession before closing should obtain insurance as he would if closing had taken place.

Prior to the first closing, the entire building will be insured by the 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 closing assumes the risk of losses not covered by insurance.

(17) **Purchase Agreement.** A complete copy of the Purchase Agreement is included in Part II of this Plan. Purchasers should also note that the Purchase Agreement will provide that Purchaser's failure to provide information to the lender promptly upon request thereof, or to accept a commitment issued to purchaser by lender on terms set forth in the Purchaser Agreement shall constitute a default by purchaser under the Agreement, whereupon Sponsor shall have remedies as set forth therein. The Purchase Agreement is contingent upon

effectiveness of the Plan. If the Plan is abandoned, all Purchase Agreements will be deemed cancelled.

(18) Financing Contingency. Closing is not subject to financing contingency, unless Sponsor expressly consents thereto. Whether the individual Purchase Agreements will contain a financing contingency is subject to negotiation between Sponsor and Purchasers. The obligations of a purchaser under a Purchase Agreement may not be conditional on obtaining financing. In the event the Purchase Agreement is not contingent on financing, any prospective purchaser who executes a Purchase Agreement and does not obtain financing may lose the deposit if unable to pay the balance of the purchase price. Prospective purchasers who need financing to purchase are advised to consult with a bank before executing a Purchase Agreement to ascertain the likelihood of obtaining financing. No representation is made by the Sponsor as the availability or cost of such financing. In the event there is a financing contingency, Purchaser's obligation is contingent upon obtaining a firm written commitment for financing and actually obtaining financing.

Purchaser shall have 40 days from the date on which a signed and executed Purchase Agreement is delivered to such Purchaser within which to obtain such financing, time is of the essence. If a Purchaser fails to obtain a firm written commitment for financing within such 40-day period, and fails to notify Sponsor's attorney within five days thereafter, time being of the essence thereto, Purchaser shall conclusively be deemed to have waived the financing contingency and will be required to proceed to closing, or forfeit his down payment, whether or not a mortgage commitment is obtained.

If Purchaser, after a good faith attempt to do so, fails to obtain a firm written commitment for financing, and notifies Sponsor within the prescribed time period, then Sponsor will return the down payment or deposit within 10 days after receipt of such notice. In the event Purchaser obtains a firm written commitment for financing, and the terms of such commitment are changed prior to closing, such change in terms shall not be an allowable reason for Purchaser to cancel the contract.

Similarly, if the commitment expires prior to closing, Purchaser shall be under a good faith duty to take all required actions necessary to extend such commitment, including the payment of any extension fee required by the lending institution. However in the event Purchaser has made such good faith effort to extend the commitment, and is unable to do so, then, provided that Purchaser notifies Sponsor within 10 days after receipt of a notice from a lending institution that it will not under any circumstances extend the commitment, that Purchaser is exercising his right to rescind the contract, Sponsor will return the down payment.

Purchasers should note that under New York law, when a mortgage commitment is not fulfilled through no fault of purchase, performance is excused. Sponsor may not condition Purchaser's obligations upon obtaining a commitment. If Purchaser acts in good faith and lender revokes commitment after contingency period expires, performance is excused.

(19) Conflict between Offering Plan and Purchase Agreement. This Offering Plan and Purchase Agreement provide that any conflict between the plan and the Purchase

Agreement will be resolved according to the terms of the plan.

(20) **Sponsor's Acceptance or Rejection of Purchase Agreement.** Within twenty (20) days after the prospective Purchaser has delivered to the Sponsor's Attorney a signed Purchase Agreement, together with the required down payment, the Sponsor must either accept the Purchase Agreement and return a fully executed counterpart, or reject the Purchase Agreement and refund in full any down payment taken. In the event Sponsor fails to act within said twenty (20) day period, the contract will be deemed not accepted and the Purchaser will be entitled to a full refund of their down payment.

(21) **No Waiver.** The purchase agreement and plan 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 GBL.

(22) **Assignment or Transfer of Purchase Agreement.** Purchaser may not assign his Purchase Agreement without first obtaining the written consent of the Sponsor, which consent may be granted or withheld in Sponsor's sole and absolute discretion. In the event that Sponsor allows such assignment or amendment to purchase agreement, Purchaser shall pay a fee of \$1,000 for each assignment or amendment to the purchase agreement. Purchasers are prohibited from listing their Units for sale prior to the closing of such unit. In the event that a purchaser sells his or her unit within 12 months of the closing date of their unit (the "subsequent sale"), purchaser shall be obligated to pay to the sponsor the 50% of net profit from the subsequent sale, less transfer taxes and brokerage fees paid by a purchaser (who purchased from Sponsor), less the price which the purchaser paid to sponsor for the purchase of the Unit and any other costs incurred in selling the Unit. Net profit is defined as the sale price for the subsequent sale, less transfer taxes and brokerage fees paid by purchaser (who purchased from Sponsor), less the price which purchaser paid to sponsor for the purchase of the unit and any other costs incurred in selling the unit. (SEE SECTION (C): SPECIAL RISK.)

Further, the Purchase Agreements may not be assigned, amended, or recorded, and any proposed assignment, amendment to the purchase agreement, or recordation without express written permission of the Seller shall be deemed a default hereunder entitling Seller to cancel the contract and retain all sums deposited pursuant hereto. Consent to such assignment, amendment to purchase agreement, or recordation may be withheld at Sponsor's sole discretion. In the event that Sponsor allows such assignment or amendment to purchase agreement, Purchaser shall pay a fee of \$1,000 for each assignment or amendment to the purchase agreement. (SEE CLAUSE (43) OF PART II, PURCHASE AGREEMENT.)

(23) Notwithstanding anything to the contrary set forth above, in the event the Attorney General's Regulations are modified or changed, the effect of which is to eliminate some or all of the escrow agent's obligations under the escrow agreement, then the plan, terms of the escrow agreement, this Section, and all then existing Purchase Agreements, and all Purchase Agreements executed thereafter, shall be amended accordingly.

(24) Purchasers should note that in the event a Purchaser is entitled to a rescission, the Purchaser will not receive any funds which he/she initially placed in the escrow account for the

upgrade or extra works, if such works have been completed and the funds have been released to the Sponsor from the escrow account. If the Plan is abandoned, Purchaser shall receive a return of the down payment and any money for extras or upgrades.

(25) In the event Sponsor consents to an adjournment to Closing, an adjournment fee of \$250 will be incurred by Purchaser and paid to Sponsor's attorney if a delay in the Closing Date is caused by Purchaser. In the event that a Purchaser does not close on the Closing Date set forth in the Notice of Closing, the Sponsor elects not to cancel the Purchase Agreement or if the Sponsor approves the Purchaser's request to adjourn the Purchaser's Closing to his unit, interest shall accrue on the unpaid amount of the purchase price from the Closing Date until such amount is paid. The interest rate shall be twelve percent (12%) per annum. This rate shall be in effect for as long as there is any unpaid amount owing towards the full purchase price. Such penalty and interest will not violate NYS usury laws. **(SEE SECTION S: UNIT CLOSING COSTS AND ADJUSTMENTS; AND PART II, PURCHASE AGREEMENT.)**

At the time of closing, the Purchaser is required to sign a Power of Attorney to the Board of Managers of the condominium, appointing the members of the Board of Managers as attorneys-in-fact.

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

SECTION (M): FINANCING FOR QUALIFIED PURCHASERS

There is no financing by sponsor or a lender procured by sponsor to finance the purchase of units.

SECTION (N): EFFECTIVE DATE

The offer to sell embodied in this Offering Plan is contingent upon the plan's being declared effective and upon compliance with the relevant conditions and time periods described in the offering plan. Sponsor must conform with the following provisions in determining whether, when and how the plan will be declared effective.

(1) The plan may be declared effective by (i) an amendment to the plan or (ii) by personal service of notice on every purchaser or by commencement of service by mail in the manner required by 13 NYCRR Section 20.1(d) promulgated by the Department of Law stating that the plan is declared effective and submitting an amendment to the Office of the Attorney General within five (5) days confirming that the plan was declared effective on a specified date. The amendment must conform to Section 20.5(e). Closing of the first unit shall not occur until the plan is declared effective and the effectiveness amendment is accepted for filing by the Office of the Attorney General.

(2) The plan may not be declared effective unless bona fide purchasers, including investors, have signed purchase agreements for at least fifteen percent (15%) or one (2) of the residential units offered under the plan. Units of a primarily ancillary nature such as garage spaces, boat slips or cabanas, may not be counted toward effectiveness. Such units may be excluded from the base in calculating the percentage needed to become effective. [See SECTION (C): SPECIAL RISK.]

(3) The plan will not be declared effective based on purchase agreements:

- (i) signed by purchasers who have been granted a right of rescission that has not yet expired or been waived; or
- (ii) if the purchaser was not afforded the protections required by 13 NYCRR Section 20.3(o)(10) promulgated by the Department of Law; or
- (iii) with any purchaser who is the sponsor, the selling agent, or the managing agent or is a principal of the sponsor, the selling agent or the managing agent or is related to the sponsor, the selling agent or the managing agent or to any principal of the sponsor or the selling agent or the managing agent by blood, marriage or adoption or as a business associate, an employee, a shareholder or a limited partner; except that such a purchaser other than the sponsor or a principal of the sponsor may be included if the sponsor has submitted proof satisfactory to the Office of the Attorney General establishing that the purchaser is bona fide.

(4) The plan must be declared effective when purchase agreements have been accepted by sponsor for eighty percent (80%) or seven (7) of the residential units offered under the plan.

(5) The plan may be abandoned by sponsor, at its option, before it is declared effective. Within twenty (20) days after abandonment, all monies paid by purchasers shall be refunded to

them in full, with interest earned, if any. Sponsor shall promptly file an amendment together with form RS-3 as required by 13 NYCRR Section 20.1(l)(2) promulgated by the Department of Law.

(6) Sponsor may not abandon the plan after effectiveness for any reason other than:

- (i) a defect in title which cannot be cured without litigation or cannot be cured for less than a stated amount which shall not be less than one-half of one percent of the total offering amount, or
- (ii) substantial damage or destruction of the building by fire or other casualty which cannot be cured for less than a stated amount which shall not be less than one-half of one percent of the total offering amount, or
- (iii) the taking of any material portion of the property by condemnation or eminent domain. Sponsor must provide that any stated dollar amount relied upon as basis for abandonment after effectiveness must 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 the sponsor or are a matter of public record.

(7) Notwithstanding the fact that not all Purchasers used for purposes of declaring the Plan effective may actually close, Sponsor will re-declare the Plan effective if all Purchase Agreements are either rescinded or terminated prior to the date of the First Unit Closing, regardless of whether the Condominium Declaration has been recorded.

SECTION (O): TERMS OF SALE

(1) On closing, Sponsor will deliver to Purchaser a Bargain and Sale Deed with Covenants Against Grantor's Acts in the proper form for recording as set forth in Part II of this Offering Plan.

(2) Risk of loss from fire or other casualty remains with the Sponsor unless and until a purchaser takes actual possession of a unit pursuant to an interim lease (or written agreement with the sponsor) or legal title to the unit has been conveyed to the purchaser. The Sponsor is obligated to repair any and all damages from casualty or other cause that occurs before the closing, unless the Purchaser has taken the possession of the Unit prior to closing. In the event the closing delays for more than six (6) months due to the Sponsor's inability to repair the damages, Purchaser may rescind the contract and receive the refund of the Downpayment. Prior to the first closing, the entire building will be insured by the 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 closing assumes the risk of losses not covered by insurance.

(3) For this Offering Plan that is not subject to the provisions of GBL §352-ee (Conversion of Non-residential Property to Residential Cooperative or Condominium Ownership), the closing will take place only concurrently with the issuance of a temporary or permanent Certificate of Occupancy for the entire project, or issuance of a partial, temporary or permanent Certificate of Occupancy for the unit to close or the building in which the unit is located.

(4) Title to each Residential unit will be conveyed at the closing free and clear of all liens, encumbrances and title exceptions other than those described in the plan and the proposed unit deed. **(SEE PART II; PURCHASE AGREEMENT)** and standard printed exceptions and (2) liens and encumbrances other than Permitted Encumbrances to which the Residential Unit's title is subject either (a) which have been expressly accepted by Purchaser, or (b) for which the instrument required to remove it of record has been delivered to the Title Company for recording in the proper office, together with the requisite recording or filing fees or delivered to the representative of the Purchaser's title insurance company (or, if none, to Purchaser's attorney); or (c) as to which the Title Company will insure (without additional premium to Purchaser) that such lien or encumbrance will not be collected out of or enforced against the Residential Unit; or (d) as to which Sponsor, at its sole option, pays and discharges from monies paid by Purchaser at Closing. Sponsor is not obligated to cause Purchaser's title company to omit any exception if the Title Company is willing to insure, without additional premium, Purchaser's title with such exception. The Title Company will also excepts the terms and conditions set forth in the Declaration of Condominium and By-Laws recorded.

(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 the sponsor, is included in the conveyance unless specifically excepted in the offering plan. .

(6) Declaration, by-laws and floor plans for the condominium and such other documents, as required by law, will be recorded or filed prior to the first conveyance of title to a unit in accordance with the New York Condominium Act or applicable state and local law. The place of recording or filing is the office of the City Register in the County where the Condominium is located.

(7) PURCHASER IS OBLIGATED TO PAY NEW YORK STATE AND NEW YORK CITY REAL PROPERTY TRANSFER TAXES. WHILE NYS AND NYC TRANSFER TAXES ARE CUSTOMARILY PAID FOR BY THE SELLER IN SINGLE FAMILY HOME TRANSACTIONS, THE BURDEN OF PAYING SUCH TAXES MAY BE MODIFIED BY CONTRACT. AS IS COMMON WITH MANY OTHER CONDOMINIUM DEVELOPMENTS IN NEW YORK STATE, THE PURCHASE AGREEMENT PROVIDES THAT THE PURCHASER OF A UNIT WILL BE REQUIRED TO PAY THESE TRANSER TAXES AT CLOSNG.

(8) If there are any existing mortgages or construction loans which will not be satisfied at or prior to the closing of the first unit, at the time of conveyance of the first unit, each mortgagee will either:

- (i) consent to the formation of a condominium and acknowledge that its lien will be limited to unsold condominium units;
- (ii) subordinate the lien of its mortgage to the declaration of condominium; or
- (iii) release its lien on the condominium unit being conveyed and its interest in the common elements.

SECTION (S): UNIT CLOSING COSTS AND ADJUSTMENTS

(1) Estimated Costs, Fees and Charges

(1) (i) **Estimated Costs, Fees, and Charges to be Paid or Apportioned in Connection with Closings.** The estimated closing costs and expenses to be incurred by each purchaser upon the purchase of a Unit are as follows:

(a) Estimated Costs, Fees and Charges to be Paid by Purchaser:

At the time of the closing, the purchaser will be responsible for paying the costs, fees and charges in connection with the closing of title of: title insurance fee premium; title insurance mortgage premium if the purchaser obtains mortgage financing; mortgage recording tax; New York State Real Property Transfer Tax; New York City Real Property Transfer Tax; Recording fees for the recording of the deed, mortgage and unit power of attorney; contributions to the Condominium's reserve fund (if applicable); Condominium working capital fund (if applicable); first month's common charges (if applicable); survey fee (if applicable) and sponsor's attorney's fee.

(I) **Title insurance Fee Premium.** Purchasers are free to use a title company of their choosing without incurring a penalty. Fee title insurance is available from Chicago Title Insurance Company, through its agent Federal Standard Abstract Inc. or from a title insurance company selected by the Purchaser. Current rates for fee title insurance in accordance with the scheduled rates set by the New York Board of Title Underwriters and filed with the New York State Insurance Department are set forth below (approximate amounts) (Sponsor does not guaranty the accuracy of the title insurance rates set forth herein).

Amount of Title Insurance (non-bulk rate)

Fee Amount	Premium
From \$100,001 to \$500,000	\$4.360 per Thousand
From \$500,001 to \$1,000,000	\$3.990 per Thousand
From \$1,000,001 to \$5,000,000	\$3.660 per Thousand

Amount of Title Insurance (bulk rate)

Fee Amount	Premium
From \$100,001 to \$500,000	\$3.052 per Thousand
From \$500,001 to \$1,000,000	\$2.793 per Thousand
From \$1,000,001 to \$5,000,000	\$2.562 per Thousand

If the project qualifies for the Bulk Rate pursuant to Section 20 of the TIRSA Rate Manual, then Owner's insurance shall be charged at 70% of the applicable Fee Title insurance (Owner's) Rate.

(II) **Title insurance Mortgage Premium.** If Purchaser elects to simultaneously obtain both fee title insurance and mortgage title insurance, the premium for the mortgage title insurance will be at a simultaneous rate. The premium for mortgage title insurance will be computed using the "Basic Rate" schedule as described below. The premium on the amount of the loan policy that does not exceed the owner's policy shall be calculated at thirty percent (30% of the regular scheduled rate for loan policies according to the rates set forth below:

Amount of Title Insurance (non-bulk rate)	
Mortgage Amount	Premium
From \$100,001 to \$500,000	\$1.092 per Thousand
From \$500,001 to \$1,000,000	\$1.000 per Thousand
From \$1,000,001 to \$5,000,000	\$0.915 per Thousand

Amount of Title Insurance (bulk rate)	
Mortgage Amount	Premium
From \$100,001 to \$500,000	\$0.765 per Thousand
From \$500,001 to \$1,000,000	\$0.700 per Thousand
From \$1,000,001 to \$5,000,000	\$0.641 per Thousand

(III) **Late Fees.** If the Purchaser fails to close on the Closing Date for any reason, then (i) the closing adjustments shall be made as of midnight of the day preceding the date originally scheduled for the Closing Date and (ii) the Purchaser shall pay to Sponsor, as a late fee, an amount equal to 0.04% times the unpaid portion of the purchase price for his or her Unit for each day of delay, beginning with the date originally scheduled for the Closing Date to and including the day immediately preceding the actual Closing Date. The provisions of this paragraph shall not be applicable if, through no fault of Purchaser, Sponsor postpones the Closing Date except to the extent that thereafter the Purchaser postpones the closing for any reason or is in default.

(IV) **Cost of Recording Documents.** The fee charged by the New York City Register's Office for the recording of the deed is approximately \$200.00. Fee for the recording of the unit power of attorney is approximately \$75.00. The fee for recording the New York City Real Property Transfer Tax Return payable by the Purchaser is \$50.00. Purchaser will be responsible for the fee charged by the New York City Register's Office for the recording of the partial release of Sponsor's construction loan on the Unit, as well as the service fee charged by Purchaser's title company.

(V) **Costs for Purchaser for the Payment of New York State and New York City Transfer Taxes.** The New York State Real Estate Transfer Tax, currently \$4.00 for each one thousand dollars (\$1,000.00) or fractional portion thereof, of the purchase price plus a \$5.00 service charge. If applicable, the New York State Additional Tax ("Mansion Tax") of 1% where the purchase price equals \$1 million or more and the New York City Transfer Tax is 1.00% of the purchase price up to \$500,000.00 and 1.425% over \$500,000.00 (for example, \$1,000.00 or \$1,425.00, respectively per \$100,000.00 of purchase price).

Notwithstanding the above, As part of the 2020 budget, the New York State Senate and Assembly enacted new revenue legislation, which included an increase to New York State's transfer tax and mansion tax on transfers of real property. The changes enacted will apply only to transfers in New York City and other cities with a population of 1 million or more. The changes described below apply to all transfers occurring after July 1, 2019.

NYS transfer tax prior to the change was \$2 for every \$500 (or fraction thereof) of consideration, subject to limited exceptions and exemptions. The new law levies an additional tax of \$1.25 for each \$500 (or portion thereof) of consideration on transfers of (i) residential property where consideration is in excess of \$3 million and (ii) commercial property where consideration is in excess of \$2 million. The chart below shows the applicable rates for a transfer in New York City (or other city with population over 1 million).

Consideration Amount	NYS Transfer Tax Rate — Residential	NYS Transfer Tax Rate — Commercial
Under \$2 million	0.40%	0.40%
\$2 million – \$3 million	0.40%	0.65%
Over \$3 million	0.65%	0.65%

Prior to the enactment, the NYS mansion tax was imposed on transfers of residential real property with consideration in excess of \$1 million at the rate of 1 percent of the consideration paid. The new law increases this tax on a sliding scale for transfers where the consideration is in excess of \$2 million, up to the highest tax rate of 3.9 percent on transfers with consideration in excess of \$25 million. The chart below shows the applicable rates for a transfer in New York City (or other city with population over 1 million).

Consideration Amount	Total NYS Mansion Tax Rate
Under \$1 million	Not subject to tax
At least \$1 million, but less than \$2 million	1%
At least \$2 million, but less than \$3 million	1.25%
At least \$3 million, but less than \$5 million	1.50%
At least \$5 million, but less than \$10 million	2.25%
At least \$10 million, but less than \$15 million	3.25%
At least \$15 million, but less than \$20 million	3.50%
At least \$20 million, but less than \$25 million	3.75%
More than \$25 million	3.90%

New York State and New York City Transfer taxes are normally expenses of the Seller, however, by contractual arrangement they will be paid by the Purchaser. The City of New York Department of Finance and the State of New York Department of Taxation and Finance have taken the position that when a Purchaser assumes the obligation to pay the New York City Real Property Transfer Tax and /or New York deed documentary stamps, all the transfer tax to be paid by the Purchaser will be added to the consideration subject to transfer tax, except that pursuant to the New York State Tax Law Section 1404(a), effective as of July 1, 2021, the amount of New York State Transfer Taxes shall be excluded from the calculation of consideration subject to New York State transfer tax.

(For example, for a unit price of less than \$500,000, if the unit price is \$490,000.00, for purposes of calculating the transfer taxes, the unit price of \$490,000.00 is multiplied by 1.014 for a total price for New York City tax purposes of \$496,860.00, while \$490,000.00 is multiplied by 1.010 for a total price for New York State tax purposes of \$494,900.00). Both of the transfer taxes are added as additional consideration on which the New York City transfer tax is calculated. However, New York State transfer tax will be excluded New York State transfer tax shall be excluded from the calculation of consideration subject to New York State transfer tax. Therefore, the New York State Transfer Tax would be approximately \$1,979.6 instead of \$1,960.00, and the New York City Transfer Tax would be approximately \$4,969.00 instead of \$4,900.00.

(For example, for a unit price of more than \$500,000, if the unit price is \$600,000.00, for purposes of calculating the transfer taxes, the unit price of \$600,000.00 is multiplied by 1.01825 for a total price for New York City tax purposes of \$610,950.00, while \$600,000.00 is multiplied by 1.01425 for a total price for New York State tax purposes of \$608,550.00). Both of the transfer taxes are

added as additional consideration on which the New York City transfer tax is calculated. However, New York State transfer tax will be excluded New York State transfer tax shall be excluded from the calculation of consideration subject to New York State transfer tax. Therefore, the New York State Transfer Tax would be approximately \$2,434.2 instead of \$2,400.00, and the New York City Transfer Tax would be approximately \$8,706.00 instead of \$8,550.00.

The New York City Department of Finance has taken the position that when a Purchaser purchases a non-residential unit, or, two or more Units, the New York City Transfer Tax may be 1.425% where the consideration is \$500,000.00 or less and 2.625% where the consideration is greater than \$500,000.00. Purchasers are advised to discuss this with their own attorney and/or accountant if they purchase Community Facility Unit, or, two or more units.

(VI) **Cost of Mortgage Recording Taxes.** In the event that a Purchaser obtains a mortgage from a lending institution, then he or she will customarily pay at the closing of title the following additional costs: (i) mortgage recording taxes in the amount of 1.80% of the first ten thousand dollars of the amount of the mortgage executed by the Purchaser and a mortgage recording tax of 2.05% of the amount of the balance of the mortgage actually executed by Purchaser for mortgages in the amount of less than \$500,000.00. The mortgage recording tax for mortgages in the amount of \$500,000.00 or more is 2.175% after the \$30.00 deduction on the first ten thousand dollars of mortgage amount and, (ii) in addition, the recording charges imposed by the New York City Register which are approximately \$20.00 plus \$5.00 per page or part thereof and a service charge of approximately \$20.00 per document. All purchasers will also be required to pay all fees and charges imposed by their respective lending institutions. Purchasers will also likely pay lender's appraiser fees, origination fees, lender's attorney's fees, reserves for real estate taxes and insurance premiums. The Sponsor makes no representation as to what additional closing costs may be charged by a particular lender.

(VII) **Working Capital Contribution by Purchaser.** A Working Capital Fund for the Condominium shall be established as follows:

Upon the closing of the purchase of a Unit, the Purchaser will be required to pay to the Condominium an amount equal to two (2) months Common Charges then in effect for the Unit pursuant to the budget in accordance with Schedule A hereto, as the same may be amended from time to time as initial working capital. (See SECTION (Z): WORKING CAPITAL FUND.) This contribution is not refundable or transferable if the Purchaser sells his or her Unit.

(VIII) **Cost of Purchaser's Attorney's Fees.** Purchaser shall have the sole responsibility for payment of his or her own attorney's fees and any attorneys fees or other fees required by his or her lending institution.

(b) Estimated Apportioned Costs, Fees and Charges to be Paid by Purchaser:

The following costs are to be apportioned at the closings:

(i) If units have not been separately assessed for real estate tax purposes prior to the closing of title to the first unit, sponsor may place in escrow, in the name of the board of managers, an amount equal to the unpaid real estate taxes which will be levied against the parcel for the six-month period following the first closing. Alternatively, the sponsor may place in escrow, in the name of the board of managers, an amount equal to the real estate taxes attributable to the unsold units for such six-month period and may collect at each unit closing the estimated amount of taxes attributable to such unit for the balance of the six-month period. The board of managers will pay the real estate taxes from the escrow account when taxes are due and payable and the funder of the escrow account will be entitled to reimbursement from unit owners to the extent of the actual assessment. No escrow will be required if the condominium by-laws include as part of the common expenses, real estate taxes on the property until the units are separately assessed and after assessment unit owners will be reimbursed for any overpayment of taxes or assessed for an underpayment.

(ii) **Numerical Examples of Closing Costs for Typical Condominium Unit.** The following is an example of the closing costs applicable to a purchase the Unit 2B with price of \$624,034 and a mortgage of \$312,017.

Sample of Unit Closing Cost

Unit: 1F	
Offering Price	\$624,034
Mortgage Amount	\$312,017
Title Insurance Fee Premium	\$2,435
Title Insurance Mortgage Premium	\$244
Mortgage Recording Tax	\$5,586
New York State Transfer Tax	\$2,542
New York City Real Property Transfer Tax	\$9,054.80
New York State Mansion Tax	\$0
Recording of Deed, Mortgage, Unit Power of Attorney	\$600
Contribution to Working Capital Fund (Est.)	\$491.12
First Month's Common Charges (Est.)	\$245.56

Basic Sponsor's Attorney's Fee	\$2,000
Sponsor Attorney Fee with Purchaser Financing	300
Acris Transfer Tax Preparation Fee	\$250
Total Estimated Closing Costs	\$23,748.48

Note that the example does not include costs that may be incurred for purchaser's attorney's fee, apportionments for real estate taxes, water and sewer charges, a pro-rata portion of the Condominium's estimated first year insurance, based on the Unit's percentage of Common Interest; and and similar items and fees required by purchaser's lending institution. When the purchaser pays the transfer tax, the law requires that the tax that the seller would pay be treated as additional consideration for the purpose of computing the New York State and City of New York City Transfer taxes.

(2) Mortgage Tax Credit

Purchaser to Reimburse Mortgage Tax Credits. To the extent that the Purchaser is entitled to any credit against the mortgage recording tax by reasons of any prior mortgage against the Unit or the Property, the Purchaser shall pay to the Sponsor at the closing for such Unit the amount of any such credit.

The Sponsor may pay or may have paid a mortgage recording tax in connection with obtaining a construction loan mortgage for the construction of the Property. Section 339-ee(2) of the New York Real Property Law provides for a mortgage tax credit upon transfer of the Units.

If the Sponsor has obtained construction loan financing prior to the closings, and Sponsor has paid mortgage recording taxes, the mortgage tax credit will be applicable. If the Sponsor has not yet obtained construction financing, and does so prior to conveying units, then Section 339-ee (2) of the New York Real Property Law would be applicable. The pertinent language of the statute is as follows:

“If in the event the proceeds of a construction mortgage were applied to construction of a unit of a condominium submitted to the provisions of this article, or in the event that a unit submitted to the provisions of this act was subject to a blanket mortgage, 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 tax that would otherwise be payable on a purchase money mortgage, said credit to be in the amount resulting from the product of the purchaser's pro rata

percentage of interest in the common elements and the mortgage tax already paid on the construction or blanket mortgage. No credit shall be allowed under this subdivision (a) on account of the special additional mortgage recording tax imposed by subdivision one "a" of section two hundred fifty three of the tax law or (b) where the first condominium unit is sold more than two years after the construction or blanket mortgage was recorded."

The Sponsor shall receive the benefit from any credit on purchaser's mortgage recording tax which may be available pursuant to the quoted statute. Accordingly, at closing, each purchaser electing mortgage financing shall pay the full amount of the mortgage recording tax chargeable on the entire amount being financed. Sponsor will be reimbursed at closing to the extent of any mortgage tax credit allowed.

(3) No Financing for Qualified Purchasers

There are no closing costs in connection with financing for qualified purchasers as there is no financing by sponsor or a lender procured by sponsor to finance the purchase of units. (See SECTION (P): FINANCING FOR QUALIFIED PURCHASERS.)

(4) Costs for Sponsor and Sponsor's Attorney's Fees to be Paid by Purchaser.

The Purchaser is responsible to pay Sponsor's Attorney's closing documents preparation fee of \$2,000.00, and may be responsible for additional \$300 in the event the transaction requires financing as well as certain other fees such as travel fees and default fees. The Purchaser is responsible to reimburse the Sponsor's Prepaid Taxes, Common Charges and Insurance Premium. Purchaser is responsible to reimburse to Sponsor Acris Transfer Tax Return preparing fee for \$250. (SEE SECTION (S): UNIT CLOSING COSTS AND ADJUSTMENTS.)

If a closing takes place at the request of the Purchaser and so approved by Sponsor's attorney, at any location other than the office of Sponsor's attorney, Purchaser shall pay to Sponsor's attorney (in addition to the fee set forth above), a travel fee in the sum of \$750.00 in New York County, Kings County, and Richmond County and \$600 in Queens County. In the event that a closing is adjourned with Sponsor's consent, at the request of the Purchaser, or Purchaser's attorney, Purchaser shall also pay Sponsor's attorney an adjournment fee in the sum of \$250.00.

This contract may not be assigned or recorded, and any proposed assignment, amendment to the purchase agreement, or recordation without express written permission of the Sponsor shall be deemed a default hereunder entitling Sponsor to either cancel the contract and retain all sums deposited pursuant hereto or void any purported assignment of this Agreement in violation hereof at the option of Sponsor. In the event that Sponsor allows such assignment or amendment to the purchase agreement, Purchaser shall pay a fee of \$1,000 for each assignment or amendment to the purchase agreement.

(5) Escrow for Not Separately Assessed Real Estate Tax

If units have not been separately assessed for real estate tax purposes prior to the closing of title to the first unit, sponsor may place in escrow, in the name of the board of managers, an amount equal to the unpaid real estate taxes which will be levied against the parcel for the six-month period following the first closing. Alternatively, the sponsor may place in escrow, in the name of the board of managers, an amount equal to the real estate taxes attributable to the unsold units for such six-month period and may collect at each unit closing the estimated amount of taxes attributable to such unit for the balance of the six-month period. The board of managers will pay the real estate taxes from the escrow account when taxes are due and payable and the funder of the escrow account will be entitled to reimbursement from unit owners to the extent of the actual assessment. No escrow will be required if the condominium by-laws include as part of the common expenses, real estate taxes on the property until the units are separately assessed and after assessment unit owners will be reimbursed for any overpayment of taxes or assessed for an underpayment.

SECTION (T): RIGHTS AND OBLIGATIONS OF THE SPONSOR

(1) Sponsor is reserving the unconditional right to rent after consummation rather than sell units. **BECAUSE SPONSOR IS NOT LIMITING THIS RIGHT TO RENT RATHER THAN SELL UNITS AFTER CONSUMMATION OF THE OFFERING PLAN, THIS PLAN MAY NOT RESULT IN THE CREATION OF A CONDOMINIUM IN WHICH A MAJORITY OF THE UNITS ARE OWNED BY OWNER-OCCUPANTS OR INVESTORS UNRELATED TO THE SPONSOR. In addition, Purchaser of a unit which has been previously rented shall note that the unit is sold subject to the wear and tear of the prior occupancy.** It is also possible that Sponsor is unable to sell more than fifteen percent (15%) or two (2) residential units necessary to declare the plan effective and owner-occupants may never gain effective control and management of the condominium. Sponsor will endeavor in good faith to sell units rather than rent. If sponsor makes a bulk sale of all or some of its unsold units, the transferee successor sponsor is bound by sponsor's representations regarding its commitment to sell units. There is no construction loan on the building, therefore there are no obligations imposed on Sponsor by construction lender with regard to selling and/or renting Units.

BECAUSE SPONSOR IS RETAINING THE UNCONDITIONAL RIGHT TO RENT AFTER CONSUMMATION RATHER THAN SELL UNITS, 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 COVER PAGE OF THIS OFFERING PLAN; SECTION (C): SPECIAL RISKS; AND SUBDIVISION (4) TO SECTION (D): INTRODUCTION.]

(2) The Sponsor has an obligation to defend suits or proceedings if any only if they arise out of Sponsor's acts or omissions and an obligation to indemnify the Board of Managers and Unit Owners for claims if an only if they arise out of the acts or omissions of the Sponsor.

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

(4) Sponsor and its principals will remain liable notwithstanding any disclaimers or limitations of liability on the part of the sponsor or its principals for failure to perform any obligation imposed by applicable statute or regulation. This offering plan does not include any financial limitation on sponsor's liability for failure to perform its obligations under the offering plan. With regard to Warranty, the Sponsor's obligation, regardless of any limitations in the warranty or in this offering plan, cannot go below the duty to construct the premises in accordance with all applicable codes, filed plans and specifications and locally accepted building practices for items which are not covered by codes. (See SECTION (C): SPECIAL RISK.)

(5) The sponsor agrees to pay all common charges, special assessments and real

estate taxes with respect to unsold units. Sponsor represents that it has the financial resources to meet its obligations with respect to unsold units. Sponsor will fund its financial obligations to the condominium through sale of a condominium unit pursuant to this plan or through cash on hand. No bond or other security has been furnished to secure Sponsors obligations under this plan or to complete construction of the building.

(6) Risk of loss from fire or other casualty remains with the sponsor unless and until a purchaser takes actual possession of a unit pursuant to an interim lease (or written agreement with the sponsor) or legal title to the unit has been conveyed to the purchaser. The Sponsor is obligated to repair any and all damages from casualty or other cause that occurs before the closing, unless the Purchaser has taken the possession of the Unit prior to closing. In the event the closing delays for more than six (6) months due to the Sponsor's inability to repair the damages, Purchaser may rescind the contract and receive the refund of the Downpayment. (See SECTION (R): TERMS OF SALE.)

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. Thus, the risk of loss cannot, as a practical matter, be passed on to a person in possession. A person who takes possession prior to Closing assumes the risk of losses not covered by insurance.

(7) Sponsor shall procure fire and casualty insurance, as set forth in Schedule B of Part I, pursuant to an agreed amount replacement value policy or in an amount sufficient to avoid co-insurance as reflected in Schedule B.

(8) In the event of the dissolution or liquidation of the Sponsor or the transfer of one (1) or more units or twenty percent (20%) or more of the total number of units in the condominium, whichever is less, the principals of the sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of the Sponsor for those units under the Offering Plan, applicable laws or regulations.

(9) Sponsor has obtained a mortgage loan from Crowdfunz, bearing an interest rate of Eight and 50/100 (8.5%) per annum, in the sum of \$1,500,000, which will be paid off at the first unit closing.

(10) Sponsor shall have the obligation to build and complete the Condominium in accordance with applicable codes and the building plans and specifications identified in this Offering Plan. Sponsor (i) shall have the right to substitute equipment or materials of Equal or Better Quality and design as those originally specified; (ii) may modify the layout or design of the building; provided however, that Sponsor may not:

- (i) substitute equipment or materials of lesser quality or design; or
- (ii) change the size, location of building or units or 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 and contract vendees consent in writing to such change.

(11) Prior to closing the first unit, sponsor and its principals must obtain a permanent certificate of occupancy for the property or, alternatively, obtain a temporary or partial certificate of occupancy for the unit or the building in which the unit to be closed is located. The sponsor and its principals must obtain a permanent certificate of occupancy for the property within a projected timetable after closing the first unit. Sponsor and its principals must obtain the permanent certificate of occupancy before the partial or temporary certificate of occupancy expires, unless extended.

Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a final certificate of occupancy ("FCO") covering the entire building but with only a temporary certificate of occupancy ("TCO"), and sometimes with several successive temporary certificates of occupancy. Certificates of occupancy are generally governed by Section 301 of the New York Multiple Dwelling Law and local building codes and rules. Both TCOs and FCOs are issued by the New York City Department of Buildings ("DOB"). A TCO is intended to indicate that the property conforms substantially to the DOB approved plans and specifications, and to the requirements of all applicable laws, rules, and regulations for the uses and occupancies specified in the TCO. No change of use or occupancy shall be made unless a new certificate of occupancy is issued. All TCOs have an expiration date. A TCO typically expires 90 days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance, or sell units. In New York City, it is common for sponsors to commence unit closings when some or all units are covered by a TCO rather than a FCO. Sponsor anticipates this scenario may occur. Sponsor and its principals will undertake the responsibility for extending each TCO received prior to expiration thereof, and ultimately for obtaining a FCO covering the entire building. 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 a FCO. NOTWITHSTANDING THE FOREGOING, SPONSOR AND ITS PRINCIPALS ARE OBLIGATED 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 and its principals in these undertakings.

Buyers are advised to visit the DOB website for further recommendations when purchasing a unit in a building that does not have a FCO. A Factsheet on Certificates of Occupancy is available on the DOB website at: http://www.nyc.gov/html/dob/downloads/pdf/co_factsheet.pdf.

(12) The common areas and public portions of the building will be completed before the closing of title to the first unit.

(13) If first closing takes place prior to the issuance of a permanent certificate of occupancy of the property:

- (i) Sponsor will maintain all deposits and funds received from purchasers in a special escrow account in accordance with Section 352-e (2-b) of the General Business Law, unless Sponsor's engineer, architect or other qualified expert certifies that a lesser amount will be reasonably necessary to complete the work needed to obtain a permanent certificate of occupancy, in which case the sum exceeding the amount so certified by such engineer or architect may be released from the special escrow account. Alternatively, Sponsor may deposit with an escrow agent an unconditional, irrevocable letter of credit or post a surety bond in the amount so certified, or provide other collateral acceptable to the Department of Law.

Before posting a bond, Sponsor will file an amendment to the Plan and notice of such intention will be given to all purchasers and contract vendees.

- (ii) This Offering Plan is not subject to the provisions of GBL §352-ee (Conversion of Non-residential Property to Residential Cooperative or Condominium Ownership). (See TERMS OF SALE section.)

(14) Sponsor shall not be obligated to correct, repair or replace any defects relating to construction of the Units or the Common Elements or in the installation or operation of any appliances, fixtures, or equipment therein, except as expressly provided in the Offering Plan. Sponsor will not warrant the materials or workmanship of any Unit or any of the Common Elements. The Sponsor makes no Housing Merchant Implied Warranty or any other warranty, express or implied, in connection with the sale of the Units and all such warranties are excluded, except as provided in the Offering Plan. The manufacturer will provide one (1) year warranty from date of purchase. All windows and doors come with manufacturer's limited lifetime warranty. There is one (1) year warranty from the contractor for het construction material and workmanship. The intercom system is by "Aiphone" or equal with a manufacturer warranty of two (2) year from date of delivery from the manufacturer. The Housing Merchant Implied Warranty would otherwise be applicable, however, Sponsor has chosen to a more limited warranty as stated above, as such, the Housing Merchant Implied Warranty (General Business Law Article 36-B) is not applicable to this Offering Plan.

Sponsor's obligation, regardless of any limitations in the warranty, cannot go below the duty to construction the premises in accordance with all applicable codes, filed plans and specifications and locally accepted building practices for items which are not covered by codes, pursuant to General Business Law §777-b(4)(e)(l). [See SECTION (C): SPECIAL RISK.]

(15) Upon the closing of title, Sponsor will assign to the purchaser, and to the Board of

Managers upon the recording of the Declaration, all applicable warranties, if any, of manufacturers and subcontractors relating to heating, electrical work, plumbing, and appliances, as well as bonds relating to the purchasers Unit or the Common Elements, if any. Sponsor undertakes to supply warranties only to the extent that warranties are actually made by such manufacturers and subcontractors and only to the extent that such warranties and bonds are assignable. The Housing Merchant Implied Warranty would otherwise be applicable. However, Sponsor has chosen to a more limited warranty as stated above, as such, the Housing Merchant Implied Warranty Law (General Business Law, Article 36-B) is not applicable to the condominium units.

(16) Sponsor will pay the cost of all authorized and proper work involved in the construction, establishment and sale of the condominium property that Sponsor is obligated to complete under the Plan and to cause all mechanics liens filed with respect to the construction of the building to be promptly discharged or bonded.

(17) Sponsor will deliver a set of "as built" plans to the Board of Managers.

(18) Except as specifically set forth in this Plan, no bond or other security has been furnished to secure Sponsor's obligations to complete construction after closing title to the first unit and obtain a permanent certificate of occupancy and all necessary permits.

(19) The Sponsor has a right of access to complete construction of the condominium. The Sponsor is obligated to repair any damages caused by Sponsor or Sponsor's contractors to any condominium unit and the common areas as a result of the work performed in accordance with gaining access to condominium units and/or the common areas. The Sponsor may not interfere with the unit owner's use and may only gain access to sold units during normal business hours, from 8AM to 5PM, Mondays through Fridays. Sponsor will provide Purchasers with one business day's notice.

(20) Effective November 5, 2004, owners of Class A multiple dwellings in New York City, which include condominium units, must install carbon monoxide detectors. The Sponsor will install a carbon monoxide detector in each residential condominium unit. The law requires the owners of the residential condominium units to maintain the carbon monoxide detectors.

(21) Sponsor must make a written demand for payment after default at least 30 days before forfeiture of the deposit may be declared in accordance with 13 NYCRR §20.3(o)(13) promulgated by the Department of Law.

(22) Sponsor reserves the right, in its sole and absolute discretion, to delay the collection of Common Charges from Purchasers under the Plan for a period of time prior to full occupancy of Residential Units (the "Delay Period"); provided, however, that Sponsor shall be solely responsible for timely payment of all expenses to operate the Condominium during the Delay Period (the "Operating Expenses") as well the Residential Units' share of General Common Charges. The expenses shall include, but not be limited to, insurance premiums and any reserve fund payment. All Operating Expenses paid by Sponsor during the Delay Period are based on the actual cost of operating the Residential Units and not on

estimates set forth in Schedule B "Projected Budget for First Year of Condominium". Purchasers should note that Schedule B will not be in effect until the expiration of the Delay Period. Notwithstanding anything to the contrary set forth above, the Operating Expenses shall not include individual Unit Owner expenses such as utility charges, real estate taxes, etc. regardless of whether the Unit has been separately assessed. In all instances the Unit Owners will remain responsible for the payment of the real estate taxes. Sponsor, in its sole and absolute discretion, may upon thirty (30) days prior written notice to Unit Owners terminate the Delay Period.

In the event Sponsor elects to delay the collection of Common Charges as set forth above, Sponsor shall disclose such fact in the closing notice to Purchasers and in the post-closing amendment to the Plan as a benefit to subsequent Purchasers. Such amendment shall also disclose the anticipated period of delay. Sponsor will give all Unit Owners at least thirty (30) days prior written notice (which may, but need not be by amendment) of the commencement of collection of Common Charges. Thereafter, to the extent not already included in an amendment to the Plan, Sponsor will disclose in the next substantive amendment to the Plan that the collection of Common Charges is commencing or has commenced as a benefit to subsequent Purchasers. Upon expiration of any such Delay Period and the commencement of assessment of Common Charges against the Units, there will not be any assessment over and above the amount of such common charges against Units or Unit Owners for any item set forth in the approved budget that is in effect at the time of commencement of assessment of common charges. During any such Delay Period, Sponsor shall remain obligated to update the operating budget for the Condominium when and as needed, as provided in the New York State Department of Law regulations as to the same. Sponsor shall also remain obligated to provide certified financial statements for the condominium during the delay in the collection of common charges. Upon commencement of collection of common charges, there will not be an assessment for any item in the approved budget for the condominium.

SECTION (U): CONTROL BY THE SPONSOR

The Sponsor's Control of the Board of Managers of the Condominium will be subject to the following:

(1) The By-Laws are reproduced in Part II. A summary of certain pertinent provisions of these By-Laws is set forth below. The By-Laws limit the number of Board of Managers (hereinafter called "Managers") to not less than three (3). The first Board of Managers to be elected by the Unit Owners shall consist of three (3) members.

At the time of the First Closing there will be three (3) Managers designated by the Sponsor. However, the Managers will resign in favor of Managers who will be elected by the Purchasers at a meeting to be convened within 30 days after First Closing. If the Sponsor still owns 50% or more of the units in the building, the Sponsor-appointed managers may be re-elected at such time.

The By-Laws provide that at such time as the Unsold Units constitute less than fifty percent (50%) of the Condominium, or upon the second (2nd) anniversary of the first closing date, whichever is sooner, not less than a majority of Managers to be elected at all subsequent annual meetings of Unit Owners shall be elected by Unit Owners other than the Sponsor. Notwithstanding the foregoing, the Sponsor may vote for Unit Owners of his choice. A meeting to elect a new Board of Managers will be held within thirty (30) days of fifty percent (50%) of the units being sold, or within thirty (30) days of the second (2nd) anniversary of the Closing Date, whichever is sooner.

So long as a majority of the Board of Managers consists of managers elected by the Sponsor or holders of unsold units, the board:

(i) Shall not eliminate or reduce the number of employees, insurance coverage or any service to a level less than that provided in Schedule B unless a majority of board members elected by bona fide unit Purchaser vote in favor thereof.

(ii) Shall, to the extent of their authority as Board Members, use all reasonable efforts to cause the Building (including its equipment, services and installations) to be kept operational, clean, and, in a good state of repair and condition.

(iii) Shall not veto expenditures required to comply with applicable laws or regulations and/or expenses necessary to remedy notice of violations of law or order of an insurance carrier.

Sponsor exercises voting control of the board of managers until the second (2nd) anniversary of the closing of the first unit or whenever the unsold units constitute less than fifty percent (50%) of the common interests, whichever is sooner. (SEE SECTION (C): SPECIAL RISK.) [A meeting to elect a new Board of Managers unrelated to the sponsor will be held within thirty (30) days of fifty percent (50%) of the units being sold, or within thirty (30) days of the second (2nd) anniversary of the closing date of the first unit, whichever is sooner.] The By-Laws of the condominium does not include a provision that, after an 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 the sponsor and its principals. Purchasers for their own occupancy may never gain control of the Board of Managers. Owner-occupants and non-resident Owners, such as Sponsor, may have inherent conflicts on the management of the Condominium

Until the earlier of five (5) years from the date of closing of the first unit, or at the time at which five the Sponsor or successor sponsor owns units consisting of less than twenty five percent (25%) of the common interest of the Condominium, Sponsor may exercise veto power over any expenses other than those described in SCHEDULE B, or which are required to comply with applicable laws or regulations; remedy any notice of a violation; or remedy any work order from an insurer. Additionally, so long as the Sponsor retains ownership of at least one (1) unit in the building, the By-Laws, Declaration, and Rules and Regulations of the Condominium, may not be amended or modified in any way so as to adversely affect the Sponsor without written consent by the Sponsor.

All Board Members shall serve without compensation. Any member of the Board of Managers, who is a designee of the Sponsor, may contract or deal with Sponsor, or a partner, affiliate or entity controlled by the Sponsor; however, such Board members shall remain under a fiduciary duty to act in the best interest of the condominium. Additionally, such Board Members shall be required to disclose the nature of their relationship in dealing with the Sponsors to all Unit Owners.

(2) Sponsor may not exercise veto power over expenses described in Schedule B, or over expenses required:

- (i) to comply with applicable laws or regulations; or
- (ii) to remedy any notice of violation; or
- (iii) to remedy any work order by an insurer; or
- (iv) to preserve the health and safety of occupants.

(3) Sponsor may exercise veto power over expenses other than those described in Paragraph (2) above, for a period ending not more than five (5) years after the closing of first unit or whenever the unsold units constitute less than twenty five percent (25%) of the common interest, whichever is sooner.

(4) The board has a fiduciary duty to act in the best interest of the condo, even during the control period.

SECTION (V): BOARD OF MANAGERS

The Condominium Board shall initially consist of three (3) persons designated from time to time by Sponsor. Sponsor presently anticipated that the initial members of the Condominium Board shall be Kevin Ma, King Li and Ding Xing Chen, who will serve as President, Vice President, and Secretary/Treasurer, respectively. Each of these individuals is a principal of Sponsor.

The Condominium shall be governed according to the By-Laws in Part II. The summary of the important sections of the by-laws and declaration of condominium are as follows:

(1) The By-Laws limit the number of Managers to not less than three (3) members. The first Board of Managers shall consist of three (3) parties to be named by the Sponsor. However, these Officers and Managers will resign in favor of Officers and Managers which will be elected by the Unit Owners at a meeting to be convened within 30 days after the First Closing; if sponsor still owns enough units to control the board, they may however, be re-elected at such time. The By-Laws do not include a provision that a majority of the Board of Managers must be owner-occupants or members of an owner occupant's household who are unrelated to the Sponsor and its Principal after the end of the initial Sponsor control period. Purchasers for their own occupancy may never gain control of the Board of Managers. Owner-occupants and non-resident Owners, such as Sponsor, may have inherent conflicts on the management of the Condominium.

Managers shall be elected by a plurality of the votes at a meeting at which a quorum shall be present. When voting for Managers, each Unit Owner shall be entitled to cast one vote for each .01% of common interest in the condominium appurtenant to such owner's unit, which may be cast all for one nominated manager or divided among any number of candidates. At such time as the Unsold Units constitute less than fifty percent (50%) of the Condominium, or upon the second (2nd) anniversary of the first closing date, whichever is sooner, not less than a majority of Managers shall be Unit Owners other than, and unrelated to, the Sponsor. Members of the Board of Managers shall serve without compensation, except for reimbursement for expenses actually incurred in the course of any furtherance of business for the Board of Managers.

The Board of Managers shall meet at least annually, and at such regularly scheduled times as shall be adopted by resolution by the Board. Special meetings may be called on five (5) days written notice by any two Managers.

The Board of Managers will be responsible for the operations of the affairs of the Condominium including, but not limited to, the fiscal operation, repairs and maintenance of the common areas of the Property, replacement and capital improvements to the common areas of the Property; the hiring, supervision and discharging of employees and Managing Agent (if any), and the enforcement of the provisions of the By-Laws, and shall have the powers and duties necessary for the administration of such affairs.

The principal officers of the Condominium shall be the President, the Vice President, Secretary and Treasurer, all whom shall be elected by the Board of Managers. All officers shall serve without compensation or remuneration. The officers shall be elected annually by the Board of Managers; and, each officer shall hold office at the pleasure of the Board of Managers or until succession, resignation, or death. Upon the vote of a majority of the Board of Managers, any officer may be removed, with or without cause.

The President shall be the chief executive officer of the Condominium, and shall have all of the general powers and duties which are incident to the office of a president of a Condominium organized under the **New York State Condominium Act**.

The Vice-President shall take the place of the President and perform his/her duties whenever the President shall be absent or unable to act. The Vice President shall also perform such other duties as shall from time to time be imposed upon his/her by the Board of Managers or by the President.

The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Board of Managers, and shall have charge of such books and papers as the Board of Managers may direct; and shall, in general, perform all the duties incident to the office of a secretary of a Condominium organized under the New York State Condominium Act.

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; and, 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.

The Board of Managers, or the Secretary, shall keep detailed records of the actions and 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. In addition, an annual audited financial statement of the Condominium, and an income tax deduction statement certified by an independent Certified Public Accountant, shall be rendered by the Board of Managers to all Unit Owners December 31 of each calendar year.

The Secretary shall mail a notice of each annual or special meeting to all Unit Owners of record. The notice shall state the purpose of the meeting as well as the time and place where it is to be held, and the notice will be given at least ten (10), but not more than forty (40) days prior to such meeting.

Both the Declaration and the By-Laws may be modified or amended by the vote of two-thirds (2/3) of the Unit Owners, as that term is defined in Article II, Section 8 of the By-Laws, at a meeting of Unit Owners duly held for such purpose. Anything herein contained to the contrary notwithstanding, so long as the Sponsor is the owner of one or more unsold units, the By-Laws may not be altered, amended, repealed, or added to, without the consent of the Sponsor.

The Board of Managers shall be required to maintain hazard and casualty insurance on the building in an amount sufficient to ensure that the condominium shall not be a co-insurer (which generally means that the policy must be retained at replacement value); and it shall also maintain liability insurance in an amount which it deems appropriate. The proceeds of the hazard and fire insurance policy shall be payable to the condominium Board in the event of a loss amounting to \$100,000.00 or less and to the insurance trustee, if the loss exceeds \$100,000.00. Such proceeds shall be applied to the repairing, restoring or rebuilding the building unless otherwise determined by Unit Owners. In no event shall the proceeds of any such insurance policy be paid to the holder of any mortgage on a unit unless there has been a determination by Unit Owners not to rebuild the building. The insurance trustee, if any, shall be a bank or trust company having an office in the city and state of New York.

(2) Each Unit Owner and each mortgagee of a unit shall, upon prior request and with a valid purpose, be permitted to examine the books of account of the Condominium and other records of the Condominium during normal business hours on business days at the office of the Condominium.

(3) 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 willful misconduct or bad faith. The Unit Owners shall severally indemnify the members of the Board of Managers against any liability or claims except those arising out of the bad faith or willful misconduct of a member or members of the Board of Managers. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers, or out of the aforesaid indemnity in favor of the members of the Board of Managers, shall be limited to such proportion of the total liability thereunder as his/her interest in the Common Elements of all Unit Owners.

(4) The Managers shall serve without compensation or remuneration.

(5) Any Manager may be removed from office at any time with or without cause upon the affirmative vote of the Unit Owners whose aggregate votes are at least 51% of the votes of the Condominium at a Unit Owner's meeting duly called for the purpose; provided, however, that the Manager(s) elected by the Sponsor or its designee can be removed only for cause by vote of a majority of the Unit Owners or without cause by the Holders of the Unsold Units.

(6) Unit Owner's voting rights:

At each meeting of Unit Owners, each Unit Owner present in person or by proxy shall be entitled to cast the votes appurtenant to his/her Unit at the time of service of notice of such meeting or at such prior date, not more than forty (40) days before such meeting, as may be prescribed by the Board of Managers as the date for determining which Unit Owners of record are entitled to notice of and to vote at such meeting. The proxies shall be in writing duly signed by the Unit Owner but need not be acknowledged or witnessed, and the person named as proxy by any Unit Owner need not himself be a Unit Owner of the Condominium.

Voting by Unit Owners shall be viva voce unless any Unit Owner present at the meeting, in person or by proxy, demands a vote by written ballot, in which case the voting shall be by ballot, and each ballot shall state the name of the Unit Owner voting and the number of votes appurtenant to her/her Unit, and in addition, the names of the proxy of such ballot if cast by a proxy.

(7) Amend Condominium By-Laws and Change Declaration of Condominium:

Both the Declaration and the By-Laws may be modified or amended by the vote of two-thirds (2/3) of the Unit Owners or sixty-six and two-thirds percent (66 2/3%) of the common interest, as that term is defined in Article II, Section 8 of the By-Laws, at a meeting of Unit Owners duly held for such purpose.

Copies of the Declaration and By-Laws are set forth in Part II of the Plan.

- a) No amendment, modification, addition or deletion which shall adversely affect the lien or any mortgage may be made without the written consent of the mortgagee;
- b) No amendment which shall change the percentage of Common Interests allocated to any Unit or Units may be made without the written consent of such Owner;
- c) No amendment, modification, addition or deletion of or to this Declaration will be effective in any respect against the Sponsor, its designee, or any Unsold Unit until the Sponsor or such designee shall consent thereto in writing.

The Sponsor hereby reserves to itself and its designee(s) the right to amend this Declaration at any time without the requirements 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 the New York Real Property Law Section 339-p for any portion or portions of the Buildings and appurtenances which are incomplete upon the original filing of the Declaration provided that the verified statement of a registered architect or licensed professional engineer certifying that the plans being filed simultaneously with such amendment, fully and fairly depicting the layout, location, unit designations and approximate dimensions of the particular Unit or Units as built, as provided in said Section 339-p will be filed with such amendment.

No such amendment shall be effective until recorded in the County Office of the Register of the City of New York.

(8) The board has a fiduciary duty to act in the best interest of the condo, even during the control period.

SECTION (W): RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND BOARD OF MANAGERS

(1) Sale or Lease of Unit; Right of First Refusal of Board of Managers

FOR THE PROPOSED RESALE OF A CONDOMINIUM UNIT:

Any Unit Owner shall have the right to sell his or her Unit under the following terms and conditions:

The terms of any lease, including the rent, will be subject to state or local laws.

A. The Unit Owner shall first give the Board of Managers thirty (30) days prior written notice of the terms of any bona fide sale, together with a copy of a contract of sale executed by a prospective purchaser, which the Unit Owner desires to execute. Written notice with a copy of the contract of sale shall be sent to the managing agent, if any, or to the President of the Condominium by Certified Mail or overnight mail by via a nationally recognized overnight courier service with proof of delivery being retained by the Unit Owner. The Board of Managers shall have thirty (30) days to exercise the right of first refusal.

B. The Board of Managers may require the prospective purchaser to complete an application and/or questionnaire for consideration by the Board of Managers or Sponsor of the proposed transaction. (The 30-day period as discussed above shall commence from the time that the managing agent or the President of the Condominium receives a fully completed application in the event that the condominium requires applications to be completed by prospective purchasers). The Board of Managers shall require photo identification of all persons who are prospective purchasers and who may reside in the condominium unit; the names, addresses and social security numbers of all proposed occupants shall be provided to the Board of Managers with the proposed contract of sale. Any prospective purchaser of any condominium unit consents to the Board of Managers obtaining a criminal background check on the proposed purchasers. The Board of Managers may not discriminate against any proposed purchaser or proposed occupant on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law.

If the Board of Managers fails to act within such thirty (30) day period, it shall be deemed to have waived the right of first refusal to the proposed transaction;

Any such deed to convey any condominium unit shall provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as the same may be amended from time to time.

C. If the Board of Managers elects to exercise to exercises its right of first refusal to the transaction, it shall, within the thirty (30) day period, either:

(i) Produce a purchaser who will purchase the unit upon the same terms as stated in

the Unit Owner's notice to the Board of Managers and the contract of sale executed by the proposed purchaser, or

(ii) Agree to purchase the Unit on behalf of all other Unit Owners on the same terms stated in the contract of sale submitted to the Board of Managers.

If the Board of Managers desires to purchase the condominium unit from a unit owner, at the closing, the Unit Owner shall convey the unit (and Appurtenant Interests) to the Board of Managers or to its designee, on behalf of all other Unit Owners, by deed in the form required by Section 339-0 of the Real Property Law of the State of New York, with all transfer stamps affixed, and shall pay all transfer and other taxes arising out of such sale. Real estate taxes, mortgage interest and common charges and expenses shall be apportioned between the Unit Owner and the Board of Managers, or its designee, as of the closing date. The closing shall occur within 45 days from the date that the Board of Manager exercises its right of first refusal to purchase the condominium unit. The closing shall occur at the offices of the attorney for the condominium.

In connection with the foregoing, the Board of Managers may not purchase a Unit without the approval of a majority of the Unit Owners (as such term "majority" is defined in the By-Laws). In the event that the Board of Managers does not have sufficient funds on hand for the purchase of a Unit which has been approved by the majority of the Unit Owners, the Board of Managers may borrow such funds or may assess the Unit Owners in proportion to their respective common interests to the extent of the purchase price amount. In the event that the Board of Managers exercises its right to purchase the condominium unit, it may do so on the same terms and conditions (including but not limited to the mortgage contingency provisions and closing date provisions set forth in the contract executed by the proposed purchaser). In the event that the Board of Managers does not either produce a purchaser for the Unit or agree to purchase the Unit on behalf of all of the Unit Owners as set forth above within the stated thirty (30) day period, the Unit Owner shall have the right to consummate the sale on the terms submitted to the Board of Managers and in accordance with the terms set forth in the contract of sale executed by the proposed purchaser. The proposed purchaser must comply with the requirements set forth in the Declaration and By-Laws.

The restrictions upon the sale of Units, set forth in this Section shall not apply to the Sponsor, or its designee, or to a mortgagee (including the holder of a construction loan, if any) acquiring title in foreclosure or by deed in lieu of foreclosure. The foregoing persons shall be free to sell without first notifying or obtaining the waiver of right of first refusal of the Board of Managers or Sponsor. The Board of Managers and the Sponsor, as the case may be, shall be required to cooperate in providing appropriate physical access to any such Unit and the common elements, as well as all financial information regarding same.

A Unit acquired by the Board of Managers pursuant to the Right of First Refusal described herein may be sold, leased, mortgaged or otherwise dealt with in the discretion of the Board of Managers. The proceeds of such disposition will be received by the Board of Managers on behalf of all Unit Owners in proportion to their respective common interests.

Purchasers of Units may not assign their Purchase Agreements without first obtaining the written consents of the Sponsor, which consents may be granted or withheld in Sponsor's sole and absolute discretion. Purchasers are prohibited from listing their Units for sale prior to the closing of such unit. In the event that purchasers sell their Units within 12 months of the closing date of their Units (the "subsequent sales"), purchasers shall be obligated to pay to the Sponsor 50% of the net profit from the subsequent sales. Net profit is defined as the sale price for the subsequent sale, less transfer taxes and brokerage fees paid by a purchaser (who purchased from Sponsor), less the price which the purchaser paid to sponsor for the purchase of the Unit and any other costs incurred in selling the Unit.

FOR THE PROPOSED LEASING OF A CONDOMINIUM UNIT BY A UNIT OWNER:

Any Unit Owner shall have the right to lease their condominium unit subject to Board's right of first refusal under the following terms and conditions:

The Unit Owner shall first give the written notice by Certified Mail or via a nationally recognized overnight courier service with proof of delivery being retained by the Unit Owner to the (a) Sponsor if Sponsor is in control of the Board of Managers, or (b) the Board of Managers if Sponsor is no longer in control of the Board of Managers, of no less than thirty (30) days written notice of the terms of any bona fide proposed lease and tenant, together with a copy of a completed lease to be executed by a prospective tenant, or if executed by the prospective tenant, the lease must include the following provision:

For a lease:

"THIS LEASE IS SUBJECT TO THE WRITTEN WAIVER OF THE RIGHT OF FIRST REFUSAL OF THE BOARD OF MANAGERS OF . THIS LEASE IS NOT VALID UNLESS THE BOARD OF MANAGERS ISSUES A LETTER STATING THAT THE CONDOMINIUM HAS WAIVED ITS RIGHT OF FIRST REFUSAL TO THE PROPOSED LEASING OF THE CONDOMINIUM UNIT WHICH IS THE SUBJECT OF THE LEASE".

Written notice must be sent by the Unit Owner by Certified Mail or via a nationally recognized overnight courier service with proof of delivery being retained by the Unit Owner to the Sponsor if the Sponsor is still in control of the Board of Managers, or to the President of the Condominium if the Sponsor is no longer in control of the Board of Managers.

If the Board of Managers fails to exercise the right of first refusal to the proposed leasing of the subject condominium unit within thirty (30) days of receipt by the Sponsor or President of the Board of Managers, as the case may be, of the notice and lease as set forth above, it shall be deemed that the Board of Managers or the Sponsor, as the case may be, has waived the right of first refusal to the proposed transaction. If there is a managing agent managing the condominium building, then such notice may be sent to the managing agent instead of the President of the Condominium.

The Board of Managers may require the prospective tenant to complete an application and/or questionnaire for consideration by the Board of Managers or Sponsor of the proposed

leasing transaction. (The 30 day period as discussed above shall commence from the time that the managing agent or the President of the Condominium receives a fully completed application in the event that the condominium requires applications to be completed by prospective purchasers). The Board of Managers shall require photo identification of all persons who are prospective tenants and occupants who shall reside in the condominium unit which is the subject of the lease. The names, addresses and social security numbers of all persons who will reside in the condominium unit must be submitted to the Board of Managers with the proposed lease. Any prospective tenant of any condominium unit consents to the Board of Managers obtaining a criminal background check on the proposed tenants and occupants. The Board of Managers may not discriminate against any proposed purchaser or proposed occupant on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law.

If the Board of Managers or the Sponsor exercises the right of first refusal to the proposed leasing of any condominium unit, the Unit Owner may not execute the lease with the proposed tenant.

Any purported leasing of a Condominium Unit in violation of this Section shall be voidable at the election of the Board of Managers or Sponsor as the case may be.

The restrictions upon the leasing of Condominium Units, set forth in this Section shall not apply to the Sponsor, or its designee, or to a mortgagee (including the holder of a construction loan, if any) acquiring title in foreclosure or by deed in lieu of foreclosure. The foregoing persons shall be free to lease, without first notifying or obtaining the consent of the Board of Managers or Sponsor. The Board of Managers and the Sponsor, as the case may be, shall be required to cooperate in providing appropriate physical access to any such Unit and the common elements, as well as all financial information regarding same.

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

Notwithstanding the foregoing, no Unit Owner may sell or lease his Unit if he is in arrears on payment of common charges.

Unit Owners will be free, without restriction, to sell or lease their respective Units to a spouse or, any adult children, without first offering the unit for sale or lease to, or obtaining the consent of the Board of Managers. Furthermore, a Unit Owner is free, without restriction, to make a gift of his Unit to anyone during his lifetime, to devise such Unit by will or pass such Unit by intestacy. No Unit can be sold, leased or in any way transferred apart from its appurtenant interest in the Common Elements.

The Board of Managers may make further restrictions on or conditions to sale or lease of Units in the future consistent with the Condominium Declaration, By-Laws and applicable law.

Every Unit Owner shall be required to pay a processing fee, to be determined by the Board of Managers, per transaction to the Board of Managers for each sale (other than the

initial purchase by the Unit Owner) or lease of his or her Unit.

(2) Mortgaging of Units by Unit Owners.

Each Unit Owner may mortgage his 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 of Managers having a lien on the Unit for the unpaid Common Charges.

Notice to Board of Managers: A Unit Owner who mortgages his Unit shall notify the Board of Managers of the name and address of his mortgagee and shall file a confirmed 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."

(3) Common Charges and assessments.

(i) **Procedure to Establish.** The Board of Managers shall from time to time, but at least annually, prepare a budget for the Condominium determining the amount of the Common Charges payable by the Unit Owners. Common charges will be established by determining the operating budget for the coming year of condominium operation and allocating to each Unit Owner a percentage of that budget in accordance with their percentage of ownership for common interest in the condominium.

(ii) **Reserve for Capital Expenditures.** The Common expenses 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. The Common Expenses may 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 of working capital and a general operating reserve. There are no restrictions imposed on the right of the Board of Managers to accumulate reserves for Capital Expenditures, or otherwise. The Board of Managers shall advise all Unit Owners promptly, in writing, of the amount of Common Charges payable by each of them, and shall furnish copies of each budget on which such Common Charges are based to all Unit Owners and to their mortgagees of record, if requested.

(iii) **Termination of Common Charges and Assessment Liability of Unit Owners.** Under section 339-kk of the Real Property Law, the board of managers has the right to require the tenant in an apartment owned by a non-occupying owner to make rental payments directly to the board of managers where such non-occupying owner is in default on payments of common charges, assessments or late fees for such unit for a period of 60 days after the expiration of any grace period after they are due. Payments by such rental tenant to the condominium pursuant to this statute relieves such rental tenant from the obligation to pay such rent to such non-occupying owner, and is an absolute defense in any nonpayment proceeding commenced by such non-occupying owner. The procedures by which the board of managers may enforce this right, including required notice, means of protest, and termination are set forth in the aforementioned BOARD OF MANAGER Section of this Offering Plan.

No Unit Owner may exempt himself from liability for Common Charges or Expenses by waiver of the use, or enjoyment of any of the Common Elements, or by abandonment of his Unit. The liability of each Unit Owner for the payment of the Common Charges and Expenses thereafter assessed or becoming due against the Unit shall terminate upon a permissible sale, transfer or other conveyance of such Unit, and the appurtenant interests in the Common Elements.

In addition, any Unit Owner may, subject to the terms and conditions specified in the By-Laws, provided that his Unit is free and clear of liens and encumbrances, other than permissible mortgages and the statutory lien for unpaid common charges, convey his/her Unit together with the said appurtenant interests to the Board of Managers or its nominee on behalf of all other Unit Owners, and in such event be exempt from all Common Charges and Expenses thereafter assessed. The By-Laws do not contain a provision stating that the obligation to pay common charges is terminated if the Unit Owner conveys the Unit to the Board without compensation.

(iv) **Sections 339-z and section 339-aa of the Real Property law.** Under the provisions of Section 339-z of the Condominium Act, the Board of Managers on behalf of the Unit Owners shall have a lien on each Unit for unpaid Common Charges assessed against such Unit by the Board of Managers, together with interest thereon. Such lien shall be subordinate only to liens for real estate taxes on the Unit and to any sums unpaid on the first mortgage of record of such Unit. Any lien for unpaid Common Charges against a Unit shall be effective from and after the filing of a notice thereof in the Kings County Office of the City Register, and until all sums secured thereby with the interest thereon shall have been fully paid, or until six years from the date of filing (unless foreclosure of such lien is started within such six-year period), whichever may be earlier. Such lien may be foreclosed by a suit brought in the name of the Board of Managers acting on behalf of the Unit Owners in like manner as the foreclosure of a mortgage on real property, or an action may be brought by the Board of Managers to recover the Unpaid Common Charges without foreclosing the lien.

(v) **Board of Manager to File a Lien.** In the event the Sponsor is more than thirty (30) days in arrears on Common Charges for any unsold Unit during the time the Sponsor is in control of the Board of Managers, Sponsor will cause the Board of Managers to file a lien as provided for in section 339-aa of the Real Property law.

(4) **Repairs**

(i) **Allocation of Responsibility.** All maintenance or any repair to any Unit, ordinary or extraordinary, and to the doors and windows (except the painting and decoration of the side of the elevator doors and stairwell doors which do not face into a Unit, and the exterior side of windows), electrical (except Common Elements) within the Unit or belonging to the Unit Owner, shall be at the Unit Owner's expense, except for structural elements as specifically required herein.

(ii) **Required of Unit Owners.** Unit Owners who enjoy use of a limited common element are responsible for regular repair and maintenance of such limited common element such as cleaning, painting, repair to surface damage, etc. Damage to the structural or mechanical systems serving such limited common element (except where directly caused by act or omission

of the Unit Owner, their agents, employees or invitees) are the responsibility of the condominium through the Board of Managers.

(iii) **Responsibility for Repairs or Replacements for Negligence or Abuse.** All maintenance, repairs, and replacements to the Common Elements (including the exterior walls of the Building and exterior sides of the windows) and the painting and decorating of the side of the elevator doors and stairwell doors which do not face into a Unit shall be made at the direction of the Board of Managers, and be proportionately 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 shall be charged to such Unit Owner

(iv) **Right of Access.** A Unit Owner by acceptance of a Deed for a Unit shall have granted a right of access to the Unit and to all appurtenant areas, if any, to the Board of Managers and/or Managing Agent and/or any other person authorized by the Board of Managers of the Managing Agent, for the purpose of performing installations, alterations or repairs to the mechanical or electrical services of other Common Elements in his/her Unit or elsewhere in the Building in which the Unit is located, to remove violations, cure defaults by a Unit Owner, and for any other purpose provided in the Plan, Declaration, or as may be required by law or governmental regulation, provided that requests for entry (except in emergency situations) is at a time reasonably convenient to the Unit Owner. In case of emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. Provided reasonable care is exercised to safeguard the Unit Owner's property, such entry shall not render the Board of Managers or its authorized agents liable for damage incurred in connection with the exercise of such right of entry. Each Unit Owner will deposit with the President of the Board of Managers a key to his/her Unit to allow for entry in an emergency. The Board of Managers may designate responsible individual(s) to hold such keys.

Each Unit Owner shall be required to pay the Common Charges and Expenses levied by the Board of Managers. All Unit Owners, mortgagees, lessees and occupants of Units and their employees, and any other persons who may use the facilities of the Property in any manner, are subject to the By-Laws, the Declaration and the Rules and Regulations. A copy of the Declaration and By-Laws and Rules and Regulations appear in Part II of this Plan. The violation of any of the Rules and Regulations or the breach of any By-Laws or provision of the Declaration shall give the Board of Managers, in addition to other rights set forth in specific provisions of the By-Laws, the right to: (i) enter any Unit in which, or as to which, such violations or breach exists and to abate and/or remove same summarily, at the expense of the defaulting Unit Owner. The Board of Managers shall not thereby be deemed guilty or liable for trespass nor be liable for any damage to the Unit, nuisances or fixtures incurred in connection with such rights unless such damage is caused by negligence on the part of the Board of Managers; or (ii) enjoin, abate or remedy by appropriate legal proceedings, the continuance of any such violation or breach. The costs incurred by the Board by virtue of the exercise of its rights to correct such breaches or violations, including attorney's fees, shall be due upon demand from the Unit Owner in question, and shall constitute a Common Expense against his/her Unit.

As part of Purchase of the Unit, Purchaser will be required to execute a broad Power of Attorney in favor of the Board of Managers of the Condominium. This Power of Attorney will

give the board of Managers the right to acquire and otherwise administer defaulted, abandoned or foreclosed units in the name of the condominium. It will also give the board of Managers the right to execute amendments to the Condominium Declaration, Deeds conveying condominium property, filing for severance of tax lots and other functions reasonable or necessary to effectuate the purposes set forth in the Condominium Declaration, on behalf of all of the Unit Owners. Purchaser must sign the Power of Attorney at closing; failure to sign the Power of Attorney will be deemed a default and will result in cancellation of the transaction and possible loss of the Downpayment. Please see the POWER OF ATTORNEY set forth in Part II of this Offering Plan.

(v) Limited Common Elements

Each unit may have balcony, cellar, yard and/or storage, as limited common element, as shown in Schedule A. No structures may be built on these areas without the express written permission of the Board of Managers. Unit Owners who enjoy use of a limited common element are responsible for regular repair and maintenance of such limited common element such as cleaning, painting, repair to surface damage, etc. Damage to the structural or mechanical systems serving such limited common element (except where directly caused by act or omission of the Unit Owners, their agents, employees or invitees) are the responsibility of the condominium through the Board of Managers. The limited common elements may not be used for any type of occupancy, including but not limited to dining, sleeping, living room, recreation and office, breach of which may result in a violation issued by Department of Building against the Condominium building and in which case, Unit Owner shall be fully responsible for clearance of the violation at Owner's cost and expense. The cellar spaces are below-grade and more susceptible to dampness. Accessory cellar space for Units 1A and 1B is typically considered a non-habitable portion of the unit, rather than a limited common element. (SEE PART II, DESCRIPTION OF PROPERTY AND SPECIFICATIONS; SECTION (D): INTRODUCTION; AND SECTION (W): RIGHTS AND OBLIGATIONS OF THE UNIT OWNERS AND BOARD OF MANAGERS.)

(5) Additions, Alterations and Improvements

(i) Rights and Obligations of Unit Owners and Board of Managers. No Unit Owner may make any structural addition, alteration or improvement in his Unit, or do any work which would jeopardize the soundness or safety of the Building, reduce the value thereof, or impair any easement or hereditament of the Property, without the prior written approval of the Board of Managers. As a condition of the granting of its consent to the above acts, the Board of Managers may require the Unit Owner to execute an agreement in form and substance satisfactory to the Board of Managers setting forth the terms and conditions under which such alteration, addition, improvement, or repair, may be made, including without limitation, the days and hours during which any work may be done. No application shall be filed with any governmental authority for a permit covering an addition, alteration, or improvement to be made in a Unit, unless approved and executed by the Board of Managers; such approval, however, shall not result in liability on the part of the Board of Managers or any of them, to any contractors, subcontractors, material men, architects or engineers, by reason of such additions, alterations, or improvements, or to any persons having any claims for injury to persons, or damage to property arising therefrom. Such contractors, subcontractors, material men, architects or engineers, by reason of such additions,

alterations, or improvement, or any person having any claims for injury to persons, or damage to property arising therefrom shall fully indemnify the Board of Manager or any of them. The provisions of this paragraph shall not apply to an Unsold Unit, provided that any alterations to such Unsold Units shall be in accordance with, and only as permitted, by the Condominium Act and all governmental regulations.

(ii) **Work That Unit Owners Can Do with or Without Consent.** Non-structural alterations and improvements to Residential Units that do not affect the exterior of the Building, or the value of other Units, may be made without prior approval of the Board of Managers.

Unit Owners may perform all standard repair and maintenance items within their apartment and standard home improvements items without permission of the Board of Managers. Thus, Unit Owners may repair or replace fixtures, equipment, cabinetry, flooring, sheetrock, etc. without permission of the Board of Managers. However, Unit Owners may not relocate plumbing, heating, electric or other service lines affecting other units in the building during the course of such repairs or improvements without receiving Board permission.

(iii) **Requirement in the By-Laws.** In the event the Board of Managers grants its consent, either affirmatively or by its inaction, to any structural addition, alteration or improvement to be made by a Unit Owner, the consent shall provide that any such work shall be at the Unit Owner's sole cost and expense, that work shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances, that all work shall be done by reputable contractors with adequate liability, property damage and worker's compensation insurances (certificates for which shall be delivered to the Board of Managers prior to the commencement of construction), that any additions, alterations or improvements, shall be maintained in their entirety by said Unit Owner who shall also be responsible for any repairs, including structural repairs, to such area in any event, and to the Unit and any Common Elements where such repairs become necessary due to additional stresses caused by the structural alteration, addition or improvement, or due to improper design or construction of the structural alteration, addition or improvement, and such approval shall further provide that the Unit Owner shall reimburse the Board of Managers any out-of-pocket expenses incurred by the Board of Managers in connection with the granting of such approval and in connection with any services provided to such alteration, addition or improvement; such expenses may include, but shall not be limited to, any fees of an attorney and/or fees of an architect consulted in connection with any request by a Unit Owner for approval of such work.

The provisions of 13 NYCRR Section (W) (5) promulgated by the Department of Law which requires the consent of the Board of Managers in connection with a structural addition, alteration or improvement shall not apply to Units owned by the Sponsor or its designee. All other provisions of this Section (W) (5) shall apply to all Units.

Non-structural alterations and improvements to Units that do not affect the exterior of the Buildings may be made without the prior approval of the Board of Managers.

(6) **Insurance.**

(i) **Provided by Board of Manager.** The Board of Managers shall obtain and maintain, to the extent determined by them to be appropriate: (1) hazard insurance, with extended coverage, insuring the Building and Units (but not including furniture, furnishings or other personal property supplied to, or installed by, Unit Owners), together with all service machinery contained therein covering the interests of the Condominium. The Board of Managers, and all Unit Owners and their mortgagees, as their interest may appear, in an amount equal to the full replacement value of the insured property without deduction for depreciation; (2) machinery insurance; (3) water damage legal liability insurance; (4) liability insurance for personal injury or property damage in an amount not less than one million dollars; (5) officer's and director's insurance covering the board of managers; and (6) such other insurance as the Board of Managers may determine. Each of the policies shall contain a New York standard mortgage 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 interests may appear, subject, however, to the loss payment provisions in favor of the Board of Managers in the event of casualty or condemnation.

(ii) **Not Provided by Board of Manager.** Unit Owners shall be entitled to carry casualty insurance protection for their furniture and the interior of their Units and for personal liability coverage for their own benefit at their own expense, provided that such policies contain waivers of subrogation, and further provided that the liability of the carriers issuing insurance procured by the Board of Managers shall not be affected or diminished by reason of any other insurance carried by a Unit Owner. Please see **footnote 6** to SCHEDULE B of this Offering Plan for the details of the insurance coverage.

(iii) **Conditions and Proceeds Allocations.** The Board of Managers shall be required to maintain hazard and casualty insurance on the building in an amount sufficient to ensure that the condominium shall not be a co-insurer (which generally means that the policy must be retained at replacement value); and it shall also maintain liability insurance in an amount which it deems appropriate. The proceeds of the hazard and fire insurance policy shall be payable to the condominium Board in the event of a loss amounting to \$100,000.00 or less and to the insurance trustee, if the loss exceeds \$100,000.00. Such proceeds shall be applied to the repairing, restoring or rebuilding the building unless otherwise determined by Unit Owners. In no event shall the proceeds of any such insurance policy be paid to the holder of any mortgage on a unit unless there has been a determination by Unit Owners not to rebuild the building. The insurance trustee, if any, shall be a bank or trust company having an office in the city and state of New York.

(7) **Restrictions on Occupancy and Use.**

Occupancy shall be limited to residential uses, as described in the DESCRIPTION OF PROPERTY AND SPECIFICATIONS Section of the Offering Plan, unless permission for other use is granted by the Board of Managers and meets approvals of government agencies and authorities. The occupancy shall be limited to its legal use, residential units shall be limited to residential uses.

Purchasers are prohibited from listing their Units for sale prior to the closing of such unit. In the event that a purchaser sells his or her unit within 12 months of the closing date of their unit (the "subsequent sale"), purchaser shall be obligated to pay to the sponsor 50% of the net profit from the subsequent sale. Net profit is defined as the sale price for the subsequent sale, less transfer taxes and brokerage fees paid by purchaser (who purchased from Sponsor), less the price which purchaser paid to sponsor for the purchase of the unit and any other costs incurred in selling the unit.

(i) **Limitation on Pets.** No animals, birds, reptiles, or other pets may be raised, bred, or kept in any unit or common elements, except for dogs and cats. Each unit may have a maximum of two dogs or cats, with the exception of service animals for disabled individuals, which do not have a weight limit. However, written consent from the Board of Managers is required, and these pets must adhere to the rules and regulations set by the Board. They should not be kept for commercial purposes, and any pet causing a nuisance, disturbance, or excessive noise shall be promptly removed from the property upon three (3) days written notice from the Board of Managers.

In no event shall any dog be permitted in any portion of the common elements unless carried or on a leash, or in any grass or garden plot under any circumstances.

(ii) **Aesthetic Controls.** In order to retain the structural integrity and aesthetic appearance of the building, no additional window or through-the-wall air-conditioning appliances may be installed in any unit and no radio, television aerial or awning shall be attached to or hung from the exterior of the building by the Unit Owner without consent of the Board and otherwise in accordance with applicable laws and rules. Painting of doors to the individual residential units or any portion of the property outside of the Condominium Unit is prohibited.

(iii) **Limitation on Business or Professional Use.** Business or professional use is not permitted without the express written consent of the Board of Managers and must be permitted by zoning regulations. The sponsor may maintain an office on the premises while there is at least one unit unsold.

(iv) **Restrictions on Occupancy of Units Owned by Corporations, Partnerships or Fiduciaries.** Corporations, Partnerships and Fiduciaries may own condominium units provided that the use is for residential purposes only, and not for any business or non-residential purpose

(v) **Restrictions on Illegal or Offensive Uses.** Units may not be used for illegal or offensive uses.

(vi) **Limitations on Guest Privileges.** A Unit Owner may not permit a guest to use the Unit in the absence of the Unit Owner without the express written consent of the Board of Managers.

(vii) **Limitations on Utilization of Common Elements.** Common Elements may not

be used for storage or loitering.

(viii) **Limitations Contained in the Certificate of Occupancy and Zoning Regulations.** There are no known restrictions set forth in the Zoning Regulations to prohibit the use as contemplated for this condominium. There are no known limitations in the Certificate of Occupancy which will be sought by the Sponsor which would limit the use of the condominium property other than as set forth in this offering plan.

(ix) **Window Guards.** Each Unit Owner must notify the Managing Agent, or the Board of Managers if there is no Managing Agent, when a child or children ages eleven (11) years or under live or reside, permanently or temporarily in the Condominium Unit. Each Unit Owner must install at the Unit Owner's sole cost and expense the required window guards in all windows of the Unit. The Unit Owner must maintain all window guards installed in the Unit and shall not remove same until permitted by applicable law and in any event, without written consent of the Managing Agent and/or Board of Managers. [See SECTION (C): SPECIAL RISK.]

(8) **Other Material Restrictions.** There are no other material provisions in the declaration or by-laws, which significantly affect the rights and obligations of the unit owners or the board of managers other than the following:

(i) **Limitations on Smoking.** Smoking and using electronic cigarettes is prohibited in any common areas within the interior of the building(s) as required by all applicable laws and is permitted in any of the dwelling units, provided that smoke does not enter into other Units or the Common Elements.

Smoking and using electronic cigarettes is permitted in all outdoor areas, including but not limited to, common courtyards, rooftops, balconies and patios, and any outdoor areas connected to dwelling units.

Unit Owners and their guests shall not permit cigarette, cigar or pipe smoke from escaping from the Unit and entering any other Unit or the Common Elements. Unit Owners shall not smoke in their Units if they are unable to prevent the smoke from entering the Common Elements or another Unit. The Board shall have the right to obtain a court order enjoining occupant of a Unit from smoking in the Unit or the Common Elements if the smoke escapes the Unit and the Board shall have the right to seek the eviction of a tenant who smokes in a Unit or the Common Elements if the smoke escapes from the Unit. In addition to all other remedies available to the Board, violation of this policy shall subject the Unit Owner to (i) a fine in an amount to be determined from time to time by the Board and (ii) reimbursement for any fees or expenses incurred by the Condominium to cause the smoke infiltration into the Common Elements or another Unit to cease (including but not limited to legal fees) in enforcing this provision.

SECTION (X): REAL ESTATE TAXES

(1) **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.

(i) There is no guaranty that there would be no delay in obtaining separate assessments by the appropriate tax assessor's office. There is currently no anticipated delay. .

(ii) If the units have not been separately assessed for real estate tax purposes prior to the closing of title to the first unit, the procedure by which unit owners will make payments towards real estate taxes to the board of managers is as follows:

If units have not been separately assessed for real estate tax purposes prior to the closing of title to the first unit, sponsor may place in escrow, in the name of the board of managers, an amount equal to the unpaid real estate taxes which will be levied against the parcel for the six-month period following the first closing. Alternatively, the sponsor may place in escrow, in the name of the board of managers, an amount equal to the real estate taxes attributable to the unsold units for such six-month period and may collect at each unit closing the estimated amount of taxes attributable to such unit for the balance of the six-month period. The board of managers will pay the real estate taxes from the escrow account when taxes are due and payable, and the funder of the escrow account will be entitled to reimbursement from unit owners to the extent of the actual assessment. No escrow will be required if the condominium by-laws include as part of the common expenses, real estate taxes on the property until the units are separately assessed and after assessment unit owners will be reimbursed for any overpayment of taxes or assessed for an underpayment.

At closing, Sponsor shall deposit with the Board of Managers a sum sufficient to pay all taxes due for the balance of tax year. The Board of Managers shall be authorized to pay such taxes as and when due from such escrow fund. As each subsequent individual condominium Unit is sold, the Purchaser thereof, as a standard closing adjustment, shall reimburse the Sponsor for the portion of their tax liability paid by the Sponsor from the date of closing through the end of the tax year. On closing, Sponsor may directly pay all real property taxes due for the balance of tax year. It is anticipated that Units will be separately assessed for the tax year, and that individual Unit Owners (whether Purchasers, holders of unsold shares, or the Sponsor) will pay the taxes thereof as set forth in the attached SCHEDULE A.

(2) **The Property is taxed by the City of New York** which, through the Department of Finance, has assessed the property at a pre-construction value of \$21,497.00 for 2023/2024 Tax year, and imposes a tax rate of 12.502%. The projected assessed value for 2024/2025 Tax Year is \$586,404. The first year of condominium operation will begin in April 2024 and end in March 2025. The estimated real property for the first year of Condominium operating is calculated as follows:

	Assessed Value	Tax Rate	Real Property Tax
25.00% of year 2023/2024	\$5,427	12.502%	\$678
75.00% of year 2024/2025	\$439,803	12.502%	\$54,984
First year	Total: \$445,230		\$55,663

The projected post-completion real estate taxes payable in the total amount of \$55,663 are set forth in SCHEDULE A and the amounts are determined by applying the applicable tax rate to the non-exempt portion of the assessment as set forth in the attached letter from Metropolitan Realty Exemptions, Inc., and then allocating the amount due in conformity with the allocation of Common Interests. The City of New York is not bound by the allocation of Common Interests and may allocate on a different basis. All figures are estimates.

(3) Sponsor has obtained an estimate from Metropolitan Realty Exemptions, Inc. of a post-completion assessed value of \$21,708 for the Tax Year of 2023/2024 and \$586,404 for the Tax Year of 2024/2025, commencing in the Tax Year. With this estimated assessed value and with a tax rate of 12.502%. The estimated taxes can be obtained by multiplying the assessed value per square foot by a unit's square feet, and then multiplying that value by the tax rate. **(SEE SECTION (Y): OPINIONS OF COUNSELS)**

(4) Unless otherwise as set forth in the attached letter from , there are no other known or tentative changes in the assessed valuation or tax rates which will affect the condominium unit. The Building benefits from the limitations imposed by Sections 581 (which prevents a building from being assessed at a higher level than similarly situated rental properties merely because of its status) and 1805 (which limits the annual increases due to changes in market value) of the Real Property Tax Law.

(5) There are no tax certiorari proceedings currently pending.

(6) **Individual owners may challenge the assessment** of their property by filing a tax protest in accord 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 assessment, the general grant of power in the Board of Managers to operate the property in the best interest of Unit Owners is sufficient to delegate to the Board of Managers a right to file tax protests on behalf of all Unit Owners.

(7) **Tax Exemption and Abatement Benefits.** Sponsor does not intend to file for Tax Exemption and Abatement Benefits.

(i) Intentionally deleted.

(ii) The tax benefits are not in place at the time the proposed offering plan is first submitted to the Office of the Attorney General, the projected total monthly carrying charges without tax benefits is as detailed in Schedule A under Columns 7.

- (iii) Tax benefits are not available. (SEE SECTION (C): SPECIAL RISK.)
- (iv) Sponsor is not applying for J-51 benefits.

(8) Disclosures. A restrictive declaration has not been recorded in the property records concerning affordable units. The building service employees do not have to be paid at a prevailing wage for the duration of the building's tax exemption because the building contains less than 50 units. Sponsor intends that the building shall be exempted from the statutory obligation to register the units as rent-stabilized by reason of its condominium status.

If, prior to consummation, Sponsor rents any residential unit (or portion thereof) to any person other than an interim lease, Sponsor is obligated to abandon the offering plan in accordance with the provisions of 13 NYCRR Section 20.1(1)(2) and 20.5(g) promulgated by the Department of Law.

(9) Tax Status of the Condominium. Ordinarily, a condominium board may elect to be exempt from federal income taxes on Common Charges collected from Unit Owners under Section 528 of the Internal Revenue Code, provided certain prerequisites are met.

In order to elect such status,

- a) the Condominium must be organized and operated to provide for the acquisition, construction, management, maintenance and care of the Property;

- b) 60% or more of the gross income of the Condominium for the taxable year must consist solely of amounts received as membership dues, fees or assessments from owners of Units in the Condominium;

- c) 90% or more of the net expenditures of the Condominium for the taxable year must be for the acquisition, construction, management, maintenance and care of the Property;

- d) no part of the net earnings of the Condominium may inure (other than by acquiring, constructing or providing management, maintenance and care of the Property and other than by a rebate of excess membership dues, fees, or assessments) to the benefit of any private shareholder or individual;

- e) substantially all of the Units must be used by individuals as residences; Treasury Regulation 1.528-4(b) provides that substantially all of the Units will be treated as used by individuals for residences only if at least 85% of the total square footage of all Units are used as such residences; and

f) the Condominium must make such election at such time in such manner as the Secretary of the Treasury prescribes by regulations.

(10) The projected RE taxes are for the 1st year of projected condo operations and that the taxes may significantly increase in subsequent years and when construction of the building is complete and the property is fully accessed.

Under the Treasury regulations issued pursuant to Section 528, a condominium management association must qualify annually for the election under Section 528; and additionally, it must make a separate election for each taxable year. Accordingly, the ability of the Condominium Board to elect the benefits of Section 528 will depend on the particular facts and circumstances prevailing in the taxable year at issue.

INCOME TAX DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF CONDOMINIUM

The following discussion of certain income tax consequences of the ownership of a Residential Unit as a personal unit was prepared by Sponsor, based in part, upon the income tax opinion of Dylan Chan Law Firm, P.C., counsel to Sponsor, a copy of which is set forth in the Offering Plan.

DYLAN CHAN LAW FIRM, P.C. IS COUNSEL TO SPONSOR AND NOT THE UNIT OWNERS. EACH PURCHASER SHOULD CONSULT PURCHASER'S OWN TAX COUNSEL AS TO THE TAX CONSEQUENCES OF THE UNIT OWNERSHIP UNDER THE PLAN.

Income Tax Deductions to Residential Unit Owners

A Residential Unit Owner will own the Condominium Unit which he or she purchases and its appurtenant Common Elements in fee simple absolute and each Unit will be a separate tax lot for purposes of New York City real estate taxes and assessments. As a result, a Unit Owner may be entitled to deduct for Federal, New York State and in case of New York City residents, New York City income tax purposes, real estate taxes assessed against the Unit and paid by such owner as well as interest paid by the Unit Owner on certain mortgages made against the Unit, subject to certain exceptions and limitations as discussed in the Attorney's Income Tax Opinion. Generally, an individual Unit Owner may only deduct interest on debt incurred to acquire his principal residence or a designated secondary residence subject to certain limitations. Each Purchaser should consult with his or her own tax counsel, accountant or other financial advisor as to the tax consequences of the ownership of a condominium unit.

Subject to certain exceptions and limitations that are more particularly discussed in the Opinion of Counsel – Income Tax Deductions to Unit Owners and Tax Status of Condominium,” it is the opinion of Dylan Chan Law Firm, P.C. that a Residential Unit Owner who uses the Residential Unit as a personal residence will, under present law, for Federal, New York State and New York City income tax purposes, be entitled to a deduction for mortgage interest and real estate taxes in the year paid in the case of cash basis taxpayers or accrued in the case of other taxpayers, subject to certain exceptions and limitations which are more particularly discussed in the Attorney's Income Tax Opinion. Purchasers should note that deductions, if applicable, may vary in the future due to changes in the interest rate or the Residential Unit Owner's mortgage or from changes in the allocation of the constant debt service payments to interest and principal, or due to changes in real property taxes resulting from the expiration of real estate tax benefits, or from changes in the assess value, the tax rate or the method of assessing the real property. Purchasers who are individuals should note that interest paid on a mortgage secured by a personal residence generally is deductible only with respect to indebtedness that is incurred in acquiring or substantially improving a principal or secondary personal residence and, for taxable years beginning after December 31, 2017 and before January 1, 2026, only up to an aggregate indebtedness of \$750,000 (or \$375,000 in the case of a married individual filing a separate return).

Interest on home mortgage debt that does not satisfy these requirements, such as home equity indebtedness, or is in excess of these limitations would not be deductible. In addition, Residential Unit Owners should note that special limitations may apply to the deductibility of points and prepaid interest, if any, on their mortgage loans and to the overall allowance of itemized deductions. Purchasers should further note that, for a taxable year beginning after December 31, 2017 and before January 1, 2026, the aggregate deduction for state and local real property taxes, state and local personal property taxes, state and local, and foreign, income, war profits, excess profits taxes, and general sales taxes (if elected) for any tax year is limited to \$10,000 (\$5,000 in the case of a married individual filing a separate return). Purchasers should discuss the Alternative Minimum Tax ("AMT") with their accountant to understand the impact by AMT on their deductions.

No opinion is rendered with respect to the deductibility of any payments by the Non-Residential Unit Owners.

Tax Status of the Condominium

Ordinarily, a condominium board may elect to be exempt from federal income taxes on Common Charges collected from Unit Owners under Section 528 of the Internal Revenue Code, provided certain prerequisites are met.

In order to elect such status,

a) the Condominium must be organized and operated to provide for the acquisition, construction, management, maintenance and care of the Property;

b) 60% or more of the gross income of the Condominium for the taxable year must consist solely of amounts received as membership dues, fees or assessments from owners of Units in the Condominium;

c) 90% or more of the net expenditures of the Condominium for the taxable year must be for the acquisition, construction, management, maintenance and care of the Property;

d) no part of the net earnings of the Condominium may inure (other than by acquiring, constructing or providing management, maintenance and care of the Property and other than by a rebate of excess membership dues, fees, or assessments) to the benefit of any private shareholder or individual;

e) substantially all of the Units must be used by individuals as residences; Treasury Regulation 1.528-4(b) provides that substantially all of the Units will be treated as used by individuals for residences only if at least 85% of the total square footage of all Units are used as such residences; and

f) the Condominium must make such election at such time in such manner as the Secretary of the Treasury prescribes by regulations.

Under the Treasury regulations issued pursuant to Section 528, a condominium management association must qualify annually for the election under Section 528; and additionally, it must make a separate election for each taxable year. Accordingly, the ability of the Condominium Board to elect the benefits of Section 528 will depend on the particular facts and circumstances prevailing in the taxable year at issue.

IT APPEARS THAT THE AFOREMENTIONED REQUIREMENTS WILL BE MET FOR A SECTION 528 ELECTION FOR AT LEAST THE FIRST YEAR OF OPERATION.

It is also our opinion under present law that real estate taxes assessed against a Unit Owner's Unit which are paid or accrued by such owner will be deductible for federal income tax purposed in the appropriate year according to his method of accounting, provided that he itemizes his deductions. Pursuant to changes in the 2017 Tax Cuts and Jobs Act, for a taxable year beginning after December 31, 2017 and before January 1, 2026, the aggregate deduction for state and local real property taxes, state and local personal property taxes, state and local, and foreign, income, war profits, excess profits taxes, and general sales taxes (if elected) for any tax year is limited to \$10,000 (\$5,000 in the case of married individual filing a separate return).

Each purchaser should consult with his or her own tax counsel as to the tax consequences of the offering plan and of the purchase of a condominium unit.

SECTION (Y): OPINIONS OF COUNSELS
OPINION OF COUNSEL - INCOME TAX DEDUCTIONS TO UNIT OWNERS
AND TAX STATUS OF CONDOMINIUM

Dylan Chan Law Firm, P.C.
136-20 38th Ave, Suite 11C, Flushing, NY 11354
Tel: (718) 888-9880

September 15, 2023

355 REIG LLC
175 E. SUNRISE HWY,
FREEPORT, NY, 11520

Re: Offering Plan for Condominium of Premises:
355 53 Street, Brooklyn, NY 11220

Ladies and gentlemen:

This letter is being sent to you with the expressed understanding that our firm assumes no liability for our opinions presented herein. These opinions are presented only for your assistance in preparation of your offering plan for the above captioned project.

You have requested our opinion with respect to:

A. The availability of certain deductions for Federal, New York State and New York City income tax purposes (but not for purposes of New York City Earnings tax on nonresidents) to persons who purchase Units for private residential use ("Unit Owners") under the plan; and

B. The proper treatment by the Condominium Board for such income tax purposes of the Common Charges paid or borne by all Unit Owners. Except where otherwise indicated herein, the terms used in this opinion have the same meanings as in the offering plan.

A. Deductions for Mortgage Interest and Real Estate Taxes:

Pursuant to the Plan, the purchaser of a Condominium Unit will receive legal title in fee simple to a Condominium Unit as well as ownership of an undivided interest in the land and appurtenances and all other parts of the Condominium Property held in common with the other owners of Condominium Units. Such a purchaser will have the right to place an individual mortgage on his separate Condominium unit and will be liable to the local tax authority for the real estate taxes and assessments with respect to his interest in the property.

This opinion addresses certain of the federal, New York State and New York City income tax consequences that would result from the ownership of a Unit by an individual who is a resident of New York City for tax purposes, who purchased such Unit on or after the date hereof, and who uses the Unit as a qualified residence. It does not address, among other things, the tax consequences of ownership of a unit other than a Unit by any person or entity; and does not address the tax consequences of the ownership of Units by corporations, other entities or foreign persons, or individuals who are not residents of New York City; or, except as specifically discussed, by an individual taxpayer in connection with his or her trade or business, for investment, or for the production of income.

In our opinion under present law, subject to the limitations discussed in the following paragraph, interest on a mortgage secured by a Unit paid or accrued by the owner of such Unit who is liable for the interest payment on such mortgage and who uses the Unit exclusively as his personal residence will be deductible for federal income tax purposes in the appropriate year according to his method of accounting, provided that he itemizes his deductions. In rendering this opinion we assume that such interest is not prepaid, that the mortgage proceeds were used by the Unit Owner to purchase the Unit, that the Unit is the owner's principal residence and that the Unit Owner is an individual.

Except as provided below, residential interest is deductible if paid or accrued during the taxable year on indebtedness which is secured by either the taxpayer's principal residence, as defined for purposes of exclusion of gain on sale under Internal Revenue Code ("Code") Section 121, or on certain designated second homes. However, a ceiling is placed on the amount of indebtedness which may be considered for purposes of this deduction. In general, with respect to indebtedness incurred in purchasing a Unit, this ceiling is \$750,000, or \$375,000 in the case of a married individual filing a separate return. However, special limitations may apply to the deductibility of points and prepaid interest if any.

It is also our opinion under present law that real estate taxes assessed against a Unit Owner's Unit which are paid or accrued by such owner will be deductible for federal income tax purposes in the appropriate year according to his method of accounting, provided that he itemizes his deductions. Pursuant to changes in the 2017 Tax Cuts and Jobs Act, for a taxable year beginning after December 31, 2017 and before January 1, 2026, the aggregate deduction for state and local real property taxes, state and local personal property taxes, state and local, and foreign, income, war profits, excess profits taxes, and general sales taxes (if elected) for any tax year is limited to \$10,000 (\$5,000 in the case of a married individual filing a separate return).

We note that no deduction is allowed for real estate taxes paid by a taxpayer subject to the alternative minimum tax.

Subject to certain limitations for high income taxpayers, the mortgage interest and real estate taxes described above will also be allowable as deductions for New York State and New York City income tax purposes to a resident individual, under Section 615 of the New York State Tax Law.

B. Common Charges:

Common Charges will be borne by the Unit Owners and assessed and collected by the Board of Managers ("Condominium Board").

Under Section 528, some Condominium Boards may be eligible to be exempt from tax on Common Charges collected from Unit Owners, provided the requirements of Section 528 are met. Generally, the requirements of Section 528 are as follows:

- i. The condominium management association must be organized and operated solely to provide for the acquisition, construction, management, maintenance and care of the association property;
- ii. Sixty percent or more of its gross income of the condominium management association must consist of membership dues, fees and assessments from owners of residential units;
- iii. Ninety percent or more of the expenditures of the condominium management association must be for the purpose of acquiring, constructing, managing, maintaining and caring for property of the Condominium;
- iv. No part of the net earnings can inure to the benefit of private individuals other than by the acquisition, construction, management or maintenance of the condominium management association's property or by rebates of excess assessments;
- v. Substantially all of the units must be used as residences; Treasury Regulation 1.528-4(b) provides that substantially all of the Units will be treated as used by individuals for residences only if at least 85% of the total square footage of all Units are used as such residences; and
- vi. The Condominium must make such election at such time in such manner as the Secretary of the Treasury prescribes by regulations..

Under the Treasury regulations issued pursuant to Section 528, a condominium management association must qualify annually for the election under Section 528, and it must make a separate election for each taxable year. The ability of the Condominium Board to elect the benefits of Section 528 will depend on the particular facts and circumstances prevailing in the taxable year at issue.

It appears that based upon your representations to us, that the requirements will be met as the Offering Plan is presently structured. With respect to requirement (v) above "Substantially all" is interpreted in Treasury Regulation 1.528-4(b) as meaning at least 85% of the total square footage of all units in the project. Since more than 85% of the total square footage of all of the Units are residential, the "Substantially all" requirement is met. The Condominium will likely qualify for exemption under Section 528 in the 1st year.

Assuming that the Condominium Board is eligible to make a Section 528 election, it

would still be subject to tax on any income not received as assessments or other such payment from Unit Owners; thus, if the Condominium Board realized interest income from funds on deposit, such interest may be taxable to it.

If an election under Section 528 is not in effect for the taxable year, the tax status of the Condominium Board will be governed by the rules in effect prior to the enactment of Section 528 (the "existing law").

Under existing law, the tax status of the Condominium Board is uncertain. The By-Laws provide that the Condominium Board will act as the agent of the Unit Owners. Thus, the Condominium Board may take the position that it is simply a conduit for receipts and payments of the Unit Owners for whom it acts as agent and not a separate entity. In such case, the Unit Owners for whom it acts as agent and not a separate entity, would themselves be taxable on any interest or similar income which is earned from investments of the amounts which are assessed and collected from the Unit Owners and/or held as reserve funds.

However, the Internal Revenue Service may contend that for purposes of those matters administered through the Condominium Board, such as the assessment and expenditure of Common Charges, the Unit Owners through the Condominium Board, constitute an association taxable as a corporation. In such event, such association may be deemed subject to the Federal Corporation income tax (and also to New York State and New York City income taxes) on the portion of the Common Charges which is deemed to constitute gross income of such association, to the extent that such portion (together with any income earned from other sources, such as interim investments of funds by such association) exceeds the current expenses paid or incurred through the Condominium Board which are deductible for Federal income tax purposes.

In this connection, published rulings indicate that Common Charges which are assessed by the Condominium Board and designated for use solely to make specified capital improvements and which are maintained in a separate bank account should not constitute gross income to such Board, either because it is deemed to receive and hold such Common Charges as agent for the Unit Owners from whom the assessments were collected (Revenue Ruling 75-370, 1975-2 Cumulative Bulletin 25) or because the assessed Common Charges are deemed to be nontaxable contributions to the capital of the association (Revenue Ruling 75-371, 1975 Cumulative Bulletin 52, *cf.* *Concord Village, Inc.* 65 T.C. 142 (1975)). However, if treated as contributions to the capital of the association, it should be noted that when such amounts (together with any other funds accumulated by the association) are expended for capital improvements, the Internal Revenue Service may contend that the capital expenditures benefit the Unit Owners, and that each Unit Owner should therefore be treated as receiving a distribution equal to the fair market value of that benefit; under the usual rules applicable to distributors of associations, a distribution is first treated as taxable ordinary income to the extent of the distributee's proportionate share of the association's earnings and profits, then as a tax free recovery of basis to the extent thereof, and the balance, if any, as capital gain.

In the event that the Condominium Board is required to pay any Federal, State or City income tax and the Condominium Board makes an additional assessment in order to meet this tax liability, it should be noted that the additional amount collected through such assessment

may itself be subject to tax (see Old Colony Trust Co. v. Commission, 279 U.S. 716 (1929); Revenue Ruling 74-75, 1974-1 Cumulative Bulletin 19, Revenue Ruling 86-14 I.R.B. 1986-5, 33).

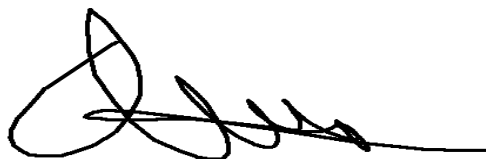
We express no views as to any Federal, State or City tax consequences or as to any aspects of the Plan other than those consequences and aspects explicitly discussed in this opinion, or as to any tax status of the Plan of a Unit under the laws of any other jurisdiction.

This opinion does not deal with tax consequences which may result from ownership of a Unit in connection with the Unit Owner's trade or business, other than set forth herein, or for purposes of investment or the production of income, or which may result to a foreign Unit Owner by reason of his foreign status. This opinion also does not deal with the tax consequences which may arise if Units or Limited Common Elements are acquired and/or leased by the Condominium Board. It is also to be noted that under certain circumstances an owner of any Unit, by virtue of such ownership, may be deemed to become a resident of New York City and that this opinion does not deal with circumstances under which this may occur, or with the income, estate or other tax consequences that may arise therefrom. Thus, each person contemplating purchasing of a Unit is strongly advised to consult his own tax advisor as to all such tax matters (as well as with respect to the tax matters discussed in this opinion).

In our opinion, Unit Owners will be entitled to income tax deductions. However, this opinion is not a guaranty; it is based on existing rules of law applied to the facts and documents referred to above. No assurances can be given that the tax laws upon which counsel bases this opinion will not change. In no event will the Sponsor, the Sponsor's counsel, the Board of Managers of the Condominium or any other person be liable if there are changes in the facts on which counsel has relied in issuing this opinion or if there are changes in the applicable statutes, regulations, law or rulings of the Internal Revenue Service on which counsel has relied which causes Unit Owners not to be entitled to income tax deductions.

We have been retained by you to provide the opinions expressed in this letter and consent to the inclusion of this letter in any Offering Plan with respect to the Building.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Dylan W. Chan', with a stylized flourish at the end.

Dylan W. Chan, Esq.

Real Estate Tax Expert Opinion Letter



Office: 349 Keap Street, Brooklyn, NY 11211
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Phone: (718) 387-3004 | Fax: (718) 228-3503
Email: martin@mretax.com | Web: www.mretax.com

December 27, 2023

355 Reig LLC
355 53rd Street
Brooklyn, NY 11220

RE: 355 53 Street
Brooklyn, NY
Block & Lot: 806 - 54

Letter of Opinion regarding proposed real estate tax liabilities for the project located at
355 53rd Street, Brooklyn, NY

Project Details: Eight (8) Residential Condominium Units

Dear Sir;

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

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

1. The subject property is located at 355 53 Street, Brooklyn, NY 11220, and is known as Block: 806, Lot 54 with the New York City Department of Finance ("DOF").
2. The proposed is to construct a new multiple dwelling building with eight (8) condominium units.
3. The new building will aggregate 7,518 gross square feet.
4. There will be separate condominium tax lots filed with the DOF for each residential unit.

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5. Based on assessment guidelines, the DOF Surveyor's Office shall class the condominium units as a tax class 2C and thus levy the assessed value on a 45% rate of the market value.

DOF Assessment Guidelines

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

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

Real Property Tax Law Section 581 provides that cooperative and condominium apartments shall be assessed for tax purposes as if the building was a comparable rental property. Thus, the Department of Finance is prohibited from utilizing the sales prices of the individual condominium units in determining the assessed valuation. Therefore, the prices that you set in your offering plan and any subsequent sales or re-sales are not relevant in determining the assessed value of the property or of the individual condominium units. Upon conversion to a condominium and after an application is submitted by you, the New York City Department of Finance shall assign individual tax lot numbers to each of the condominium units. The residential units will be designated as tax class 2C property and will pay on the class 2 tax rate. Real Property tax rates set each year by the City Council are applied to these property values, to determine each homeowner's annual tax liability. The current 2023 class 2 tax rate is 12.267%.

Tax Class 2a, 2b and 2c CAP

Per New York Real Property Tax Law Section 1805, tax class 2a, 2b and 2c properties are subject to an assessment cap of 8%. Specifically, the law states that an assessor of any special assessing unit "shall not increase the assessed value of any tax class 2a, 2b and 2c properties" in a single year by more than 8% of the previous year's assessed value, as listed on the assessment roll. Additionally, the assessor may not increase the tax class 2a, 2b and 2c properties assessed, value by more than 30% within any five-year period. The assessment cap does not apply to increases in assessed value due to physical alterations or the expiration of any tax exemptions or abatements.

We believe there will be a substantial increase in value for 2024/25 because of the new construction, and that such increase will be placed on the assessment roll immediately and not subject to the limitation on increases described above. In future tax years, increases in assessed value cannot exceed 8% annually and 30% over any five-year period.

Proposed Real Estate Tax Liabilities

We have taken the following factors in account when formulating our opinion: (a) the recent tax assessment history on the property; (b) the potential income for the new structure (if operated

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as a rental); (c) comparable condominium projects in Brooklyn (specifically, in the Sunset Park neighborhood) which have been recently constructed; (d) market conditions in the general area; (e) proposed estimate of the cost of construction; and (f) calculation of the gross floor area mentioned above.

Post construction Projected Assessed Value and Tax Liability

Considering the aforementioned factors, we are estimating that for the post construction tax year, the DOF will set the **Taxable Assessed Value at approximately \$586,404.**

Taxes for the first year of condominium operation will be as follows:

The first year of condominium operation will begin in April 2024 and end in March 2025. Taxes for the first year of condominium operation will be approximately as follows:

Estimated Full Tax Liability of 2023/2024 and 2024/2025 Tax Years

	Assessed Value	Tax Rate	Real Estate Tax
2023/2024 Tax Year	\$21,708	12.502%	\$2,714
2024/2025 Tax Year	\$586,404	12.502%	\$73,312

Estimated Taxes for the First Year of Condominium Operation

	Assessed Value	Tax Rate	Real Estate Tax
25.00% of year 2023/2024	\$5,427	12.502%	\$678
75.00% of year 2024/2025	<u>\$439,803</u>	12.502%	<u>\$54,984</u>
First year of condo	\$445,230		\$55,663

The first year of condominium operation will begin in April 2024 and end in March 2025.

Taxes for the first year of condominium operation will be comprised of the taxes due for the 2023/2024 tax year (3 months) and 75.00% of the taxes due for the 2024/2025 tax year.

The blended tax for the first year of condominium operation is forecasted at \$55,663 for all units.

Please note, the aggregate assessed value for the property for tax year 2023/2024 is an actual figure published by DOF, but the projected aggregate assessed value for tax year 2024/2025 is an estimate of the post completion assessed value.

Disclaimer

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

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

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

Sincerely yours,

A handwritten signature in cursive script that reads "Martin Joseph". The signature is written in dark ink on a light-colored background.

Martin Joseph
Metropolitan Realty Exemptions, Inc.

SECTION (Z): RESERVE FUND AND/OR CAPITAL FUND

RESERVE FUND

Schedule B – Budget for First Year of Condominium Operation includes a line item for a Reserve Fund for the sole purpose of costs and expenses related to capital repairs, replacements and improvements.

While the Sponsor is in control of the Board of Managers, the reserve fund or working capital fund may not be used to reduce projected common charges in the Plan.

If a fund is called a reserve fund, it may be used only for capital expenditures, and the condominium's by-laws shall contain a provision authorizing the establishment of such a fund.

Neither the Department of Law nor any governmental agency has passed upon the adequacy of the fund.

Sponsor does not represent or warrant that the Condominium will have sufficient funds for any such capital expenditures within five (5) years of condominium operation. As the systems are new in this project, it is estimated that there will be no foreseeable major capital improvements and/or replacements within the next five (5) years.

Should monies be required by the Condominium for capital expenditures, the condominium board could vote to obtain loans for required expenditures as provided by the New York Real Property Law. Real Property Law § 339 states:

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-I 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.

3. Nothing in this section shall impair rights under any loan or other agreement existing prior to the effective date of this section or limit any right or power that a board of managers would otherwise have.

WORKING CAPITAL FUND

At closing of title to each residential Unit, the Unit Owner for such Unit will contribute an amount equal to two (2) months Common Charges then in effect for the Unit pursuant to the budget in accordance with Schedule A hereto, as the same may be amended from time to time at the closing of title to his or her unit for a working capital fund of the condominium. [See SECTION (S): UNIT CLOSING COSTS AND ADJUSTMENTS.] Sponsor will make the required contribution for all unsold units at the time of the closing of the first unit and will be reimbursed therefore on each subsequent closing of a unit by the unit Purchaser. This Working Capital Fund will be used to make repairs and improvements, and for other appropriate purposes as determined by the Board of Managers, particularly to meet emergencies not budgeted for in SCHEDULE A.

The Working Capital Fund will depend on the timing of the closing of title to individual condominium units and any expenditure made by the Condominium Board from such fund. The contribution is not refundable or transferable if Purchaser sells his or her condominium unit.

The initial working capital will be used for working capital and to pay for insurance premiums and other items in the budget which will be payable prior to the time that sufficient monthly Common Charges and assessments have accrued to pay these items. While the Sponsor is in control of the Board of Managers of the Condominium, the working capital fund will not be used to pay common expenses of the Condominium.

The Sponsor will be responsible for all of the required operating expenses of the Property prior to the date of the closing of title to the first Unit pursuant to the Plan. The Condominium shall be required to pay all of the operating expenses of the Property accruing on or after the date of the closing of title to the first Unit pursuant to the Plan.

(1) While the Sponsor controls the Board of Managers (see CONTROL BY THE SPONSOR), the Working Capital Fund will not be used to reduce projected Common Charges in the plan.

(2) Neither the Department of Law nor any other governmental agency has passed upon the adequacy of the Working Capital Fund.

(3) Adjustments for prepaid expenses between the Sponsor and the Board of Managers may be deducted only from the working capital fund. However, Sponsor does not anticipate any substantial credit to the sponsor can be anticipated with reasonable probability, the approximate range or amounts of such adjustment item must be disclosed. Sponsor anticipates no substantial credit.

The net adjustments for prepaid expenses, if in favor of the sponsor, are to be paid in equal monthly installments over the twelve (12) month period following closing. There adjustments will be deducted from the working capital fund monthly over 12 months and in the event the Condominium does not have enough funds to pay these expenses, the Condominium shall pay such expenses when the Condominium have sufficient funds to pay.

There will be no minimum working capital fund regardless of the amount of adjustments.

(4) Intentionally deleted.

(5) No representation is made by Sponsor that the Working Capital Fund will be adequate to cover current or future expenses, including repairs or replacements. If additional funds are required over and above the Working Capital Fund for the payment of items not covered by Sponsor's obligations, it may be necessary to increase Common Charges or separately assess all Unit Owners.

The condominium board could vote to obtain loans for required expenditures as provided by the New York Real Property Law.

SECTION (AA): MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

The Condominium will initially be managed for free by Sponsor, 355 Reig LLC, a limited liability company, with an office located at 175 E. Sunrise Hwy, Freeport, NY 11520. There is no management agreement.

Sponsor will manage the condominium free of charge for the earlier of the first year of operation or until unsold units constitute less than 50% of the common interests, and thereafter the condo will be self-managed by the board of managers. In the event the Board hires a managing agent, the common charged is estimated to increase for nine to ten (9-10%) of the budget, which is about \$2,750 each year.

There are no contracts and leases binding on the Condominium. [SEE SECTION (C): SPECIAL RISK.]

The Board of Managers of the Condominium shall have the right to reimburse the agent for expenses incurred or to indemnify the agent against liability for acts properly performed by it pursuant to the agreement.

The management agreement is not assignable by the agent unless the Board of Managers consent thereto in writing.

The Managing Agents duties include maintenance, decorations, repairs, cure violations, oversee service and maintenance contracts, purchase supplies, obtain insurance, pay bills, facilitate the Building's sales and leases, arrange moving in and out of units, billing and collections, attend to complaints, maintain accounting records, provide monthly statements, maintain books and records, assist in an annual audit and report, prepare a proposed budget, prepare Board or Unit Owner notices, assist in correcting the assessed valuation of units, and assist in financing. The Managing Agent will be reimbursed for costs and expenses. The Board of Managers will not be personally liable for the agreement. Each Unit Owner's liability under the agreement is limited to their Common Interest. The Managing Agent is an independent contractor and does not have an agency relationship; its employees are to continue and remain its employees.

SECTION (BB): IDENTITY OF PARTIES

IDENTITY OF PARTIES

SPONSOR

The Sponsor of this project is 355 REIG LLC, a limited liability company organized on September 30, 2021, with office located at 175 E. Sunrise Hwy, Freeport, NY 11520. The Principal(s) of the Sponsor is/are Kevin Ma, King Li, and Ding Xing Chen.

Kevin Ma has been working as a licensed real estate broker for approximately 15 years. King Li has been working as a licensed real estate broker for over 3 years and also operates a mobile application company for about the same duration. Ding Xing Chen has been a real estate salesperson for approximately 11 years.

The Sponsor is not a contract vendee. The Sponsor obtained the fee title on November 23, 2021.

There are no felony convictions of Sponsor and/or any Principals of Sponsor. There are no prior bankruptcies, convictions, injunctions and judgments against the Sponsor, any Principals of the Sponsor, and/or entities in which Principals of the Sponsor were principals, that may be material to the Offering Plan or to an offering of securities generally and that occurred within the last fifteen (15) years prior to submission of the proposed Offering Plan.

Also, all individuals who own or control a ten percent (10%) or more equity interest in the Sponsor are listed above as the Principals. There are no other individuals who own or control a ten percent (10%) or more equity interest in the Sponsor other than said Principals(s).

There are no other properties offered for sale by Sponsor, Sponsor's Principals, or any affiliates of Sponsor or Sponsor's Principals, as cooperatives, condominiums, planned unit development homes, or time shares which were first offered within the past five (5) years. Currently, the principals of Sponsor do not own more than 10% of the unsold residents' units.

There is no other cooperative, condominium or homeowners association where the Sponsor, general partner or principal of the Sponsor, or the successor sponsor, owns ten percent or more of the unsold shares or units as an individual, general partner or principal.

The Sponsor, general partner, principal or successor sponsor is current in its financial obligations, including, but not limited to, payment of maintenance or common charges, taxes, reserve or working capital fund payments, assessments, payments for repairs and improvements promised in the plan, and payments of underlying mortgages and loans for which shares or units have been pledged or mortgaged.

ATTORNEY

Sponsor has engaged Dylan W. Chan, Esq. to represent them in legal matters arising or pertaining to the filing of Condominium offering plan. Mr. Chan represents the Sponsor, not the Condominium, which is not represented by counsel. Mr. Chan also prepared this Offering Plan. Dylan W. Chan, Esq. will represent the Sponsor in connection with the individual Unit closings. Dylan W. Chan, Esq. will also act as the escrow agent and as Sponsor's closing attorney. Dylan W. Chan has practiced law in State of New York for more than twenty-three (23) years.

MANAGING AGENT

The Condominium will initially be managed by the Sponsor. The Condominium will be managed by a Board of Managers elected by the Unit Owners and Sponsor. Sponsor has no experience as a managing agent.

SELLING AGENT

The Sponsor of this project is also the Selling Agent of Condominium Units.

- (i) There are no felony convictions of Selling Agent or any Principals of the Selling Agent;
- (ii) There are no prior bankruptcies, convictions, injunctions and judgments against the Selling Agent, or any Principals of the Selling Agent that may be material to the Offering Plan or to an offering of securities generally and that occurred within the last fifteen (15) years prior to submission of the proposed Offering Plan.

PROFESSIONAL ENGINEER

The engineer, Xiao Huang, P.E., Principal of NYX Engineering, PLLC, having address at 6820 15 Avenue, Brooklyn, NY11219, was the preparer of the Property Description for the project. Xiao Huang, P.E. has been an engineer in excess of 11 years; has participated in the design of numerous similar projects for over 8 years.

The following is a representative list of condominium projects in which NYX Engineering, PLLC has been involved:

Devoe Tower Condominium, located at 244 Devoe Street, Brooklyn, NY 11211

850 Putnam Condominium, located at 850 Putnam Avenue, Brooklyn, NY 11221

Parsons Garden Condominium, located at 75-48 Parsons Blvd., Queens, NY 11366

47-03 Junction Condominium, located at 47-03 Junction Blvd., Queens, NY 11368.

Xiao Huang, P.E. was responsible for the preparation of the Property Description.

RELATIONSHIP

There is no relationship between the Sponsor or its Principals and (i) the Registered Architect; and (ii) any person or firm who will provide services to the Condominium subsequent to the commencement of condominium operation; except that the Sponsor and Selling Agent are the same entity and Sponsor is the Managing Agent.

SERVICE OF PROCESS

There is no out-of-state Sponsor or Selling Agent or any principals of the Sponsor or of the Selling Agent who reside outside of New York. Thus, there is no designation of the Secretary of State to receive service of process for same.

SECTION (CC): REPORTS TO UNIT OWNERS

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

(1) a financial statement of the condominium prepared by a certified public accountant or public accountant by on or before March 1 of each year; such statement shall be certified while the sponsor is in control of the board of managers;

(2) not less than ten (10) nor more than forty (40) days prior notice of the annual Unit Owner's meeting; and

(3) a copy of the proposed annual budget of the condominium by thirty (30) days prior to the date set for adoption thereof by the board of managers; while the sponsor is in control of the board of managers such budget shall be certified in compliance with 13 NYCRR Section 20.4(d).

SECTION (DD): DOCUMENTS ON FILE

Sponsor shall keep copies of the plan, all documents referred to in the plan and all Exhibits submitted to the Office of the Attorney General in connection with the filing of the plan, on file and available for inspection without charge and copying at a reasonable charge at a specified location for six (6) years from the date of first closing.

Sponsor shall deliver to the Board of Managers a copy of all documents filed with the appropriate recording office at the time of the closing of the first unit.

SECTION (EE): GENERAL

The Plan does not knowingly omit any material fact or contain any untrue statement of any material fact. Exact copies are contained in Part II hereof of the Condominium Declaration, Purchase Agreement, Condominium By-Laws, and form of Unit Deed.

(1) **Pending Lawsuits.** There are no lawsuits or other proceedings now pending, or any judgments outstanding, either against the Sponsor or any other person or persons which might become a lien against the Property or which may materially affect this offering, the Property, Sponsor's capacity to perform all obligations under the Plan, the Condominium, or the operation of the Condominium.

(2) **Property Prior Offering.** The Property has not been the subject of any prior cooperative or condominium offerings. There are no preliminary binding agreements entered with any Purchaser, nor has any money been collected from any prospective Purchaser. There has been no market test pursuant to Cooperative Policy Statement No. 1.

(3) **Non-Discrimination.** In accordance with the provisions of the laws of the State and City of New York, the Sponsor represents that the Sponsor, and the Selling 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.

(4) **Material Amendment and Rescission Right.** If there is a material amendment to the Offering Plan that adversely affects a Purchaser, Purchaser shall have the right to rescind his Purchase Agreement within fifteen (15) days after the date of presentation by the Sponsor, which rescission shall be made by CERTIFIED MAIL-RETURN RECEIPT REQUESTED, and shall be deemed made on the date when notice of rescission is deposited with the United States Post Office. Sponsor shall return the deposit on contract to any Purchaser who validly rescinds. [See PROCEDURE TO PURCHASE Section and 13 NYCRR Section 20.5(a)(5).]

(5) **No Circumstances Affecting Use or Enjoyment of Property.** There are no existing circumstances which may affect use or enjoyment of the property and appurtenances, such as reciprocal covenants or easements, impending adjacent high-rise construction, any usage restriction by statute, ordinance or zoning resolution such as specified occupancy percentage by certified artists, or historic district or landmark designation, unless disclosed elsewhere in the plan.

(6) **All Units are Vacant.** All Units are vacant and not occupied by any tenants as of the date of this Offering Plan for any condominium unit.

(7) **No Contracts.** No contracts or agreements have been entered into and no deposits or advances of funds have been accepted as of the date of the plan is accepted for filing.

SECTION (FF): RESERVATION OF AIR AND DEVELOPMENT RIGHTS

Sponsor is not reserving the right to transfer air or developmental rights to other buildings.

SECTION (GG): SPONSOR'S STATEMENT OF BUILDING CONDITION

Sponsor hereby adopts the DESCRIPTION OF PROPERTY set forth in Part II of this Offering Plan. Sponsor represents that sponsor 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. With reference to such material, a licensed architect prepared the DESCRIPTION OF PROPERTY AND SPECIFICATIONS contained therein.

In as much as the building is newly constructed, there is no official inspection report reflecting upon condition of the premises, such as notices of building code violations, or any reports required by local law. In compliance with the federal law, lead-based paint is not used for the construction of the building.

This plan contains a fair summary of the pertinent provisions of the various documents referred to herein and does not knowingly omit any material fact or contain any untrue statement of material fact relating to this offering. Any information or representation made, not contained in this Plan, must not be relied on. This Plan may not be modified orally.

PART II

PURCHASE AGREEMENT

PURCHASE AGREEMENT

Sponsor: 355 REIG LLC Unit _____ Date: _____

Address: 175 E. Sunrise Hwy, Freeport, NY 11520

Purchaser(s) _____

Purchaser's Address _____

Purchaser's contact Phone Number: _____

Purchaser's Attorney _____ Email _____

Attorney's Address _____

Attorney's Telephone No. _____ Fax: _____

Broker _____ Telephone No _____

Premises: 355 Condominium, 355 53 Street, Unit _____, Brooklyn, NY 11220

Purchase Price \$ _____

Down Payment (herewith) \$ _____

Balance Due on Closing \$ _____

Any payment made by check is accepted subject to collection. If any check tendered is not honored, Purchaser shall provide a certified check or bank cashier's check payable directly

to the payee on the dishonored check within seventy-two (72) hours after demand for replacement therefore.

Notwithstanding the foregoing, if for any reason whatsoever the check given by Purchaser as the down payment hereunder is dishonored, Seller shall have the right to cancel this Purchase Agreement. Seller's election to cancel shall not be deemed a waiver by Seller of its right to pursue other remedies.

THE PAYMENT DUE AT CLOSING IN ACCORDANCE WITH THIS PURCHASE AGREEMENT ON ACCOUNT OF THE PURCHASE PRICE MUST BE MADE BY PURCHASER'S PERSONAL CERTIFIED CHECK OR OFFICIAL TELLERS CHECK ON A NEW YORK CLEARINGHOUSE BANK PAYABLE DIRECTLY TO SELLER OR SELLER'S DESIGNEE. IF PAYMENT SHALL BE MADE TO SELLER'S DESIGNEE, SELLER SHALL GIVE PURCHASER PRIOR INSTRUCTIONS. UNCERTIFIED CHECKS OF FUNDING COMPANIES, ATTORNEY'S ESCROW CHECKS AND CHECKS PAYABLE TO PURCHASER OR ANOTHER PARTY AND ENDORSED TO SELLER WILL NOT BE ACCEPTED AND TENDER OF SAME WILL NOT CONSTITUTE COMPLIANCE BY PURCHASER OF THEIR OBLIGATIONS HEREUNDER.

Title to all items of personal property shall be delivered free and clear of all liens and encumbrances, except the lien of the mortgage applied for by Purchasers herein, if any.

- 1) **DESCRIPTION OF UNIT** - Seller agrees, at its own cost and expense, to erect and complete, and Purchaser shall buy from Seller, the condominium unit(s) known as Residential Unit No. ____ (the "Residential Unit"), together with a combined ____ percent undivided interest in the common elements of the condominium (the "Common Elements") known as 355 Condominium (the "Condominium"), located on 355 53 Street, Brooklyn, NY 11220, and as described in the Declaration of Condominium to be recorded in the New York County Register's Office, Kings County, to be built by Seller on property comprising the Condominium Map (the "Property") filed or to be filed in the New York County Register's Office, Kings County. The Residential Unit shall hereinafter be referred to as the "Unit". The Unit shall be constructed in accordance with the requirements as to materials and workmanship of the Building Department of the City of New York, which, when completed, will be in substantial accordance with the plans as filed or to be filed with the Building Department of the City of New York.

The Unit may vary from any models displayed to Purchaser, and Purchaser should not rely on any model depiction of the units in the Condominium. All dimensions are approximate and may vary from the floor plans of the Condominium.

The Unit shall not include any of the following if displayed in any unit or model unit: decorative fixtures, furniture, furnishings, paint, wallpaper, carpeting, shelves, wall and window treatments, built-ins, burglar alarm systems, site lighting, special landscaping installed

at any model units, washer/dryer, central vacuum systems, patios, decks, high-hat lighting, additional fixtures and switches added for decorative purposes, pull down staircases and skylights and other optional fixtures or features exhibited in any model units and/or any sales office excepting those specifically set forth as may be attached to this Purchase Agreement, or above. Purchaser acknowledges that the above features, as contained in any model unit and/or sales office are for display purposes only and are not included in this sale unless specifically provided for in this Purchase Agreement.

All improvements containing natural materials are subject to fade. Seller shall not be responsible to change, replace or remove any improvements in the event they fade.

2) **OFFERING PLAN** - Seller has exhibited and delivered to the Purchaser, and Purchaser acknowledges having received, read and understood, the Offering Plan for condominium ownership of the Property and all amendments thereto filed to date, all of which are incorporated by reference and made a part of this Purchase Agreement, with the same force and effect as if fully set forth in this Purchase Agreement. Purchaser agrees to be bound by the Offering Plan, including all amendments thereto now or hereafter filed by Seller (collectively the "Plan"). Seller may freely amend the Plan in any respect from time to time, without Purchaser's approval or consent. Any conflict between the Plan and this Purchase Agreement shall be resolved according to the terms of the Plan. Purchaser acknowledges having received and read the Plan at least three (3) business days prior to signing this Purchase Agreement and having had full opportunity to examine all papers and documents and investigate all matters set forth in the Plan.

Purchaser shall deliver all documents to Seller and perform all acts required by Seller to carry out the provisions of the Plan, establish the Condominium and conform to all applicable laws and regulations. This Paragraph shall survive Closing and delivery of the deed.

4) **GOVERNMENTAL REQUIREMENTS** – If after the date of this Purchase Agreement any law or governmental authority requires any substitutions, changes or additions in any part of the construction of the Unit, the materials used in construction, the manner of construction or any other aspect of development, then the actual cost of such substitution, change or addition shall be added to the price of the Unit and shall be payable by Purchaser to Seller at Closing (defined below), provided, however, that if the amount of such additional cost exceeds \$1,000, then Purchaser may cancel this Purchase Agreement and receive a full refund of all payments made to Seller on account of the purchase price, whereupon neither party shall have any further liability of obligation to the other in connection with this Purchase Agreement or transaction.

However, such right to cancel this Purchase Agreement shall automatically terminate if Purchaser fails to give written notice of cancellation to Seller within ten (10) days after Seller informs Purchaser of the amount of the additional expense.

5) **MORTGAGE FINANCING** - This Purchase Agreement is not conditioned upon Purchaser obtaining mortgage financing. In the event Purchaser is unable to obtain a

mortgage, this Purchase Agreement shall remain in effect and Purchaser shall have an ongoing obligation to consummate the transaction. If a Purchaser does not consummate the transaction and close title to the Unit as a result of Purchaser's inability to obtain a mortgage, Purchaser will be in default under this Purchase Agreement and Seller may retain all monies as provided for in Paragraph 22 herein. Purchaser further understands and agrees that if he or she chooses to finance the purchase of the Unit through a lending institution and obtain a commitment therefrom, neither a subsequent change in the terms of such commitment, the expiration or other termination of such commitment, nor any change in his financial status or condition shall release or relieve him of his obligations pursuant to this Purchase Agreement and Sponsor shall have no liability as a result of any scheduling or adjournment of the closing beyond the expiration of the loan commitment.

6) CLOSING DATE; ADJOURNMENTS; CONSTRUCTION DELAYS BY SELLER - The act of transferring ownership of the Unit in return for payment in full of the Purchase Price and all other sums due from Purchaser under this Purchase Agreement is known as the "Closing". The Anticipated Closing Date indicated on the first page of the Purchase Agreement is an approximate date and Seller cannot make any guarantees that such date will be the actual Closing Date. Seller shall have the right to adjourn or advance such Closing Date as provided herein. The Closing shall take place at such time and place and on such date as Seller shall designate by prior written notice ("Notice for Closing") delivered in accordance with Paragraph 30 herein, which shall be given no less than thirty (30) days before the date set for Closing.

Should Seller be unable to convey title to Purchaser in accordance with the Notice for Closing, Seller shall have the right, from time to time, to adjourn the date and time for Closing on written notice to Purchaser. In such event, Seller shall, by a new Notice for Closing, fix a new date and time for Closing, which shall be no less than ten (10) days before the new scheduled date and time for Closing.

If a closing takes place at the request of the Purchaser and so approved by Sponsor's attorney, at any location other than the office of Sponsor's attorney, Purchaser shall pay to Sponsor's attorney (in addition to the fee set forth above), a travel fee in the sum of \$750.00 in New York County, Kings County, and Richmond County and \$600 in Queens County. The Closing may not take place in any other location without Seller's prior written consent.

In the event the Closing is adjourned with Seller's consent, at the request of Purchaser or Purchaser's attorney within forty-eight (48) hours of the scheduled time of Closing, Purchaser shall also pay Seller's attorney an adjournment fee in the sum of \$250.

In the event that the closing of title to the first Residential Unit in the Condominium has not occurred within twelve (12) months of the anticipated date of first closing set forth in the Offering Plan, as same may be amended, Purchasers will be afforded a right of rescission.

If Purchaser is not in default under this Purchase Agreement and the Closing has not taken place within twelve (12) months after the Anticipated Closing Date set forth on the first page of this Purchase Agreement, either Seller or Purchaser may cancel this Purchase

Agreement by forwarding written notice of cancellation to the other no later than ten (10) days after expiration of such twelve (12) month period whereupon Seller shall refund to Purchaser, subject to the escrow provisions as disclosed in Section XII of the Plan, all payments, other than Funds used towards upgrades, options or extras, made by Purchaser to Seller on account of the Purchase Price and neither party shall thereafter have any further liability or obligation to the other in connection with this Purchase Agreement or transaction. Purchaser shall be obligated to notify Seller in writing of its intent to exercise said option no later than ten (10) days after the twelve (12) month period. Failure to so notify Seller shall be deemed a waiver of this provision, and Purchaser shall continue to be bound by the terms of the Purchase Agreement. In the event Seller shall be unable to convey title to the Residential Unit within twenty-four (24) months of the proposed date of delivery through no fault of the Purchaser, the Purchase Agreement shall be deemed null and void and Seller shall return all monies being held in escrow within thirty (30) days thereafter.

7) ADDITIONAL MONEY TO BE PAID BY PURCHASER AT CLOSING - In addition to all other sums payable or reimbursable elsewhere under this Purchase Agreement, Purchaser shall at Closing pay, or reimburse to Seller if Seller has already made payment, or pay to any Lender, all applicable charges for:

- (a) Any Lender's charges for inspections, appraisals, title examination and policy insuring the Lender's interest, Lender's attorneys' fees for preparation of all loan documents, all commitment fees, points, origination fees and other fees and charges (however characterized) imposed or exacted by the Lender or incurred by Seller or Purchaser in connection with Purchaser's mortgage loan;
- (b) any mortgage recording taxes on Purchaser's mortgage;
- (c) governmental charges which may be assessed on account of any mortgage loan;
- (d) mortgage insurance, if required, on Purchaser's mortgage;
- (e) New York State real estate transfer tax on the deed;
- (f) New York City real estate transfer tax on the deed;
- (g) Mansion Tax pursuant to Section 1402-a of the Tax Law of the State of New York, if applicable;
- (h) all recording and filing charges payable on account of the transfer of title and recording of all documents in connection therewith including without limitation any mortgage, the deed, power of attorney, affidavit required pursuant to Section 339-ee of the New York State Real Property Law and any blanket mortgage release documents;
- (i) a sum equal to the partial mortgage tax credit to which Purchaser may be entitled under any applicable law by reason of mortgage taxes having been previously paid by Seller;
- (j) an initial non-reimbursable capital contribution in an amount equal to two (2) months Common Charges, payable to the Condominium;
- (k) a pro-rata portion of the Condominium's estimated first year insurance, based on the Unit's percentage of Common Interest; and
- (l) \$2,000 to Seller's attorney for the preparation of the closing documents with additional \$300 if financing is involved.

Purchaser shall also apportion with Seller as of the end of the day prior to Closing, and

pay to Seller at Closing, the apportioned amount due for taxes, condominium Common Charges, sewer use, water use, fuel oil (if any) and any other utility costs. Purchaser shall also pay the deposits required by the Lender to establish the estimated or escrow fund for future payments of taxes, condominium Common Charges, sewer use and insurance premiums (if applicable). In addition, in the event Seller's attorney prepares the New York City "ACRIS" transfer documents, Purchaser shall be required to pay Seller's attorney an additional fee of \$250. In the event the title company prepares the ACRIS, Purchaser shall pay the applicable fee of the title company. If through no fault of Seller, Purchaser fails for any reason to close title on the date originally scheduled in Seller's Notice for Closing, or such later date (if applicable) to which Seller in a subsequent Notice for Closing adjourned the Closing, all of the aforementioned apportionments shall be made as of the end of the day preceding (i) the date originally scheduled for Closing or (ii) Seller's adjourned closing date (as the case may be).

Purchaser shall pay to Seller at or prior to the date of the actual adjourned Closing, an amount equal to .03288% per diem (which equals an annual rate of 12%) of the Purchase Price for the Unit for each day beyond such originally scheduled or Seller adjourned Closing Date, to and including the date of actual Closing, for reimbursement and defrayal of Seller's carrying costs and other charges, which amount Purchaser acknowledges to be reasonable and proper.

Any errors or omissions in computing apportionments or any other sums payable under this Paragraph which are communicated to the other party within six (6) months after Closing shall be corrected and payment made to the proper party promptly after such communication. This Paragraph shall survive Closing and delivery of the deed.

8) **CONSTRUCTION LOAN MORTGAGE** - This Purchase Agreement is subject and subordinate without the necessity of Purchaser signing or delivering any documents or papers, to the lien of any existing or future construction loan mortgage and all payments or expenses already made or incurred or which may hereafter be made or incurred in connection with such construction loan mortgage. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the construction loan schedule of payments or accelerated thereunder by virtue of the construction lender's right to make advances before they become due in accordance with the schedule of payments. The Unit and its/their appurtenant percentage of Common Interest in the Common Elements (as such term is defined in the Plan), shall be released from the lien of such construction loan mortgage upon Closing, except where such mortgage is converted to Purchaser's individual mortgage on the Unit. In such case, the Unit shall remain subject to the lien of such construction loan mortgage and Purchaser shall reimburse to Seller at Closing, in addition to all other sums to be reimbursed by Purchaser to Seller under this Purchase Agreement, an amount equal to the mortgage tax paid by Seller on such construction loan mortgage. In all other cases, any mortgage tax credit available under Real Property Law Section 339-ee shall inure exclusively to the benefit of Seller.

9) **DEED AND ENCUMBRANCES UPON OWNERSHIP** - The deed to be given by

Seller to Purchaser at Closing shall be a Bargain and Sale with Covenant against Grantor's Acts deed, but subject, nevertheless, to the matters set forth in sub-paragraphs (a) through (f) below which need not be recited in the deed given at Closing but shall survive Closing, and Seller's covenant in the deed against encumbrances shall be deemed modified accordingly. The deed shall be duly executed and acknowledged by Seller in proper statutory form for recording (except for payment of the New York State and City transfer tax which is the obligation of Purchaser) so as to convey to Purchaser fee simple title to the Unit, free and clear of all liens and encumbrances, except as herein stated. The deed shall also contain the covenant required by subdivision 5 of Section 13 of the Lien Law. Purchaser shall accept such title and deed description of the Unit subject to the liens, encumbrances and other matters set forth in this Purchase Agreement, as Federal Standard Abstract Inc., a title company authorized to do business in the State of New York, 36-36 Main Street, Flushing, New York 11354, (718) 888-7778, is willing to approve and insure without additional premium. Purchaser may obtain title insurance from any title insurance company or abstract company, or Purchaser may decline to obtain any title insurance at all, however Seller recommends that Purchaser utilize Federal Standard Abstract Inc. In the event of a claimed breach of any covenant of the grantor contained in the deed, Purchaser must first seek recovery against the title insurance company which insured Purchaser's title to the Unit before proceeding against Sponsor, it being agreed that the liability of Sponsor will be limited to any loss of damage not covered by such title insurance company. In the event that Purchaser elects not to purchase title insurance, then the liability of Sponsor shall be limited to any loss or damage which would have been covered by the title insurance that was available to Purchaser at the time of closing of title.

Purchaser shall be responsible for payment to the title company of the entire premium for Purchaser's title insurance, and shall also pay the applicable New York State and City transfer tax and mansion tax, if applicable.

The sale and transfer of ownership of the Unit to Purchaser shall, even though not stated in the deed, be subject to:

- (a) Ordinances, rules, regulations, requirements and approvals of applicable governmental authorities, provided not violated by the Unit to be constructed.
- (b) Rights for installation, use and/or maintenance of easements and rights of way for utilities, sewer, cable television, drainage, scenic purposes, screening and planting which have already been granted or may be granted after this Purchase Agreement is signed or after Closing, provided they do not prevent use of the Unit for their intended purposes.
- (c) Declarations, covenants, restrictions, reservations, exceptions, easements and agreements which have been recorded, or appear in recorded documents, or are yet to be recorded, provided they do not prevent use of the Unit for their intended purposes.

- (d) Unpaid taxes and liens, provided the title insurance company shall insure against collection of same out of the Unit.
- (e) The filed Condominium Map and all matters reflected thereon.
- (f) The Declaration and By-Laws of the Condominium and any amendments or supplements thereto.

Purchaser shall deliver to Seller's attorney at least ten (10) days prior to Closing, a written notice setting forth each objection to title, if any (other than those specifically set forth herein subject to which the Property are being sold), and a copy of Purchaser's title report. Seller shall have the right to a reasonable adjournment of Closing, not to exceed sixty (60) days, for the purpose of curing any title defect; however, no such action taken by Seller shall be deemed an admission by Seller that such defect is one that would entitle Purchaser to cancel this Purchase Agreement. However, if such defect in title existed at least ten (10) days prior to the closing of title and Purchaser failed to send Sponsor's attorney written notice of such defect in title at least ten (10) days prior to the closing of title, then 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 at the request of Purchaser.

10) **PERSONAL PROPERTY INCLUDED IN SALE** - All articles of personal property, fixtures and equipment for the Unit which are included in this sale will be delivered free and clear of all liens and encumbrances, except as stated in Paragraph 9 herein, if applicable.

11) **POWER OF ATTORNEY** - At closing, Purchaser shall execute, acknowledge and deliver to Seller in recordable form, a power of attorney in the form set forth in the Plan, as same may be amended from time to time to comply with applicable law, to the Plan (the "Power of Attorney"), in favor of the Board of Managers of the Condominium relative to leasing and purchasing of Units in the Condominium under certain circumstances and to foreclose upon Units in the Condominium for which the payment of Common Charges is delinquent, and in favor of Seller relative to amending the Condominium documents to the extent provided for in the Plan. In the event the form Power of Attorney set forth in the Plan is deemed to be insufficient, in Seller's sole discretion, due to statutory changes to the New York State short form power of attorney, Purchaser shall execute an amended power of attorney to effectuate the powers granted in the Power of Attorney set forth in the Plan. This paragraph shall survive delivery of the deed.

12) **ENCUMBRANCES/LIENS EXISTING AT CLOSING** - The existence of anything affecting the sale at Closing, including unpaid taxes or liens of any kind, shall not constitute an objection to title provided VP, or another title or abstract company selected by Purchaser, is willing to insure Purchaser's title clear of the matter or is willing to insure against enforcement or collection out of the Unit upon Seller's doing whatever acts as may be required by said company and/or the depositing of money. The parties agree that the Seller may pay and discharge any liens and encumbrances upon the Unit, not provided for in this Purchase

Agreement, out of the monies to be paid by the Purchaser at the time of Closing.

13) **EXTRA WORK AND EXTRA ITEMS ORDERED BY PURCHASER** - Any work or items ordered from Seller by Purchaser which are not included in the plans or standard model of the Unit shall, except as may otherwise be provided in this Purchase Agreement or in a writing signed by Seller, be paid for in full by Purchaser at the time they are ordered. The failure of Seller to perform or supply and install such work or items shall not entitle Purchaser to cancel this Purchase Agreement even if Purchaser has already paid for such work or items. Purchaser's only right, in the event of Seller's failure to perform such extra work or supply and install such extra items, is to receive a refund or credit at Closing equal to the total payments made to Seller for such extra work or extra items. All extras must be ordered prior to commencement of construction and must not delay construction. In the event Purchaser orders upgraded or optional items or finishes other than the standard provided by Seller, Seller or Seller's contractors shall not be responsible or liable for any defects in quality of materials or workmanship in installation. Failure to make any payments due in accordance with the payment schedule of Seller, Seller's contractors or sub-contractors, as applicable, shall constitute a breach in accordance with Paragraph 22 herein. As noted as a Special Risk in the Plan, in the event a Purchaser is entitled to rescission, the Purchaser will not receive a refund of any funds paid for Extras. Seller shall have no responsibility for any work, fixtures, appliances, equipment or materials not ordered directly from Seller by Purchaser. For the purposes of this provision, any orders which Purchaser places directly with Seller's contractors or suppliers shall not be deemed to have been ordered directly from Seller.

14) **OPTIONS AND COLOR SELECTIONS** - Any choices given by Seller to Purchaser in colors, products, materials, design, features and similar matters shall be made by Purchaser in writing at Seller's office or model site, within ten (10) days after notification to Purchaser to make such choices. If there is anything as to which Purchaser has a choice, and Purchaser fails to inform Seller of Purchaser's choice within such ten (10) day time period, then Seller may make the choice on Purchaser's behalf and Purchaser shall accept such choice so made by Seller as if originally made by Purchaser. No claim or objection to Closing shall be made by Purchaser because of any choice made by Seller in any case where Purchaser failed to give Seller timely notice of Purchaser's choice.

15) **NO INSPECTIONS DURING CONSTRUCTION** - Purchaser acknowledges that unsupervised visits to the Property (the "Construction Site") present a dangerous circumstance and could incur liability to Seller. **Unless specifically agreed to by Seller in writing, Purchaser shall not visit the Unit or any other portion of the Construction Site, and shall only have the right to visit the Seller's sales office (the "Sales Office"). Any unauthorized visits to the Construction Site by Purchaser are subject to a charge by Seller of \$500 per visit, which Purchaser agrees to pay Seller within ten (10) days of billing thereof.** Purchaser hereby releases and indemnifies, defends and holds Seller harmless for all claims and liabilities incurred by Seller resulting from the presence of Purchaser or Purchaser's family members or invitees on the Property prior to Closing.

16) **PURCHASERS' INTERFERENCE** - Purchaser acknowledges that it may not interfere with Seller's ability to construct the Unit or other unit(s) or facilities, including

interference with work performed on site by Seller's staff in connection with the construction of the Unit or any other units, attempts to hire any of Seller's staff or contractors, and/or attempts to bring contractors, materialman, subcontractors or workers onto the site for work on the Unit prior to Closing, unless otherwise agreed to in writing by Seller.

17) PURCHASER MAY NOT TAKE POSSESSION OF THE UNIT PRIOR TO CLOSING - Neither Purchaser nor anyone acting on Purchaser's behalf may enter or take possession of any part of the Unit nor have any work performed or materials supplied or installed at the Unit prior to Closing without the prior written consent of Seller.

Purchaser acknowledges and agrees that Seller will accept no liability whatsoever for any property belonging to the Purchaser, their agents, employees, family, or belonging to any party other than Seller which is placed on the Property and/or in the Unit prior to Closing. No act of the Seller, whatever its nature, shall constitute a waiver of this Paragraph.

18) CHANGES BY SELLER - In building the Unit and performing any other work on the Property, Seller reserves the right to: (a) make changes or substitutions of materials or construction from those shown in the model units or building plans, provided any such changes or substitutions are of substantially similar or better quality; (b) determine the exterior color and design of the Building; (c) change the location and type of the Units to be constructed in the Condominium; (d) fix the location and setbacks of the Building; (e) determine whether existing trees, shrubs and other plant life on the Property are to be moved or removed, (f) add or remove retaining walls on the Property where required by grade conditions; (g) determine the location of electric, gas and water meters, electric transformers, air conditioning compressors, mailboxes; (h) change appliances as long as they are equal to or better than originally offered; (i) change the location of kitchen and bathroom cabinets, counters and drawers; (j) make changes to the Unit, which result in variations of up to five (5%) percent of the Unit square footage listed in Schedule A to the Offering Plan; and (k) make any other changes required by the City of New York.

Seller shall notify Purchaser of any major changes, specifications, deviations, additions or deletions, which are beyond the scope of those set forth above ("Extraordinary Changes"). If Seller notifies Purchaser in writing of any Extraordinary Changes, Purchaser shall be deemed to have approved of same, unless Seller receives Purchaser's written disapproval thereof within ten (10) days from date of the notice by Seller. Upon receipt of Purchaser's disapproval, Seller may, within thirty (30) days thereafter, give Purchaser written notice withdrawing its proposed Extraordinary Changes, in which case Seller shall thereafter continue with its development activities without the Extraordinary Changes. If Seller fails to give Purchaser notice of withdrawal within such thirty (30) day period, Purchaser may declare this Purchase Agreement null and void by so notifying Seller in writing delivered to Seller no later than forty-five (45) days after having delivered Seller the original notice of disapproval, whereupon Seller shall promptly return to Purchaser all monies paid by Purchaser to Seller, except Funds used towards upgrades, options or extras, on account of the purchase price and thereafter neither party shall have any further liability or obligation to the other in connection with this Purchase Agreement or transaction.

19) COMPLETION OF CONSTRUCTION; PURCHASER'S INSPECTION - Purchaser shall accept title (without abatement in or credit against the Purchase Price or provision for escrow) notwithstanding that construction of (a) minor details of the Unit or the building in which it is located, or (b) other units in the Condominium, or (c) the landscaped areas of the Property, or (d) parking spaces or driveway or garage, or (e) other portions of the Common Areas have not been completed. Purchaser will inspect the Unit with a representative of the Seller during normal business hours approximately seven (7) days prior to Closing and will sign and deliver to Seller on or before Closing, a Pre-Title Inspection Statement supplied by Seller, acknowledging the condition of the Unit. Receipt of the executed Pre-Title Inspection Statement shall be a condition precedent to closing. Purchaser agrees to accept the Pre-Title Inspection Statement wherein the Seller shall agree to complete all unfinished items within six (6) months from the date of Closing, weather and other circumstances permitting. Any such incomplete items shall not constitute an objection to closing provided Seller executes and delivers to Purchaser, a letter agreement in accordance with the foregoing. Purchaser shall allow Seller, its agents, servants and/or employees the right to enter the Unit and shall provide reasonable access thereto subsequent to Closing to complete any incomplete items.

In the event Seller is required to make any repair or complete any item of work to be performed by Seller after Closing, the limit of Seller's liability shall be to make said repair and/or to complete such item. This Paragraph shall survive Closing and delivery of the deed.

20) CERTIFICATE OF OCCUPANCY - At Closing, Seller shall deliver to Purchaser a temporary or permanent Certificate of Occupancy for the Unit (or building in which it is located) and, if available, a New York Board of Fire Underwriter's Certificate for the Unit.

21) UNIT PART OF DEVELOPMENT - Purchaser acknowledges that they may be living in an active construction site after Closing on the Unit. During the period of construction, there may be dirt and debris and construction material on the Property, construction vehicular traffic, construction noises, unfinished areas of the Condominium and other inconveniences, which are normal in a community undergoing construction. Purchaser further acknowledges that other units and infrastructure are presently being constructed at the Property and that Seller anticipates that such construction shall continue until the Condominium project is completed in accordance with the Plan. Accordingly, Purchaser agrees that such continuing construction shall not be deemed a nuisance nor an interference with Purchaser's quiet enjoyment of the Unit after Closing. This Paragraph shall survive Closing and the delivery of the deed.

22) PURCHASER'S DEFAULT - If Purchaser fails to appear and close title in accordance with this Purchase Agreement on the date and at the time and place stated in Seller's Notice for Closing, or if Purchaser fails to observe or perform any other thing to be observed or performed by Purchaser under this Purchase Agreement, Seller may send Purchaser a written notice of default giving Purchaser thirty (30) days from the date of such notice to cure any such default. Upon Purchaser's failure to cure such default within such thirty (30) day period, this Purchase Agreement shall, at Seller's option, be deemed canceled

and Seller shall have the right to retain as and for liquidated damages, all sums paid by Purchaser to Seller on account of the Purchase Price plus all additional sums paid and/or payable by Purchaser for all Extras ordered by Purchaser, together with all interest credited thereon, if any, which total amount Purchaser acknowledges to be fair and reasonable.

The notice of default shall be deemed notice to the Purchaser by the Escrow Agent of the Escrow Agent's intent to release the funds being held in escrow on behalf of the Purchaser pursuant to the dispute resolution provisions of the Attorney General's escrow regulations as described in Section X of the Offering Plan.

TIME IS OF THE ESSENCE FOR PURCHASER TO CURE SUCH DEFAULT WITHIN SUCH THIRTY (30) DAY PERIOD.

Upon cancellation of this Purchase Agreement for Purchaser's failure to timely cure any such default, Seller shall be released and discharged of all further liability and obligations to Purchaser under this Purchase Agreement. Thereafter the Unit may be sold or disposed of as though this Purchase Agreement had never existed and without any accounting to Purchaser for the proceeds of any subsequent sale. The foregoing remedy shall be in addition to any and all other remedies available to Seller under this Purchase Agreement or at law for any default by Purchaser under this Purchase Agreement.

23) **SELLER'S RIGHT TO CANCEL** - Seller may cancel this Purchase Agreement by forwarding a full refund of the Downpayment to Purchaser together with written notice of cancellation in the event of the occurrence of any of the following:

- (a) any governmental authority imposes a ban on the construction or completion of residential dwellings or imposes restrictions on the manufacture, sale, distribution and/or use of materials from Seller's regular suppliers or from using same in the construction and/or completion of the Unit; or
- (b) Seller is unable to obtain materials from its usual sources due to labor troubles, lockouts, war, military operations and requirements, civil unrest, act of God or national emergencies; or
- (c) the installation of public utilities is restricted or curtailed; or
- (d) should zoning and/or building restrictions and regulations, imposed by any governmental body having jurisdiction over the construction of residential housing and appurtenances, either presently in effect or as enacted or promulgated in the future, create or impose requirements upon the Seller which are not presently contemplated; or
- (e) the Plan is abandoned, withdrawn or not consummated for any reason.

Upon such cancellation and refund, this Purchase Agreement shall be terminated and neither party shall have any further rights, obligations or liability to or against the other and

the parties shall be released and discharged from all obligations and liability under this Purchase Agreement and the Offering Plan.

24) **INABILITY OF SELLER TO TRANSFER OWNERSHIP** - Except for Seller's willful default, if Seller is unable to transfer ownership of the Unit in accordance with this Purchase Agreement, Seller shall only be liable to Purchaser for the return to Purchaser of the down payment. Thereafter, this Purchase Agreement shall be deemed canceled and neither party shall have any further liability to the other in connection with this Purchase Agreement or transaction. Seller shall not be required to commence any action or proceeding or incur any expense in order to remove the condition, which prevents Seller from transferring ownership of the Unit in accordance with this Purchase Agreement.

25) **PROHIBITION AGAINST ASSIGNMENT OR RECORDING OF PURCHASE AGREEMENT** - Neither this Purchase Agreement nor Purchaser's interest hereunder may be assigned by Purchaser without the written consent of Seller. In addition, neither shall this Purchase Agreement nor any memorandum thereof be recorded in the office of any county clerk or the Queens County Register's Office by Purchaser or anyone on Purchaser's behalf. Should Purchaser violate the provisions of the foregoing sentence, this Purchase Agreement, at Seller's option, shall become null and void, whereupon all rights of the Purchaser shall cease and terminate and Seller shall have the right to retain the Downpayment and all amounts paid by Purchaser for Extras, as and for liquidated damages on account of such default by Purchaser pursuant to the provisions of Paragraph 22 hereunder.

26) **PROHIBITION AGAINST SIGNS ON UNIT** - Purchaser shall not place any sign anywhere on the Unit or Property at any time.

27) **PROHIBITION AGAINST ADVERTISING OF UNIT FOR SALE** - From and after the date hereof, Purchaser shall not place an advertisement for the sale of the Unit in any newspaper or other publication or media, or list the Unit with any real estate broker prior to Closing. Such action will constitute a material breach of this Purchase Agreement entitling Seller to retain monies paid on account of the Purchase Agreement plus the cost of Extras as liquidated damages.

28) **RESTRICTIONS ON SALE** - Purchaser covenants and agrees to retain ownership in the condominium unit for a period of one (1) years from the date Purchaser acquired the condominium unit, except in the case of the death of Purchaser or spouse. Failure to abide by this requirement shall result in the Purchaser paying the Seller a sum equal to 25% of the difference between the new purchase price of the condominium unit and the Purchase Price set forth in page 1 of this Purchase Agreement but in no event less than 10% of the purchase price set forth in page 1 of this Purchase Agreement. The provisions of this Paragraph shall survive delivery of the deed and the closing of title.

29) **NO BROKER CONSULTED BY PURCHASER** - Purchaser represents that no broker other than Broker brought about this sale, and Purchaser agrees to indemnify Seller against any claim brought by any other broker for brokerage commission based upon Purchaser's acts. Purchaser acknowledges that Broker's information is reflected on the first

page of this Purchase Agreement. Seller shall pay the Broker pursuant to separate agreement. In the event Purchaser is represented or has consulted with an outside broker (other than the Broker), Purchaser shall be responsible for all costs and commissions associated therewith, and Seller shall not be responsible for any co-broker commission. This Paragraph shall survive Closing and delivery of the deed.

30) **TRUST FUNDS** – Dylan Chan Law Firm, P.C., 136-20 38th Avenue, Suite 11C, Flushing, NY 11354, telephone number (718) 888-9880, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. Escrow Agent has designated the following to serve as signatories: Dylan Chan, Esq. All designated signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatories on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

Escrow Agent and all authorized signatories hereby submit to the jurisdiction of the State of New York and its Courts for any cause of action arising out of the Purchase Agreement or otherwise concerning the maintenance of release of the down payment from escrow.

The Escrow Agent has established the escrow account at a bank authorized to do business in the State of New York. The escrow account is entitled "Dylan Chan Law Firm, P.C., As Escrowee" ("Escrow Account"). The Escrow Account is an IOLA account. The Escrow Account is federally insured by the FDIC at the maximum amount of \$250,000 per deposit. Any deposit in excess of \$250,000 will not be insured.

All down payments received by Purchaser shall be in the form of checks, money orders, wire transfers, or other instruments, and shall be made payable to the order of Dylan Chan Law Firm, P.C., as Escrow Agent.

The Escrow Account is an IOLA account and no interest will be paid to Purchaser. No fees of any kind may be deducted from the Escrow Account, and the Sponsor shall bear all costs associated with the maintenance of the Escrow Account.

The Purchase Agreement shall only be deemed accepted when countersigned by the Seller or Seller's authorized agent. **In addition, although all funds received by Seller for Extras will initially be placed in the Escrow Account; such funds may be released from the Escrow Account as long as Seller uses the funds for such Extras. In the event Purchaser is entitled to a right of rescission, the return of their Downpayment shall not include any funds paid towards Extras.** At Closing the Downpayment shall be paid to Seller upon consummation of the Closing and execution of this Purchase Agreement shall be deemed a writing executed by both Seller and Purchaser authorizing the Escrow Agent to release said funds to Seller at Closing.

Within five (5) business days after the Purchase Agreement has been tendered to Escrow Agent along with the Deposit, the Escrow Agent shall sign the Purchase Agreement and place the Deposit into the Escrow Account. Within ten (10) business days of the placing

the deposit in the Escrow Account, Escrow Agent shall provide written notice to Purchaser and Sponsor, conforming the Deposit. The notice shall provide the account number and the initial interest rate to be earned on the Deposit. Any Deposits made for upgrades, extras, or custom work shall be initially deposited into the Escrow Account, and released in accordance to the terms of a written agreement between Purchaser and Sponsor.

The Escrow Agent is obligated to send notice to the Purchaser once the Deposit is placed in the Escrow Account. If the Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the Deposit, he or she may cancel the Purchase Agreement within ninety (90) days after tender of the Purchase Agreement and Deposit to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 28 Liberty Street, 16th Floor, New York, N.Y. 10005. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning Deposits and requisite notice was timely mailed to the Purchaser.

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

Under no circumstances shall Sponsor seek or accept release of the Deposit of a defaulting Purchaser until after consummation of the Plan, as evidenced by the acceptance of an effectiveness amendment by the New York State Department of Law. Consummation of the Plan does not relieve the Sponsor of its obligations pursuant to GBL §§ 352-3(2-b) and 352-h.

The Escrow Agent shall release the Deposit if so directed:

- (a) pursuant to terms and conditions set forth in the Purchase Agreement in Section 5 upon closing of title to the Unit; or
- (b) in a subsequent writing signed by both Sponsor and Purchaser; or
- (c) by a final, non-appealable order or judgment of a court.

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

pursuant to paragraphs (a) through (c) above. Notwithstanding the foregoing, the Escrow Agent shall have the right at any time to deposit the Deposit contained in the Escrow Account with the clerk of the county where the [unit/building] is located and shall give written notice to both parties of such deposit.

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

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

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

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

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

Escrow Agent shall maintain the Escrow Account under its direct supervision and control.

A fiduciary relationship shall exist between Escrow Agent, and Purchaser, and Escrow Agent acknowledges its fiduciary and statutory obligations pursuant to GBL §§ 352(e)(2-b) and 352(h).

Escrow Agent may rely upon any paper or document which may be submitted to it in connection with its duties under this Purchase Agreement and which is believed by Escrow Agent to be genuine and to have been signed or presented by the proper party or parties and shall have no liability or responsibility with respect to the form, execution or validity thereof.

Sponsor agrees that Sponsor and its agents, including any selling agents, shall deliver the Deposit received by them prior to closing of the Unit to a designated attorney who is a member of or employed by Escrow Agent, within two (2) business days of tender of the Deposit by Purchaser.

Sponsor agrees that it shall not interfere with Escrow Agent's performance of its fiduciary duties and statutory obligations as set forth in GBL §§ 352-(e)(2-b) and 352-(h) and the New York State Department of Law's regulations.

Sponsor shall obtain or cause the selling agent under the Plan to obtain a completed and signed Form W-9 or W-8, as applicable, from Purchaser and deliver such form to Escrow Agent together with the Deposit and this Purchase Agreement.

Prior to release of the Deposit, Escrow Agent's fees and disbursements shall neither be paid by Sponsor from the Deposit nor deducted from the Deposit by any financial institution under any circumstance.

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

31) **NOTICES** - Any notices, statements, certificates, requests or demand required or permitted to be given or delivered under this Purchase Agreement shall be in writing and may be sent by e-mail, mail, overnight courier or personal delivery, addressed to Purchaser or to Seller, as the case may be, at their respective addresses shown at the beginning of this Purchase Agreement, or to such other address as Purchaser or Seller may designate in the manner herein provided, or to their respective attorneys. Such notice, statement, certificate, request or demand shall be deemed to have been given

- (a) when delivered to an overnight courier service, if sent by overnight courier,
- (b) upon personal delivery actually being made, and
- (c) upon receipt or first refusal of delivery or inability of delivery after delivery to the United States Post Office with proper postage prepaid, if sent by regular mail, registered or certified mail return receipt requested.

Notwithstanding the foregoing, any notice of default must be delivered only by overnight courier service, personal delivery, or certified mail return receipt requested.

32) **PURCHASER GENERAL REPRESENTATIONS** - Purchaser represents that Purchaser has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties, statements or estimates, written or oral, of any nature whatsoever, made by Sponsor, or otherwise, including but not limited to, any of the above relating to the description or physical condition of a Condominium building or the Unit or the Property, the size or the dimensions of the Unit or the rooms therein contained or any physical characteristics thereof, the services offered by the Condominium, the estimated Common Charges for the Unit, the estimated real estate taxes on the Unit, the right to any income tax deduction for any real estate taxes or mortgage interest paid by Purchaser, the right

to any income tax credit with respect to the Purchase of the Unit, the potential for future profit with respect to the Unit, any future appreciation in value of the Property, the Condominium building or the Unit, any rental income potential, depreciation or investment potential with respect to the Property, the Condominium building or the Unit, any monetary or financial advantage with respect to the Property, the Condominium building or the Unit, or any other data, the environmental and/or flood plan conditions affecting the Condominium building, the availability of liability, casualty and flood insurance or the cost thereof, the costs of ongoing maintenance and repair of the Condominium building or any other matter or estimate not set forth herein and in the Plan. Purchaser further represents that Purchaser has not relied on any verbal or written representations made by the Broker or any other agent of Seller. No person has been authorized to make any representation on behalf of Sponsor except as herein or in the plans specifically set forth. Purchaser further acknowledges having had full opportunity to examine all documents and investigate all facts referred to and stated herein and in the Plan. Purchaser has relied solely on his own judgment and investigation in deciding to enter into this Purchase Agreement and purchase of the Unit. No oral representations or statements shall be considered a part of this Purchase Agreement, and any current or prior oral statements are void and have no effect. 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. Purchaser agrees that the Seller shall have no liability or responsibility to Purchaser and that Purchaser will not be relieved from his or her obligations hereunder, by reason of any inaccuracy or error in the layout or dimensions of the Unit or any part thereof, or of the Common Elements, and (2) any immaterial or insubstantial accuracy or error. Purchaser agrees that a change in the square foot area and dimensions of the Unit due to the failed conditions, construction variances and tolerances, which do not increase or decrease the square foot area of the Unit by more than 5% (excluding interior partitions), shall not be deemed a material or adverse change the provisions of this paragraph shall survive the closing of title or the termination of this Purchase Agreement. Purchaser understands and acknowledges that the Seller cannot guarantee a firm completion and availability date for the Unit and agrees that the Seller shall not be obligated to make, provide or compensate for any accommodations or costs to Purchaser as a result of construction delays nor shall such delays serve to cancel, amend or diminish any of Purchaser's obligations hereunder.

33) ACKNOWLEDGMENT THAT THERE ARE NO OTHER UNDERSTANDINGS

- All prior understandings and agreements are hereby superseded and merged into this Purchase Agreement, which alone contains the final and entire understanding and agreement between Seller and Purchaser. Neither Seller nor Purchaser shall be bound by any terms, conditions, statements, or representations, oral or written, not set forth in this Purchase Agreement or in the Offering Plan. Purchaser acknowledges that Purchaser is buying a Unit in a condominium development which may not yet have been formed at the time this Purchase Agreement is signed, and that, except as stated in this Purchase Agreement, the Declarations, By-Laws, Exhibits, Schedules and Plan, Purchaser has not relied on any representations or other statements of any kind or nature made by Seller or anyone else except as set forth in the Plan or any amendment thereto and this Purchase Agreement, including but not limited to, the description, size or dimensions of the Unit or rooms therein, or the estimated common charges, or other expenses relative thereto.

Purchaser also acknowledges that none of Seller's representatives has the authority to modify this Purchase Agreement or to make any oral promise, agreement or representation inconsistent or contrary to the terms of this Purchase Agreement. This Purchase Agreement may be changed only by a written document signed by both Purchaser and Seller's Authorized Agent. The invalidity or unenforceability of any particular provision of this Purchase Agreement will not affect the other provisions, and this Purchase Agreement will be interpreted in all respects as if such unenforceable provisions were omitted.

34) **RISK OF LOSS** - The risk of loss or damage to the Unit by fire or any other cause until delivery of the deed is assumed by Seller. In the event a substantial portion of the Unit or Condominium shall be destroyed or damaged prior to Closing, Seller shall be entitled to cancel this Purchase Agreement by written notice to Purchaser, together with a check in the amount of the Downpayment paid by Purchaser, with interest, if any; however, Purchaser will not receive a refund of any funds paid for Extras. The parties shall thereafter be released from any further liability hereunder.

If any part of the Unit is damaged or destroyed by any casualty prior to Closing, Seller will have the option to restore the Unit to its previous condition as soon as reasonably possible. In the event Seller elects to restore the Unit, then the Closing Date and any other applicable date or deadline will be extended in a reasonable manner by Seller. Seller agrees to notify Purchaser of Seller's decision within ten (10) business days of the date of such casualty. In the event Seller elects not to restore the Unit, then this Purchase Agreement will terminate and Purchaser will receive a full refund of all monies paid to Seller. The parties shall thereafter be released from any further liability hereunder.

35) **DAMAGE TO PUBLIC IMPROVEMENTS, AMENITIES AND COMMON ELEMENTS** - Purchaser shall repair and/or restore to their original condition and standards any public improvement, amenity or Common Elements on the Property damaged by Purchaser or Purchaser's agents, employees, contractors or licensees. Upon failure of Purchaser to complete such repair and/or restoration work within thirty (30) days after written notice from Seller, then and in that event, Seller may complete same at the expense of Purchaser who shall reimburse Seller for the cost thereof immediately upon demand. This Paragraph shall survive Closing and delivery of the deed.

36) **STRICT COMPLIANCE; SEVERABILITY; WAIVER OF TRIAL BY JURY** - Any failure by Seller to insist upon strict performance by Purchaser of any of Purchaser's obligations under this Purchase Agreement shall not be deemed a waiver of such obligations, and Seller may at any time insist upon strict performance by Purchaser of any and all obligations to be performed by Purchaser under this Purchase Agreement irrespective of the number of times Purchaser failed to strictly comply with such obligations in the past. If any part of this Purchase Agreement or the Plan is invalid or unenforceable with respect to a particular individual or circumstance, the remainder of this Purchase Agreement or the Plan and the applicability to other individuals or circumstances shall not be affected thereby but shall continue in full force and effect. Purchaser waives all rights to trial by jury in any action, proceeding or counterclaim in any way arising out of or relating to this Purchase Agreement or the Plan. Purchaser agrees to pay all court fees, including reasonable attorney fees, should

Purchaser bring an action against Seller in any court of proper jurisdiction (including small claims court) and be unsuccessful. Purchaser will only be responsible for attorney's fees in the event Sponsor/Seller is the prevailing party. Further Purchaser agrees to waive the right to file a Lis Pendens if not filed within sixty (60) days of the cancellation of this Purchase Agreement.

Purchaser and Seller hereby waive trial by jury in any action, proceeding or counterclaim arising out of this Purchase Agreement, provided such waiver is not prohibited by any laws of the State of New York. Any action or proceeding brought by either party hereto against the other, directly or indirectly, arising out of this Purchase Agreement, shall be instituted in a court in Queens County and all motions in any such action shall be made in Queens County.

This Paragraph shall survive Closing and delivery of the Deed.

37) **LIEN OF DEPOSIT** - All sums paid on account of this Purchase Agreement are hereby made liens upon the Unit, but such liens shall not continue after default by the Purchaser under this Purchase Agreement.

38) **MISCELLANEOUS:**

- (a) The start of any activity by Seller in connection with the Unit is not to be deemed a waiver of any of Seller's rights under this Purchase Agreement.
- (b) The personal property referred to in this Purchase Agreement shall be deemed conveyed by the deed, and no part of the Purchase Price shall be deemed allocated to such personal property.
- (c) The attorneys representing the Seller or any Lender represent such parties only and not the Purchaser. The Purchaser may retain independent counsel at Purchaser's own expense in order to protect Purchaser's own interest.
- (d) The delivery of the deed for the Unit to Purchaser or Purchaser's representative at Closing shall be deemed to mean that all things required to be done by Seller under this Purchase Agreement have been done and that Purchaser shall not claim otherwise except as to those things, if any, which are specifically stated in this Purchase Agreement or in a separate writing signed by Seller or Seller's attorney on Seller's behalf, to survive or continue beyond Closing or delivery of the deed.
- (e) The paragraph headings set forth in this Purchase Agreement are inserted solely for convenience of reference and in no way deemed to affect, amend, define, describe or limit the scope or intent of the provisions set forth in this Purchase Agreement.
- (f) No provision of this Purchase Agreement may be changed, waived, discharged, or

terminated orally, by telephone, or by any other means, except an instrument in writing signed by the party against whom enforcement of such change, waiver, discharge, or termination is sought and then only to the extent set forth in such instrument.

- (g) Any singular word or term herein shall also be read as in the plural whenever the sense of this Purchase Agreement may require it. The use of the masculine gender shall be deemed to refer to the feminine gender, or neuter, whenever the context so requires.
- (h) If two (2) or more persons are named as Purchaser in this Purchase Agreement, (i) each person shall be jointly and severally liable for payment, observance and performance of all obligations under this Purchase Agreement and (ii) anyone of them is hereby made agent for the other in all matters of any and every kind or nature with respect to the Unit and/or this Purchase Agreement. The act, assent, election or approval by one shall conclusively constitute the act, assent, election and approval by all.
- (i) The provisions of this Purchase Agreement shall bind and inure to the benefit of Purchaser and Purchaser's heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Seller and its successors and assigns.
- (j) This Purchase Agreement shall not be binding or effective until fully executed and delivered by Seller and Purchaser.
- (k) Seller represents that its Federal Employer Identification Number is _____; and Purchaser represents that his/her/their social security number(s) is _____ and _____.
- (l) In the event any portion of this Purchase Agreement shall be declared by any court of competent jurisdiction to be invalid, illegal or unenforceable, such portion shall be deemed severed from this Purchase Agreement and the remaining parts hereof shall remain in full force and effect, as fully as though such invalid, illegal or unenforceable portion had never been part of this Purchase Agreement.
- (m) The parties agree that this Purchase Agreement shall be governed by, and construed in accordance with the laws of the State of New York.

39) **SMOKING POLICY** - In compliance with Local Law 147 and pursuant to Article 17 of the New York City Administrative Code, the Sponsor has adopted the following smoking policy for the Building (the "Smoking Policy"):

Smoking is PROHIBITED (i) in all commons areas of the Building, including, but not limited to, the lobby, entryways, vestibules, ante rooms, mail rooms, storage rooms, bike rooms, common rooms, amenity rooms, gym, roof decks, garbage chute rooms, compactor

rooms, basement, corridors, hallways, stairwells, elevators, playroom, garage, garage ramp, walkways; and (ii) within twenty-five (25) feet of any outside entrance to the Building or within twenty-five (25) feet of any outdoor air intake or operable window opening onto Common Elements or Units.

For the purposes of this Smoking Policy, the term "smoking" includes, but is not limited to, inhaling, exhaling, burning or carrying any lighted cigar, cigarette, pipe or any other form of lighted object or device which contains tobacco, including the use of electronic cigarettes or any similar device that delivers vapor for inhalation (including any refill, cartridge or other component of an electronic cigarette or similar device), or any other items or materials that may be smoked, whether such substance is a legal substance or an illegal substance. This Smoking Policy applies to all unit owners, tenants, subtenants, occupants and residents of the Building, and to any guests, agents, licensees and invitees of a Unit Owner. It is the Unit Owner's responsibility to ensure that its tenants, subtenants, occupants, residents, guests, agents, licensees and invitees comply with this Smoking Policy.

Smoking is PERMITTED within individual apartments and on the terraces, balconies, patios and yards attached to individual apartments (except within twenty-five (25) feet of any outside entrance to the Building or within twenty-five (25) feet of any outdoor air intake or operable window opening onto Common Elements or Units). However, if there are reported and substantiated incidents of infiltration of smoke/smoke odors into common areas of the Building (including, but not limited to, hallways) and/or other apartments in the Building, it will be the offending Unit Owner's responsibility, at its sole cost and expense, to abate the nuisance.

Any Unit Owner who sells, leases, or subleases its apartment must include a copy of this Smoking Policy in the contract of sale, lease or sublease.

40) NOTICES TO PURCHASER - WHEN SIGNED BY SELLER AND PURCHASER (OR PURCHASER'S AUTHORIZED AGENT), THIS PURCHASE AGREEMENT WILL BECOME A LEGALLY BINDING AGREEMENT. PURCHASER SHOULD MAKE SURE THAT ALL PROVISIONS ARE READ AND UNDERSTOOD BEFORE SIGNING. IF PURCHASER DOES NOT UNDERSTAND ANY PROVISION, PURCHASER SHOULD SEEK LEGAL ADVICE.

PURCHASER MUST BE GIVEN A COPY OF THE PLAN PRIOR TO THE SIGNING OF THIS PURCHASE AGREEMENT. BY SIGNING THIS PURCHASE AGREEMENT, PURCHASER ACKNOWLEDGES RECEIPT OF THE OFFERING PLAN AND THAT PURCHASER HAS HAD AN OPPORTUNITY TO READ THE OFFERING PLAN AT LEAST THREE (3) BUSINESS DAYS PRIOR TO SIGNING THIS PURCHASE AGREEMENT.

41) This Purchase Agreement may be executed in two or more counterparts, each of which together shall be deemed an original, but all of which together shall constitute one and the same instrument. In the event that any signature is delivered by facsimile transmission or by

e-mail delivery of a pdf format data file, such signature(s) shall have the force and effect as if such facsimile or pdf signature(s) were an original thereof.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Purchase Agreement as of the date first above written.

PURCHASERS:

355 REIG LLC

By: _____

**ESCROW AGENT
DYLAN CHAN LAW FIRM, P.C.**

By: _____

Schedule A

The Permitted Encumbrances are the following:

1. Building restrictions, zoning and other regulations, resolutions and ordinances and any amendments thereto now or hereafter adopted.
2. Any covenants, easements or restrictions of record provided same do not render title unmarketable.
3. State of facts shown in the survey of the land and building and any additional state of facts which a subsequent survey or personal inspection thereof would show provided such additional facts would not prevent the use of the premises for dwelling purposes.
4. Any state of facts which an accurate survey of the Unit would show provided such state of facts would not prevent the use of the Unit for dwelling purposes.
5. The terms, burdens, covenants, restrictions, conditions, easements and rules and regulations, all as set forth in the Declaration, the By-Laws and the Rules and Regulations, the Power of Attorney from the Purchaser to the Board of Managers and the Floor Plans; as all of the same may be amended from time to time.
6. Consents by Sponsor or any former owner of the land for the erection of any structure or structures on, under or above any street or streets on which the land may abut.
7. Any easement or right of use in favor of any utility company for construction, use, maintenance, or repair of utility lines, wires, terminal boxes, mains, pipes, cables, conduits, poles, and other equipment and facilities on, under, and across the land and building.
8. Revocability of licenses for vault space, if any, under the sidewalks and streets.
9. Encroachments of stoops, areas, cellar steps, or doors, trim, copings, retaining walls, bay window, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings and similar projections, if any, on, over, or under the property or the street or sidewalks abutting the property and the rights of governmental authorities to require the removal of any such projections and variations between record lines of the property and retaining walls and the like, if any.
10. Leases and service, maintenance and license agreements, if any.
11. The lien of any unpaid Common Charge, real estate tax, water charge or sewer rent, provided the same are adjusted at the closing of title.
12. The lien of any unpaid assessment payable in installments (other than assessments levied by the Board of Managers) except that Sponsor shall pay all such assessments due prior to the Closing Date and the Purchaser shall pay all assessments due from and after such date.

(However, the then current installment shall be adjusted at Closing Date.)

13. Any other declaration or other instrument affecting the property which Sponsor deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the demolition, construction, alteration, repair or restoration of the Building.

14. Standard exceptions contained in the form of title insurance policy then issued by Commonwealth Land Title Insurance Company (or such other New York Board of Title Underwriters member title insurance company insuring the Purchaser's title to the Unit).

15. Any encumbrances as to which such company which insures the Purchaser's title to the Unit would be willing, in a fee policy issued by it to the Purchaser, to insure the Purchaser that such encumbrance (a) will not be collected out of the Unit if it is a lien or (b) will not be enforced against the Unit if it is not a lien.

16. Any other encumbrance against the property other than a mortgage or other lien for the payment of money, which does not prevent the use of the Unit for dwelling purposes.

17. Any Interim Lease covering the Unit made from Sponsor to the Purchaser.

18. Any other declaration or other instrument affecting the Property which Sponsor deems necessary or appropriate to comply with any law, ordinance, regulations, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the demolition, construction, alteration, repair or restoration of the Building. Sponsor shall file an amendment to the Plan to reflect any such other declaration or other instrument affecting the Property which is not already disclosed herein.

19. Standard printed exceptions contained in the form of title insurance policy then issued by the title insurance company insuring Purchaser's title to his or her Unit and appurtenant interests.

20. Any other encumbrance against the Property other than a mortgage or other lien for the payment of money, which does not prevent the use of the Unit for dwelling or commercial purposes, as the case may be, or which does not render title unmarketable, subject to the Permitted Encumbrances, or with respect to which a title insurance company is willing to insure against collection out of the Unit.

MORTGAGE CONTINGENCY RIDER

RIDER to Purchase Agreement dated _____, 20__, by and between 355 REIG LLC, as Seller/Sponsor and _____, as Purchaser for Residential Unit No. _____ at 355 Condominium.

1. Notwithstanding Paragraph 5 of the Purchase Agreement, this Purchase Agreement is subject to and conditioned upon issuance of a written commitment (the "Commitment") for a conventional (fixed or adjustable rate) mortgage loan encumbering the Premises from a reputable lender licensed to do business in New York (the "Lender"), for a term of fifteen (15) or thirty (30) years, at the prevailing rate of interest, in an amount of \$_____ (the "Loan"). Purchaser shall make application for the Loan within seven (7) days from the date hereof to Lender, and diligently, truthfully and in good faith pursue the Loan. Purchaser shall furnish and execute all documents and shall pay all costs and expenses required by the Lender to process the application and issue the Commitment.
2. Purchaser shall, at Seller's request, furnish Seller with a copy of its application for the Loan, along with the name and address of the Lender.
3. Purchaser represents that they have no judgments outstanding or proceedings pending against Purchaser in any Court, nor has Purchaser ever been adjudicated as bankrupt. Purchaser represents that they have inquired and are familiar with the requirements to obtain the Commitment and believes they have sufficient income and assets to qualify for same.
4. Upon issuance of a Commitment, Purchaser shall provide Seller with a copy of same and the provisions of this Rider shall be deemed satisfied and of no further force and effect. Therefore, the Purchase Agreement shall be deemed firm and unconditional and equivalent to an "all cash" deal. Any risk that the Commitment may be revoked, cancelled or may expire shall be borne solely by Purchaser (*i.e.*, should Purchaser lose such Commitment after obtaining it, Purchaser shall be obligated to close hereunder in accordance with the terms of the Purchase Agreement or be deemed in default hereunder). In the event the Commitment contains a provision that it is conditioned upon the sale of any real estate or other assets owned by Purchaser or upon the occurrence of any other events, then such conditions in the Commitment shall not be grounds for Purchaser to cancel this Purchase Agreement, and to that extent, the Commitment shall be deemed unconditional.
5. Upon receipt by Purchaser of a written denial of Purchaser's application for the Loan (the "Denial"), Purchaser shall promptly notify Seller of such Denial, but in no event later than five (5) days from the date of such Denial, and shall enclose a copy of the denial letter.
6. In the event Purchaser has not received a Commitment or a Denial within **forty (40)** days from the date of the Purchase Agreement (the "Contingency Period"), then

Purchaser may request to cancel this Purchase Agreement by providing notice to Seller no later than **forty five (45)** days from the date of the Purchase Agreement. Should Purchaser provide notice of cancellation to Seller, as set forth in this Paragraph, Purchaser shall and provided Purchaser shall have complied with all of the provisions contained herein, **subject to Paragraph 7 of this Rider**, the Downpayment made hereunder shall be returned to Purchaser, and all rights and obligations between the parties shall cease and terminate, except for those herein which expressly survive termination of this Purchase Agreement.

7. In the event Purchaser requests to terminate the Purchase Agreement pursuant to the terms of this Rider, Seller shall have the right but not the obligation to require Purchaser to make application with a preferred lender (“Preferred Lender”) of Seller’s choice within seven (7) days from the date Seller receives notice of the Denial or Purchaser’s notice of cancellation, or obtain a loan commitment letter for Purchaser from a lender licensed to do business in the State of New York or a licensed mortgage banker, upon similar terms and conditions as set forth herein (the “Loan Commitment Letter”). In the event that Seller obtains a Loan Commitment Letter pursuant to the terms of this Paragraph, Purchaser shall be obligated to accept such Loan Commitment Letter, comply with its requirements and close title hereunder. In the event that the Preferred Lender fails to funds at closing due to the reason not related Purchaser, Purchaser shall be granted the right to cancel the Contract and return of the Downpayment, provided the Purchaser is not otherwise in default of Purchase Agreement.
8. In the event the Loan is approved in a reduced amount, Purchaser agrees to accept the Loan on the condition that it can be reduced no more than \$10,000.00, and Purchaser shall pay the difference at closing in cash or certified check.
9. Seller does not make any representation as to whether Purchaser will qualify for financing or as to the terms, cost or availability of such financing. The Seller shall have no liability or responsibility to Purchaser if Purchaser’s attempts to obtain are not successful for any reason.

SELLER:
355 REIG LLC

BY: _____

PURCHASER(S):

UNIT POWER OF ATTORNEY

Terms used in this Unit Power of Attorney which are used (a) in the declaration ("Declaration") establishing a plan for condominium ownership of the premises known as 355 Condominium ("Condominium") and by the street number 355 53 Street, Brooklyn, NY 11220 under Article 9-B of the Real Property Law of the State of New York, dated _____ and recorded in the Office of the Register of The City of New York of the County of Kings ("Register's Office") on _____ as CRFN# _____ ("Declaration"), or (b) in the By-Laws of 355 Condominium ("By-Laws") attached to, and recorded together with, the Declaration, shall have the same meanings in this Power of Attorney as in the Declaration or the By-Laws.

The undersigned, _____ (having an office) (residing at) _____, the owner of a Unit ____ ("Unit") in the Condominium which is designated and described as the Unit in the Declaration and also designated as Tax Lot ____ in Block ____ of the Borough of Kings on the Tax Map of the Division of Land Records of The City of New York and on the Tax Lot Drawings, do(es) hereby nominate, constitute and appoint the persons who may from time to time constitute the Condominium Board, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, in their own names, as Members of the Condominium Board or in the name of their designee (corporate or otherwise), on behalf of all Unit Owners, in accordance with such Unit Owners' respective interests in the Common Elements, subject to the provisions of the By Laws then in effect, to:

- (a) employ counsel for purposes of protesting the New York City real property tax assessments with the Tax Commission and commencing, pursuing, appealing, settling and/or terminating administration and tax certiorari proceedings on behalf of the Unit Owners for the reduction of the assessed valuation of their Units, such Unit Owners agreeing not to protest said assessments and bring such tax certiorari proceedings at their own initiative and on their own behalf;
 - (b) acquire, lease or license any Unit, together with its Appurtenant Interests whose owner desires to sell, convey, transfer, assign, lease, sublease or surrender the same or acquire any Unit, together with its Appurtenant Interests that becomes the subject of a foreclosure or other similar sale, in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners;
 - (c) acquire, mortgage, lease, sublease, license, convey or otherwise deal with (but not to vote the Common Interest, appurtenant to) any Unit so acquired or to sublease any Unit so leased;
- and
- (d) execute, acknowledge and deliver (1) any declaration or other instrument affecting the Property which the Condominium Board deems necessary or

appropriate to comply with any Law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Property or (2) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Property which the Condominium Board deems necessary or appropriate or (3) any protest and tax certiorari proceeding documentation affecting Units.

The acts of a majority of such persons constituting the Condominium Board shall constitute the acts of said attorneys-in-fact.

The undersigned, _____ (having an office) (residing at) _____, the owner of a Unit ____ ("Unit") in the Condominium which is designated and described as the Unit in the Declaration and also designated as Tax Lot ____ in Block ____ of the Borough of Kings on the Tax Map of the Division of Land Records of The City of New York and on the Tax Lot Drawings, do(es) hereby nominate, constitute and appoint 355 REIG LLC ("Sponsor") as attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, to:

- (a) amend the Condominium Documents pursuant to the terms thereof, and to effectuate the rights of Sponsor under the Condominium Documents, including without limitation, when such amendment (1) shall be required to reflect any changes in unsold Units and/or the reapportionment of the Common Interest of the affected unsold Units resulting therefrom made by Sponsor in accordance with the Declaration, or (2) shall be required by (a) an Institutional Lender designated by Sponsor 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 Residential Unit; or (3) shall be required to correct any inconsistencies or scrivener's errors in the Declaration, the By-Laws and/or the Tax Lot Drawings; or (4) relinquish Sponsor's rights under the Condominium Documents, provided, however, that any amendment made pursuant to the terms of subdivision (1) or (2) 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 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 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 (i) Sponsor shall cease to own any Unit in the Condominium; (ii) Sponsor has completed all of its obligations under the terms of the Offering Plan; and (iii) a PCO has been issued for the Property; and
- (b) to effectuate Sponsor's and/or Development Rights Owner's utilization, sale or transfer of all or any portion of the Excess Development Rights, as

set forth in the Declaration.

This Power of Attorney shall be irrevocable.

[Signature page to follow]

On the ____ day of _____, _____, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in her capacity), and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

POWER OF ATTORNEY

_____ to

Board of Managers of 355 Condominium

and

355 REIG LLC

Unit _____
355 53 Street
Brooklyn, NY 11220

Block 806
Lot 54
County of Kings

Record and Return to:

DEED

THIS INDENTURE made the ____ day of ____, ____, between 355 REIG LLC, a New York limited liability company having an office at 175 E. SUNRISE HWY, FREEPORT, NY, 11520, Party of the First Part, and _____, residing at _____, Party of the Second Part.

W I T N E S S E T H:

That the 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:

That the Party of the First Part, in consideration of Ten Dollars (\$10.00), lawful money of the United States, and other good and valuable consideration, paid by the Party of the Second Part, does hereby grant and release unto the Party of the Second Part, the heirs or successors and assigns of the Party of the Second part forever,

All that certain piece or parcel of real property, with the improvements therein contained, situate and being a Condominium Unit (the "Residential Unit") in Kings County, City and State of New York, known as Residential Unit No. ____ in the Condominium known as 355 Condominium, said Residential Unit designated and described as Residential Unit No. ____ in the Declaration establishing a plan for Condominium Ownership of said premises under Article 9-B of the Real Property Law of the State of New York (the "New York Condominium Act"), dated and recorded in the Office of the City Register, Kings County (the "Register's Office") on _____, on City Register File No. (CRFN) _____ and also designated as Tax Lot in Block _____ of _____ County on the Tax Map of the Real Property Assessment Department of the City of New York, and on the Floor Plan of said building certified by _____ on _____ and filed with the Real Property Assessment Bureau of the City of New York on _____ as Condominium Plan No. ____ on CRFN _____.

TOGETHER with an undivided _____% interest in the Common Elements.

The premises within which the Residential Unit is located are more particularly described as follows:

(PROPERTY DESCRIPTION)

TOGETHER with the appurtenances and all the estate and rights of the Party of the First Part in and to said premises.

TOGETHER with the benefits, rights, privileges, easements and subject to the burdens, covenants, restrictions, by-laws, regulations and easements all as set forth in the Condominium Documents filed and recorded as aforesaid.

SUBJECT TO: The provisions of the Declaration, By-Laws, site plan and floor plans of the Condominium as the same may be further amended from time to time by instruments

recorded or filed in the Register's Office of the City of New York, Kings County, which provisions, together with any amendments thereto shall bind any person having at any time any interest or estate in the Residential Unit, as though such provisions were recited at length herein.

TO HAVE AND TO HOLD the premises herein granted unto the Party of the Second Part, the heirs or successors and assigns of the party of the second part forever.

AND the party of the First Part covenants that the party of the First Part has not done or suffered anything whereby the said premises have been encumbered in any way whatever, except as aforesaid.

AND the Party of the First Part, in compliance with Section 13 of the Lien Law, covenants that the Party of the First Part will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first for purpose of paying the cost of the improvement before using any part of the total of the same for any other purposes.

The use for which the Residential Unit is intended is that of a one family residence or non-residential use, subject to the applicable governmental regulations and the restrictions contained in the Declaration.

This conveyance is made in the regular course of business actually conducted by the Party of the First Part.

The word "Party" shall be construed as if it read "Parties" whenever the sense of this indenture so requires.

[Signature page to follow]

IN WITNESS WHEREOF, the Party of the First Part has duly executed this deed and the Party of the Second Part has duly assumed the mortgage therein referred to, the day and year first above written.

355 REIG LLC

By: _____
_____, as Authorized Signatory

Accepted by Purchaser:

STATE OF NEW YORK)
) ss:
COUNTY OF _____)

On the ____ day of _____, _____, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in her capacity), and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

STATE OF NEW YORK)
) ss:
COUNTY OF _____)

On the ____ day of _____, _____, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in her capacity), and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

CONDOMINIUM UNIT DEED

355 REIG LLC

TO

355 CONDOMINIUM

355 53 Street
Brooklyn, NY 11220
Unit _____

County: Kings
Block: 806
Lot: 54

Record and Return to:

FORM OF INTERIM LEASE AGREEMENT

SELLER/SPONSOR: 355 REIG LLC
175 E. SUNRISE HWY,
FREEPORT, NY, 11520

PURCHASER:

UNIT: Unit
355 53 Street, Brooklyn, NY 11220

DATE: As of

WHEREAS, Purchaser has agreed to purchase Residential Unit (the "Unit") at 355 53 Street, Brooklyn, NY 11220 (the "Condominium") pursuant to an Agreement between Seller and Purchaser, dated as of (the "Contract").

WHEREAS, Purchaser (or if Purchaser is an entity such as an LLC, the individuals listed in the Contract's Entity Rider to Agreement) wishes to occupy the Unit prior to the closing of title to the Unit (the "Closing") and, subject to the terms and conditions set forth herein, Seller has agreed to such occupancy.

NOW, THEREFORE, Purchaser and Seller hereby agree as follows:

1. Purchaser may occupy the Unit subject to the terms of this Interim Lease Agreement (this "Agreement") commencing as of (the "Possession Date").
2. The term of this Agreement shall continue until the closing of the Unit. Purchaser has no other interest in the Unit except as expressly set forth herein or in the Contract.
3. Purchaser shall pay Seller monthly use and occupancy at the address set forth above, or at such other address as Seller may direct, in the amount of \$ per month, subject to the terms of Section 9 below; provided, however, that the first month's use and occupancy is due and payable as of the date hereof and shall be paid to Seller together with the delivery of this Agreement as executed by Purchaser, or as Seller may otherwise direct. Any additional monthly use and occupancy payment shall be due and payable on or before the 1st day of such month. At Closing, Seller and Purchaser shall make adjustments for use and occupancy payments (if any) on a per diem basis.
4. In the event that Purchaser defaults under the Contract, the same shall constitute a default hereunder, and Purchaser shall surrender the Unit to Seller in the same condition as received by Purchaser no later than two (2) business days after Seller's notice of Purchaser's default under the

Contract (the "Default Vacate Date"), TIME BEING OF THE ESSENCE with respect to such Vacate Date. Additionally, in the event Contract is terminated by Seller or Purchaser for any reason, or Purchaser rescinds the Contract pursuant to any right of rescission granted under the Plan, or otherwise, this Agreement shall be deemed terminated as of the date that is thirty (30) days thereafter and Purchaser shall be obligated to vacate the Unit and surrender the Unit to Seller in the same condition Purchaser received the Unit no later than that date (the "Rescission Vacate Date"), TIME BEING OF THE ESSENCE with respect to such Rescission Vacate Date. The term "Vacate Date" as used herein shall mean the Default Vacate Date or the Rescission Vacate Date, as the case may be.

5. In the event Purchaser remains in possession of the Unit beyond the Vacate Date, then Purchaser shall be immediately obligated to pay to Seller an amount equal to \$1,000.00 per day (the "Per Diem Charge") beginning on the day after the Vacate Date through and including the date that Purchaser vacates and surrenders the Unit in the condition required herein. In no event shall any provision hereof be construed as permitting Purchaser to hold over in possession of the Unit after the Vacate Date or as limiting Seller's rights and remedies in respect of same, all of which are expressly reserved.

6. Without limiting any of Seller's rights contained herein, in the event that Purchaser shall fail to vacate the Unit on or before the Vacate Date, Seller shall have any and all rights at law, in equity or otherwise, to evict and/or remove Purchaser and recover possession of the Unit, and Purchaser hereby waives any and all rights to interpose any counterclaims, defenses, or offsets to such eviction action or proceeding or to seek a stay of the warrant of eviction issued therein. Purchaser shall reimburse Seller for all expenses (including, without limitation, reasonable attorneys' fees and disbursements and reasonable expert fees) incurred by Seller in connection with such eviction or other proceedings.

7. Without limiting the foregoing, if Seller brings an action or proceeding relating to this Agreement, at law or in equity, Seller shall be entitled to any and all actual third party costs and/or expenses (including, without limitation, reasonable attorneys' fees and disbursements and reasonable expert fees).

8. Purchaser shall be responsible for obtaining and paying directly for all utilities costs including, without limitation, all electric, gas, telephone and cable charges attributable to Purchaser's usage of such services in the Unit during the term, and Purchaser shall indemnify Seller for all such costs. The provisions of this paragraph shall survive the Closing and Vacate Date, as applicable.

9. Any default by Purchaser hereunder shall constitute a default by Purchaser under the Contract; provided, however, that with respect to a default in the payment of use and occupancy following the initial use and occupancy payment, Purchaser's shall have the right to cure same within five (5) business days following the due date therefor. Notwithstanding anything to the contrary, this Agreement shall automatically terminate upon the sooner to occur of (i) the Closing or (ii) Purchaser's default hereunder (subject, with respect to a default in the payment of use and occupancy following the initial use and occupancy payment, to Purchaser's right to cure same within five (5) business days following the due date therefor).

10. Purchaser shall not make any alterations, additions, installations or improvements to the Unit during the term of this Agreement, provided that the foregoing shall not be deemed to prohibit Purchaser from placing Purchaser's furniture and other personal property in the Unit during the

term hereof. Upon the termination of this Agreement for any reason other than the Closing, Purchaser shall remove all such furniture and personal property, shall repair all damage caused thereby, and shall vacate the Unit in broom-clean condition. Any personal property not removed may, at Seller's election, be retained by Seller without compensation to Purchaser, or removed at Purchaser's expense. The provisions of this paragraph shall survive any termination of this Agreement.

11. Seller shall not be responsible for any damages arising from any bodily injury to Purchaser or Purchaser's guests or invitees or any damage to or loss of any of the property of Purchaser or of Purchaser's guests or invitees occurring in the Unit. Purchaser agrees to indemnify and to hold Seller harmless from and against any and all claims, suits, demands, judgments, and costs (including attorneys' fees) that may be made against Seller arising from or connected with Purchaser's occupancy of the Unit. The provisions of this paragraph shall survive the termination of this Agreement.

12. Purchaser agrees to maintain personal liability, property and hazard insurance throughout the term hereof in amounts reasonably acceptable to Seller and naming Seller and the Condominium as an additional insured. During the term hereof, Purchaser shall comply with all laws, rules, regulations and requirements of governmental authorities and the Condominium pertaining to the Unit and Purchaser's use and occupancy thereof. Purchaser shall deliver insurance certificates evidencing such coverage to Seller prior to Purchaser's taking occupancy of the Unit.

13. Purchaser hereby agrees to accept possession of the Unit in its "as-is, where-is" condition for purposes of this Agreement; provided, however, that Seller agrees to deliver the Unit in broom-clean condition. Purchaser shall be liable for any and all damage caused to the Unit during Purchaser's possession thereof.

14. Any notice hereunder shall be in writing and hand delivered or sent, postage prepaid, by registered or certified mail, or by reputable overnight courier, with receipt confirmed, to Purchaser at the address given at the beginning of this Agreement and to Seller at the address given at the beginning of this Agreement, with a copy sent in like manner to 136-20 38th Avenue, Suite 11C, Flushing, NY 11354, Attn: Dylan W. Chan, Esq., in the same manner as notice is given to Seller, or to such other address as either party may hereafter designate to the other in writing. Except as otherwise expressly provided herein, the date of hand delivery or mailing shall be deemed to be the date of the giving of notice, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address. Any notice either of the parties hereto receives from the other party's attorneys shall be deemed to be notice from such party itself. A failure by Purchaser to acknowledge receipt of any notice, request, letter, consent or other communication hereunder shall not in any way invalidate such communication.

15. Nothing in this Agreement shall be construed as creating a landlord/tenant relationship between Purchaser and Seller.

16. This Agreement may not be modified, or its provisions waived except by a writing signed by the parties hereto.

17. The Condominium Offering Plan for Penrose Tower, as amended to date, (the “Plan”) is incorporated herein by reference and made a part hereof with the same force and effect as if set forth herein at length. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern, except with respect to express modifications to the terms of the Plan included in this Agreement and agreed to by Seller and Purchaser, in which case such modifications will govern.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

SELLER:
355 REIG LLC

By:

PURCHASER:

DESCRIPTION OF PROPERTY AND SPECIFICATIONS

355 Condominium

ARCHITECT'S REPORT DESCRIPTION OF PROPERTY AND SPECIFICATIONS

DATED: July 3, 2024

ABBREVIATION LEGEND

A/C.....	Air Conditioner
BSA.....	New York City Board of Standards and Appeals
BTU.....	British Thermal Unit
BTUH.....	BTU per hour
CMU.....	Concrete Masonry Unit
DEP.....	Department of Environmental Protection
DOB.....	New York City Department of Buildings
DOT.....	Department of Transportation
ECCCNYS.....	Energy Conservation Construction Code of New York State
GWB.....	Gypsum Wall Board
MEA.....	NYC Material and Equipment Approval
NFPA.....	National Fire Protection Association
NYC.....	New York City
NYCBC.....	New York City Building Code
PTAC.....	Packaged Terminal Air Conditioner
Sq.ft.....	Square Feet
STC.....	Sound Transmission Classification
WWF.....	Welded Wire Fabric

A. LOCATION and USE of PROPERTY

1. Address: 355 53 Street, Brooklyn, NY 11220
2. Block: 806 Lot: 54
3. Zoning District: R6B

Proposed building is a four-story new building with eight (8) residential dwelling units on 1st through 4th floor, and is a quality housing project that complies with the Quality Housing Program regulations for Daylight in Corridors by providing a window with a clear, non-tinted, glazed area of at least 20 square feet in the corridor, and for planting area by providing planting in the front yard area between the street line and the street wall. Requirements for refuse storage and disposal, laundry facilities, recreation space are only applicable for developments with nine or more dwelling units and thus our project is exempted from such requirements.

4. Permissible use: Proposed one zoning lot containing eight (8) tax lots with a building comprised of four stories with cellar floor. The proposed residential building contains eight (8) Class "A" Apartments (designated under Use Group 2 and Occupancy Group R-2) with utility/storage room/accessory uses. The sponsor states that the Zoning and proposed use complies with all Zoning and use requirement. No variances are required for this project. The project is approved under NYC DOB Application #321828572.

B. STATUS of CONSTRUCTION

1. Year Built / Completion:
Construction of the structure had started in March 2022 and completed in March 2024.
2. Class of construction:
The building's construction classification is classified as I-B as per the 2014 Building Code of the City of New York, in which the walls, exit ways, shafts, structural members, floors and roofs are constructed of noncombustible materials and assemblies affording the fire resistance rating of two hours.
3. Certificate of occupancy, type and number:
Certificate of Occupancy will not be issued until all work has been completed. The sponsor is to obtain at least a Temporary Certificate of Occupancy prior to first closing.
4. Alteration permit numbers and description of work done:
The New Building application is filed and approved under regular D.O.B. plan examination under application No. 321828572. The approved application permitted as a new construction for 4-story steel residential building with cellar. All plumbing, electrical, and mechanical work is newly installed. All works including general construction, heating, ventilation, plumbing, sprinkler, electrical and fire alarm work must be completed before a permanent certificate of occupancy can be issued. The sponsor is to obtain a Temporary Certificate of Occupancy prior to first closing.
Permits issued for this job are as follows:
 - a. New building permit, 321828572-01-NB, initial issued on 03/25/2022.
 - b. Foundation and Structural permit, B00710590-I1-GC-CX, initial issued on 09/19/2022
 - c. Construction equipment - other, 321828572-01-EQ OT, initial issued on 03/25/2022.
 - d. Plumbing permit, 321828572-01-PL, initial issued on 08/26/2022.
 - e. Sprinkler permit, 3PL019139-01-EW SP, initial issued on 09/07/2022.

Architect of Record: Chark Yung, P.E.
Structural Engineer of Record: Peter Tauberer, P.E.
Engineer for Special Inspections: Peter Tauberer, P.E.

C. SITE

1. Size:

The lot size is 26'-8" x 100', which is 2,667 Sq. ft. with frontage of 26'-8" on 53rd Street, as per survey by Precision Surveys.
The building size is approximately 26'-7" X 56'-2".
2. Number of buildings and use:

There is one (1) proposed building for residential use.
3. Streets owned or maintained by the project:
 - i. Paving: The Street fronting the project, 53rd Street, is an existing public street that is paved with asphalt and concrete.
 - ii. Curbing: The curbs will be concrete curbs.
 - iii. Catch Basins, drainage: The sidewalk slopes away from the building providing positive drainage without ponding. Under current approved plan, the site will be graded to direct storm water away from the building. Catch basins are located in the roadway to drain the storm water run-off into the existing City sewer system.
 - iv. Street Lighting: street lighting is provided by the City of New York. There is one (1) existing street light located on the existing public street.
 - v. Sidewalks providing access to the building is new, free of tripping hazard & ponding, and the condominium is responsible for maintaining the sidewalks per the requirements of the DOT. There are no sidewalk vaults, ramps or driveways on site. Sidewalks are ADA compliance and are sloped to drain water away from building providing positive drainage without ponding. Such items in this section are in conformity with local fire district, and municipal building code(s).
Existing concrete curb and asphalt roadway pavement to be replaced with new per BPP plans associated with DOB application No. 340670740.
4. Drives, sidewalks and ramps:
 - i. Paving: The Street fronting the project, 53rd Street, is an existing public street that is paved with asphalt and concrete.
 - ii. Curbing: The curbs will be concrete curbs.
 - iii. Catch Basins, drainage: The sidewalk slopes away from the building providing positive drainage without ponding. Under the current approved plan, the site will be graded to direct storm water away from the building. Catch basins are located in the roadway to drain the storm water run-off into the existing City sewer system.
 - iv. Street Lighting: street lighting is provided by the City of New York. There is one (1) existing street light located on the existing public street.
 - v. Sidewalks providing access to the building is new, free of tripping hazard & ponding, and the condominium is responsible for maintaining the sidewalks per the requirements of the DOT. There are no sidewalk vaults, ramps or driveways on site. Sidewalks are ADA compliance and are sloped to drain water away from building providing positive drainage without ponding. Such items in this section are in conformity with local fire district, and municipal building code(s).
Existing concrete sidewalk to be replaced with new per BPP plans associated with DOB application No. 340670740.

D. UTILITIES

1. Water:
Water is supplied by the New York City Water Board. A tap connection made to the building and billed from common charge as per rates set by the Water Board in accordance with the water meter reading of actual consumption. The building contains one meter for the entire building.
2. Electric:
Electric service provided by Con Edison Co. and individually metered to each apartment.
3. Gas:
Not applicable.
4. Combined Sewer:
There is a city owned 12'-0" combined sewer on 53rd Street and is currently maintained by the New York City Department of Environmental Protection. The Condominium is responsible for the repair of any damage to the house connection to this combined sewer.
5. Telephone:
Telephone service provided on an individual basis to each unit by Verizon (or equivalent) and each unit billed directly by Verizon (or equivalent).

All of the above utilities are metered individually for each apartment except that the combined water and sewerage bills and common area utility cost will be a shared cost amongst the tenants.

E. SUB-SOIL CONDITION

1. Inspection of site shows no foundation or settling has occurred, no cracking or mortar joint decay was present at time of inspection.
2. Test borings were reported by All Phase Testing Inc., Sanford E. Lent, PE and dated 7/14/2018. Borings showed a load bearing capacity of 3 tons per square foot.
3. The survey was provided indicates no visible streams or natural watercourses in the property, and there is no apparent danger of flooding from bodies of water.
4. The site is not located in Flood Zone as per Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps (FIRM) and has not been affected by a flood within the last ten years.
5. No environmental site issues are present on the property.

F. LANDSCAPING and ENCLOSURES

1. Grass cover:
Grass cover is provided at the front yard of the building at ground level. No grass cover/plantings being provided at the rear yard.
2. Plantings:

One(1) street tree to be planted on-site to satisfy NYC Department of Buildings and NYC Department of Parks and Recreation requirements, filed under DPR application #28646.

3. Trees:

One (1) street tree planted on-site to satisfy NYC Department of Buildings and NYC Department of Parks and Recreation requirements, filed under DPR application #28646.

4. Fencing:

A 42" high metal fence is being provided at the front yard. No fencing being provided at the rear yard.

5. Gates:

A metal swing gate is provided at the front yard to access the front planting area.

6. Garden walls:

Not applicable.

7. Retaining walls:

Not applicable.

8. Display pools and fountains:

Not applicable.

G. BUILDING SIZE

1. Total height (approximate total feet from ground level to highest part of roof):

The approximate street wall height on 53rd Street measuring from ground level to the top of the roof slab is 40 feet 0 inches which does not exceed the maximum permitted street wall height which is 40 feet on zoning R6b. Total building height from ground level to top of highest part of the roof is 49 feet 0 inches.

2. Crawl space (floor to ceiling, height):

There is no crawl space in the building.

3. Number of sub-cellars and cellars:

There is no sub-cellar but a cellar in the building.

4. Number of floors (actual including penthouses):

There are five (5) floors in the premises consists of the cellar, first, second, third, and fourth floors. The approximate floor-to-floor height from the cellar to the first floor is 10'-0".

The approximate floor-to-floor height from the first floor thru the fourth floor is 10'-0" per floor. There is a stair bulkheads located at the fourth floor roof with an approximate floor-to-floor height of 9'-0".

5. Equipment rooms (location and use):

Hot water heater room is located on the roof. Other equipment rooms are located in the cellar of the building which includes electrical meter room, water/sprinkler service room.

6. Parapet (height above roof):

There is a 3'-6" height parapet wall above the roof constructed of masonry with aluminum capping.

H. STRUCTURAL SYSTEM

The building is designed in accordance with 2014 Construction Code of the City of New York. The primary structural system is reinforced concrete block bearing wall with brick veneer finish and poured in-place reinforced concrete footing and foundation wall below ground floor level. The reinforced concrete foundation walls are 12" thick. The floor construction is 6" thick concrete slab on grade for the cellar level and 4" concrete slab on the other floors. All pipe gaps sealed with acoustical sealants through walls and slabs and floor underlayment is provided for hard wood and ceramic tile flooring to achieve the minimum IIC rating of 50. The ceiling for all floors consists of two layers of 5/8" thick firecode 'C' gypsum board ceiling finish.

Underpinning was performed along the west party wall which is about 30-feet long and 8'-6" deep.

Moisture protection system of foundation is provided by the installation of vapor barrier around the exterior side of foundation wall.

1. Exterior of buildings:

i. Walls:

The exterior wall from the base of the 1st floor to the base of the main roof is constructed with a 4" brick veneer finish with 2" rigid insulation (R-10) over 8" reinforced CMU block and one layer of type 'x' gypsum wall board on the interior. The exterior wall has a fire rating of 2 or 4 Hours.

ii. Windows:

All windows installed are aluminum framed double glazed windows with thermal break in the frame to maintain temperature differences between interior and exterior. All windows are caulked from the exterior. The air infiltration level is kept to the minimum. The thermal break U factor is 0.38 and SHGC is 0.40. Lintels are of steel beams and/or steel angles. Stone/concrete sill is provided for all window openings. The opening portions of all windows are provided with insect screens.

Windows are manufactured Crystal windows (or equivalent) and are either casement windows or fixed windows.

Where steel lintels are used, material is either aluminum or stainless-steel, which are rust-free.

All windows come with Manufacturer's Limited Lifetime Warranty.

All windows are calculated and designed to meet or exceed minimum requirements for natural light and air to the living spaces within.

There are lot line windows in the kitchen of all the units. Lot line windows are not operable and are permitted in group R-2 occupancies provided they do not exceed 10% of the area of the façade of the story in which they are located. The building is fully sprinklered, 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.

Each sprinkler head can cover 130 square feet area, maximum distance between sprinklers should be 15-foot. Therefore, the proposed lot line window (near the kitchen) is within the sprinkler coverage area.

Lot line windows may be impacted by future adjacent developments and may need to be sealed with fire-rated construction.

- iii. Landmark status:
No landmark structures within 90' feet on each side of building.

2. Parapets and coping:

There is a 3'-6" height parapet wall above the roof constructed of masonry with aluminum capping wood blocking.

3. Chimneys and caps:

There are no chimneys in the building. There are eight 3" polypropylene vent pipe and eight 3" polypropylene air inlet pipe at the roof, for bathroom vent and kitchen exhaust from each apartment.

4. Balconies and terraces:

Units located at the 2nd floor each has a roof terrace and units located from the 3rd to 4th floor each has a balcony that is only accessible through the living room via a sliding door.

- i. Balcony Finish:
The balcony deck and roof terrace are finished with common outdoor tiles that is suitable for daily foot traffic.
- ii. Balustrade:
None.
- iii. Railings:
Railing system consisted of tempered glass panels with aluminum frame at height of 3'-6".
- iv. Copings:
None.
- v. Soffits:
Soffits and undersides are of vinyl finish.
- vi. Door to balconies/terraces:
Doors to the balconies/terraces for units located from the 2nd to the 4th floor are sliding doors & fixed window that is manufactured by BCG Glass Industry, model#: BD-001. They are with commercial grade black frame, metal frame with thermal break, double pane insulated low-E, U factor is 0.38 and SHGC is 0.40, insert screen, and the air leakage is less than or equivalent to 0.20 CFM/SF.
This same door is also located in:
Unit 1A: one connecting between the living room and the front yard at the first floor.
Unit 1B: one connecting between the living room and the rear yard at the first floor and one connecting between the open cellar space and the stairs to the rear yard at the cellar floor.

The doors described in this section come with Manufacturer's Limited Lifetime Warranty.

5. Exterior entrances:

- i. Exterior doors and frames:
The main entrance located at the front of the building is an aluminum frame and hollow metal door with glass, lock hardware, and weather stripping as well at the ground level. All entrances are free of tripping hazards. All entrances are equipped with thermal break system. The handicap accessibility has been provided through 1:12 maximum grading

entrance. All designs are in compliance with the NYC Local Law 58 (Handicapped Access Law). All exterior doors are manufactured by LC window and Storefront INC.

- ii. Vestibule doors and frames:
Vestibule door is an aluminum framed glass door.
- iii. Exterior stairs:
Not applicable.
- iv. Railings:
Railings material used is steel.
- v. Mail boxes:
The mailbox located at lobby at the first floor level, is manufactured by Florence, model 4CADD-10: Tenant Doors with Parcel Lockers and Outgoing Mail Compartment, Wall Mount. It contains 8 door high units, front loading and USPS accessible. The mailbox is constructed of heavy duty aluminum and stainless steel hardware, and is surface mounted.
- vi. Lighting:
All entrances are lighted by ceiling down lights or wall lights. Lighting is manufactured by "Halo" or "Progressive" or equivalent.

6. Service entrance:

- i. Doors and frames:
For service entrances within the building, Materials and types of such doors and entrances are as listed in sections H. Structural System: 11. Interior doors and frames, etc.
- ii. Gates:
Not applicable.
- iii. Exterior stairs:
Not applicable.
- iv. Railings:
Not applicable for service entrance.

7. Roof and roof structures:

- i) Type of roof for all area:
 - a. Material:
Roof material is constructed of asphalt roofing membrane on light weight concrete over metal deck manufactured by United Coatings Inc.
 - b. Insulation:
The roof is insulated with R-25 firestone tapered ISO 95+ GL insulation form over 15 mil vapor barrier over the entire roof. The insulation is in compliance with the New York State Energy Conservation Code.
 - c. Surface finish:
Both the bulkhead roof and the main roof are finished with asphalt roofing. The balcony decks/terraces are finished with common outdoor tiles that is suitable for daily foot traffic. The front yard walkway surface is finished with a reinforced top concrete slab, and the planting area surface is finished with plants, soil, drainage plate, and protection mat layered respectively.
 - d. Bond or guarantee:
The expected life span of the roof is twenty to thirty years. There is no bond furnished other than a one (1) year warranty from the contractor for the construction materials and workmanship. The roofing materials contains a one (a) year warranty from date of purchase from the manufacturer.
 - e. Flashing materials including counter flashing:
Aluminum flashing and counter flashing is provided.

- ii) Drains:
 - a. Location, material, and type:
 - b. There are two(2) drains provided at the main roof and each drain is equipped with an emergency overflow drain. Gutters and leaders (type, material): Bulkhead roof is drained by an aluminum downspout with splash block that discharges on to the main roof.
- iii) Skylight:
 - Not applicable
- iv) Bulkhead:
 - a. Stairs:
 - Stair bulkheads to be metal stud with stucco finish.
 - Elevator:
 - Not applicable.
 - b. Other:
 - Not applicable
- v) Metal work at roof levels:
 - a. Exterior, metal stairs:
 - Not applicable.
 - b. Vertical ladders, including gooseneck:
 - One vertical ladder made of steel with corrosion resistance paint is provided from roof to bulkhead roof.
 - c. Railings:
 - 42 inch height metal railing provided at roof of bulkhead
 - d. Hatches to roof:
 - Not applicable.
 - e. Other:
 - Rooftop mounted mechanical equipment: There are six (6) outdoor A/C condenser units installed at the bulkhead roof that is supported with steel dunnage beams.
- vi) Rooftop facilities:
 - As per NYC Building Code 2014 Section 1511.2.2 Sustainable Roofing Zone, exception# 3: Area occupied by obstructions related to stormwater management practices including, but not limited to, cisterns, or reuse systems that are installed to comply with site connection or storm water construction permit issued by the Department of Environmental Protections.

Site conditions are unfavorable to either a solar photovoltaic electricity generation system or a green roof system. Roof area occupied by roof detention system used to control runoff of store water. Roof detention system is installed to comply with site connection or storm water construction permits issued by DEP.

Rooftop access is designed in compliance with 2014 NYC Fire code, Section FC 504.4.

8. Fire escapes:

- i. Location:
 - There is no fire escape provided.
- ii. Floor covered:
 - Not applicable.
- iii. Drop ladder:
 - Not applicable.

- iv. Type:
Not applicable.
- v. Materials:
Not applicable.

9. Yard and courts:

There are two yards areas at the exterior of the building: One on the front and one on the rear of the building. The front yard is 10'-7" feet between front property line and the street wall of the building. The front yard is accessible to only Unit 1A through the first floor living area. There is a 3'x6' metal grating over the lightwell at the front yard. The rear yard is 33.4 feet between rear property line and the rear building wall. The rear yard is accessible to only Unit 1B through the first floor living area. The grass/planting area within the Limited Common Element of unit 1A must be kept and maintained to comply with Quality Housing front yard planting requirements. There is no bicycle and vehicle parking space required/ provided.

- i. Paving:
Concrete
- ii. Drainage
There is one (1) area drain installed at the front yard and rear yard areaways.
- iii. Railings
Not applicable.
- iv. Stairs
No stairs at the front or rear yard.
- v. Fencing
A 48-inch height metal fence with swing gate is provided around the front yard.
- vi. Walls
Foundation walls of the rear yard areaway are constructed on reinforced concrete.

10. Interior stairs:

- i. Number of stairs of each type
There is one (1) set of interior stair that is a common egress from the cellar to first floor and first floor to the roof.
There is one (1) set of interior stair that is inside unit 1A leads from the first floor to the cellar.
Another one (1) set of interior stair that is inside unit 1B leads from the first floor to the cellar.
- ii. Enclosure
The stair is in a continuous fire-rated shaft. A fire-rated self-closing door is provided at each landing on the passage floor level as per the City Fire Code.
- iii. Stair construction
All stairs are constructed of steel pan stairs filled with concrete.
- iv. Stringers
Stairs shall have rolled channel stringers.
- v. Treads
Stairs shall have concrete filled steel pan treads. As per the last DOB approved plan dated 03/07/2024, the interior unit 'convenience' stairs for Units 1A and 1B are with winder treads. Winder stairs are no longer code compliant and may be a tripping hazard. Please see Part I Special Risk.
- vi. Risers

- Stairs shall have steel risers integral with pan.
- vii. Guards rails
Stair railing shall be steel.
- viii. Balustrade
Balustrade shall be ¾" steel pickets at 4" maximum clear spacing.

11. Interior doors and frames:

- i. Unit entrance and interior doors and frames
Interior doors leading from corridor into units are hollow metal and buck material with the same; self-closing 1-1/2 hour fireproof self-closing (FPSC) as per NYC Building code, and is equipped with peep hole, chime and keyed entry knob. The same hardware is provided for 2nd, 3rd and 4th floor where the stair door also serves as the unit entrance door. All other doors within residential units are made of hard core wood with paint finish.
- ii. Corridor doors and frames
Not applicable.
- iii. Stair hall doors and frames
Interior doors at all staircases are hollow metal and buck material with the same; self-closing 1-1/2 hour fireproof self-closing (FPSC) and provide self-closing hardware. All self-closing fire-rated doors must be labeled. Interior doors at staircases on the cellar, 1st and roof floor, and the entrance doors at ground level are the same with a glazed area. Interior doors at all utility spaces such as boiler rooms, meter rooms and etc. are hollow metal and buck material with the same; self-closing 1-1/2 hour fireproof self-closing (FPSC) and provide self-closing hardware. All self-closing fire-rated doors must be labeled.

12. Elevators:

Elevators will not be provided.

- i. Number of passenger and service elevators:
Not applicable.
- ii. Manufacturer, age of each and capacity (in pounds and number of passengers):
Not applicable.
- iii. Type of operation for each elevator by elevator number or location in building (for large numbers of elevators describe by class-passenger / freight):
Not applicable.
- iv. Automatic:
Not applicable.
- v. Floors served:
Not applicable.
- vi. Type:
Not applicable.
- vii. Doors:
Not applicable.
- viii. Location of machine rooms:
Not applicable.
- ix. DC motor:
Not applicable.
- x. AC motor-generator set:
Not applicable.
- xi. Other:

Not applicable.

13. Elevator cabs:

Elevator cabs are not applicable.

- i. Kind:
Not applicable.
- ii. Floor:
Not applicable.
- iii. Walls:
Not applicable.
- iv. Ceiling:
Not applicable.
- v. Lighting:
Not applicable.
- vi. Alarm, safety system:
Not applicable.

I. AUXILIARY FACILITIES

The auxiliary facilities of this project are as described below:

1. Laundry Machine:

- i. Location and number of rooms:
There is one (1) washer and one (1) dryer installed in each dwelling unit. Washers and dryers are stackable units on the second, third and fourth floor dwelling units. Washers and dryers for units 1A and 1B are located in the non-ADA accessible cellar. Multi-story units shall be designated the story with an accessible entrance as the primary entry story. All the rooms, spaces, and doors on the primary entry story shall comply with 2014 NYC Building Code Section 1107.2. Rooms, spaces or doors located on other than the primary entry story, and interior routes thereto, need not comply with Section 1107.2 if equivalent facilities are provided on the primary entry story. Per BC 1107.2.8 At the option of the owner, laundry equipment conforming to this section within the dwelling unit or sleeping unit may be provided at the time a person with physical disabilities takes occupancy of the unit, or within 10 days of the date the request is made by a person with physical disabilities, whichever is later, at the owner's expense.
- ii. Cloth washers, number and type
Washer manufactured by LG, and model number is WM3600HWA.
Capacity of 4.5 Cu. Ft. with one year warranty.
- iii. Cloth dryers
Dryers manufactured by LG, and model number is DLE3600W.
Capacity of 4.5 Cu. Ft. with one year warranty.
- iv. Room ventilation
Mechanical ventilation is not provided.
- v. Dryer ventilation
The provided dryers are electric ventless dryers. Thus, the dryers are not equipped with mechanical ventilation.

2. Refuse Disposal:

There is no refuse disposal system provided for the proposed building. The unit owners should place refuse and recyclables in the common storage room in the cellar and the building

superintendent will bring the refuse outside the night before collection day. A unit owner shall not accumulate any waste matter in his or her unit so as to create a condition which is unsanitary or a fire hazard.

- i. Incinerators:
Not applicable
- ii. Compactors:
Not applicable
- iii. Approvals by authority having jurisdiction:
Not applicable
- iv. Initial storage location:
Common storage room at cellar which can be accessed via the interior common egress stair.
There are Six (6) storage rooms located in the cellar. Each enclosed with a fire rated self closing metal door. The doors come with locks for individual security and protection of Unit Owner's property.
- v. Pick-up schedule, and whether public or private provider:
 - a. Public Provider: The City of New York Department of Sanitation (DSNY)
 - b. Pick-up Schedule: Garbage will be collected on Monday and Thursday;
Recycling will be collected on Thursday

J. PLUMBING and DRAINAGE

1. Water supply:

Water is supplied by one 8" combined fire and domestic water service from NYC water main located on 53rd Street. All water piping is of copper material. All hot and cold water piping is insulated throughout with ¾" foam insulation tubes, as per New York State Energy Conservation Construction Code and ICC stated (Section 504.5). The main shut-off valve for water is located in the water service room at the Cellar floor. The backflow preventer is located in the same room. No pressure pump is utilized for the domestic water supply line. Water usage is billed according to a water meter and the cost is distributed in the common charges.

2. Fire protection system:

The building is protected with a fully automatic wet sprinkler system throughout the building in accordance to NFPA13 -2007. Sprinkler piping is black iron schedule 40 with either threaded fittings or with mechanical coupling as permitted by the New York City Building code. The typical locations excluded from sprinkler coverage are electrical room, bathrooms less than 55 square feet, and clothes and linen closets less than 12 square feet.

- i. Standpipes
Not applicable.
- ii. Hose racks, hoses and nozzles
Not applicable.
- iii. Sprinkler heads
The Sprinkler heads are exposed heads inside mechanical rooms and pendant heads elsewhere with 165 °F rating.
- iv. Siamese connection
Siamese connection will be located at the front of the building on 53rd Street.

3. Water storage tank(s) and enclosures:

There is no water storage tank(s) for this building.

- i. Number, type, location of each:

- Not applicable.
 - ii. Material:
 - Not applicable.
 - iii. Access to tank:
 - Not applicable.
 - iv. Capacity (total gallon):
 - Not applicable.
 - v. Capacity (fire reserve):
 - Not applicable.
- 4. **Water pressure and how maintained:**

No pressure pump is utilized for the domestic water supply line as the building is only 4-story tall.
- 5. **Sanitary sewage system:**
 - i. Sewage piping

The sanitary house drain, house trap, and house sewer from the cellar to the fourth floors are connected by gravity to a four-inch cast iron pipe; the four-inch cast iron pipe is linked to a 12" city owned combined sewer on 53rd Street.
 - ii. Sewage pumps
 - Not applicable.
 - iii. Sewage disposal

The Sewage system shall carry both storm and sanitary swage from each unit. Sewer shall carry by gravity to 12" city owned combined sewer on 53rd Street.
- 6. **Permits required:**

Required permit(s): plumbing permit, 321828572-01-PL, initial issued on 08/26/2022.
- 7. **Storm drainage system:**
 - i. Catch basin:
 - Not applicable.
 - ii. Yards and roof drains:

The storm drainage in the zoning lot including roof drains and area drains are discharged into the city sewer system by gravity flow through cast iron pipes.
 - iii. Piping:

Piping material(s) is cast iron.
 - iv. Eject or sump pumps:
 - Not applicable.

K. HEATING

- 1. **Heating and domestic how water:**

Heating and cooling are being provided by a ductless Mini-Split System at each dwelling unit. Heating system is capable to maintain the indoor room temperature at 70 degrees Fahrenheit while outdoor temperature is at 15 degrees Fahrenheit as required by NYC Building Code.

According to New York City ECC code C403.2.7: Service water-heating equipment is provided with controls to allow a set point of 110°F - degrees Fahrenheit (43°C - degrees Celsius) for equipment serving dwelling units and 90°F (32°C) for equipment serving other occupancies. Duct and plenum insulation and sealing as per C403.2.7: All supply and return air ducts and plenums are insulated with a minimum of R-6 insulation where located in unconditioned spaces and a minimum of R-8 insulation where located outside the building, where located with a

building envelope assembly, the duct or plenum is separated from the building exterior or unconditioned or exempt spaces by a minimum of R-8 insulation.

All ducts, air handlers and filter boxes are sealed; joints and seams shall comply with section 603.9 of the NYC mechanical code.

Service water pipe insulation as per C405.5: For automatic-circulating hot water and heat-traced systems, piping is insulated with not less than 1" inch of insulation having a conductivity not exceeding 0.27 BTU per inch/H-ft²F. The first 8" feet of piping in non-hot-water-supply temperature maintenance systems served by equipment without integral heat traps are insulated with 0.5" inch of material having a conductivity not exceeding 0.27 BTU per inch/H-ft²F

2. Number of boilers:
There are no boilers. There is one Mini-Split System and one electric hot water heater per dwelling unit.
3. Manufacturer and age of boiler(s):
Electric hot water heater located at the roof boiler room, by A.O. Smith, Model#: FPTU-50, with a Capacity of 50 gallons and Energy Efficiency of 3.61. A.O. Smith products come with a limited warranty of 6 Years Tank / Parts Warranty.
The Mini-Split Heat System is manufactured by LG, Model#: LMU300HHV, with a Heating Capacity of 34,320 and Efficiency seer/eeer: 20.0/12.5. The LG units come with a limited warranty of 2 years for parts and 5 years for the compressor.
4. Burner description:
Description as stated in *Section K, Heating - 3. Manufacturer and age of boiler(s)*
5. Type of controls:
At least one(1) programmable thermostat is provided per unit.
6. Radiator, piping, insulation, valves, pumps:
Insulation of air duct is by 1½" thickness R-3 insulation around the piping, and is as provided per Code requirements.
Insulation of hot water is indicated in *Section J, Plumbing and Drainage – 1. Water Supply.*
7. Fuel:
Fuel to be electric supplied by Con Edison.
8. Location of oil tank, materials, enclosure:
Not applicable.
9. Capacity of oil tank:
Not applicable.

L. GAS SUPPLY

1. **Type**
Not applicable.
2. **Meters**
Not applicable.

3. **Piping**
Not applicable.

M. AIR CONDITIONING

Nominal cooling capacities are based on indoor coil EAT of 80/67°F (DB/WB) and outdoor of 95/75°F (DB/WB). Operating ranges for outdoor units of 14°F to 118°F (DB) and indoor units of 64°F to 90°F (WB). The Inverter variable-speed split systems are measurably quieter and consume less energy than conventional air conditioners. The Inverter compressor ramps up or down to match the required room capacity and maintain the comfort level. When the selected temperature is reached, the Inverter compressor operates at low speed to maintain that comfort level, thereby using less energy.

1. **Type of system**

Heating and cooling are being provided by a ductless mini-split system that consists of an indoor unit and an outdoor unit.

2. **Central system**

Indoor fan coil unit schedule:

These are the air handler units with heat pump and thermostat, mainly located in the bedroom area inside the units:

Model: LDN127HV4	Manufacturer: LG	
Heating (BTU): 13,800	Cool (BTU): 12,000	Refrigerant: R410-A
Power: 208V/230V, 1PH, 60Hz	Efficiency seer/eer: 8.7 HSPF, 15.0 SEER	

These are the air handler units with heat pump and thermostat, mainly located in the living area inside the units installed above the soffit area, with automatic setback and shutdown control (typ.):

Model: LMDN186HV	Manufacturer: LG	
Heating (BTU): 20,800	Cool (BTU): 18,000	Refrigerant: R410-A
Power: 208V/230V, 1PH, 60Hz	Efficiency seer/eer: 8.7 HSPF, 15.0 SEER	

3. **Cooling towers, condensers**

There are eight (8) condensers: one (1) is wall mount at cellar floor, one (1) on ground at 1st FL, and six (6) on roof supported by steel dunnage with vibration isolators. The specifications are as follows:

Rated capacity (BTU/H):	Cooling: 34,080	Heating: 34,320
Manufacturer & Model:	LG / LMU300HHV	
Refrigerant:	R410-A	
Power:	208V/230V, 1PH, 60Hz	
Efficiency:	11.0 HSPF, 20.0 SEER, 12.5 EER	
Listing:	AHRI 210/240	

4. **Individual units covered by the offer**

Not applicable.

N. VENTILATION

Mechanical ventilation is achieved by HVAC system. The noise emission rating for mechanical ventilation shall not exceed a maximum flow operation noise rating of 30dB (A).

a. Bathroom

All bathrooms are provided with central mechanical exhaust systems, 50 CFM per bathroom.

The minimum rate of ventilation in windowless bathrooms is required to be 50 CFM. Proposed bathroom rate of ventilation is 50 CFM.

Manufacturer: Greenheck	SP (in.): 1.0
Fan type: Ceiling inline centrifugal	Power: 80 Watts
Model #: SP-B110	Electrical: 115V / 1PH / 60Hz
Capacity: 50 CFM	Certification: UL/cUL 507

b. Kitchen

Each kitchen is equipped with an exhaust grille 100 CFM which is exhaust through outside of the building.

Manufacturer: Greenheck	SP (in.): 0.5
Fan type: Ceiling inline centrifugal	Power: 128 Watts
Model #: SP-B150	Electrical: 115V / 1PH / 60Hz
Capacity: 150 CFM	Certification: UL/cUL 507

c. Corridor

Manufacturer: Greenheck	
Fan type: Centrifugal downblast direct drive	
Model #: G-080-VG	Electrical: 115V / 1PH / 60Hz
Capacity: 370 CFM	Certification: UL/cUL 507
SP (in.): 0.5	Remark: 18" roof curb
Power: ¼ HP	

d. Cellar

The cellar is properly ventilated through the door provided at rear exit.

O. ELECTRICAL SYSTEM

All electric wiring are installed in accordance with the requirements of the City of New York, Electrical control Bureau and the New York Board of Fire Underwriters. Arc Fault Circuit Interrupters (AFCI) and Ground Fault Circuit Interrupters (GFCI) are provided.

1. Service from main service switchgear

Electric service main is provided by Con Edison. Service to be 400 amp, 3-phase, 120/208 volt connected to the main switch panel located in the cellar meter room. There are total of Nine (9) electric meters: one for each of the residential units and 1 meter for common elements. Each unit is supplied with single phase, 110/208-volt, and 100 amp service. Electrical meters and switchboard to be located in the electrical meter room in the cellar. The units are serviced with approximately 23 circuit breakers each.

2. Service to individual units

Each unit is supplied with single phase, 110/208-volt, and 100 amp service.

3. Compartment switch gear

Electrical meters and switchboard to be located in the electrical meter room in the cellar.

4. Unit service

Each unit is supplied with a circuit breaker panel, adequate for all lighting and AC equipment and outlets.

5. Adequacy

The electrical service provided is adequate for a full complement of modern appliances.

i. Service

The units are serviced with approximately 23 circuit breakers each.

ii. Lighting and fixtures

Lighting fixtures are provided in all condominium units, public halls, stairways vestibules and utility rooms. Overhead lighting is provided in all rooms of condominium units. Exterior fixture shall be waterproof type. Smoke Detectors are installed in each residential unit, corridor, and all smoke detectors connect to the electric panel.

iii. Convenience outlets, appliance outlets

There will be electrical receptacles throughout each unit and water-resistant receptacles are installed for exterior uses and kitchen and toilet are, pursuant to and in accordance with the NYC Electrical Code.

Fire alarm system is installed according to N.Y.C. Building Code and NYC Fire Code .

No three-way switches are provided.

No Back-up generators are provided.

**P. INTERCOMMUNICATION AND/OR DOOR SIGNAL SYSTEM, SECURITY
CLOSED CAPTION TV:**

The building has been designed for the usage of MATV cable, and Intercom. Intercom system to be the following:

- | | | |
|------------------|---------|--|
| 1. Manufacturer: | Aiphone | Model: GT-DMB-N (3-in-1 Video Entrance Station with NFC), |
| 2. Manufacturer: | Aiphone | Model: GT Series (7" Video App-Compatible Tenant Station), |

or equivalent, audio and visual display shall be provided for each unit. Warranty of two to three years after delivery to user.

Q. PUBLIC AREA LIGHTING:

Main entrance to building is provided with exterior wall-mounted lighting fixture controlled by a motion sensor.

All public areas have compact fluorescent ceiling-mounted light and illumination levels conforming to the standard requirements. These public area lighting are in conformity NYC building code(s).

R. GARAGE AND PARKING AREAS:

1. Location of garages

- Not applicable.
- 2. Location of parking areas**
Not applicable.
- 3. Surfaces**
Not applicable.
- 4. Parking**
Not applicable.
- 5. Garage ventilation**
Not applicable.
- 6. Garage fire protection**
Not applicable.
- 7. Drainage**
Not applicable.

S. SWIMMING POOL(S):

- 1. Type**
Not applicable.
- 2. Size**
Not applicable.
- 3. Enclosure**
Not applicable.
- 4. Pumping and filter system**
Not applicable.
- 5. Water heating equipment**
Not applicable.
- 6. Structural support system**
Not applicable.

T. TENNIS COURTS, PLAYGROUND AND RECREATION FACILITIES:

- 1. Tennis courts**
 - a. Type
Not applicable.
 - b. Number and size
Not applicable.
 - c. Lighting
Not applicable.
 - d. Fencing or enclosure
Not applicable.
- 2. Playgrounds**
Not applicable.
- 3. Other recreational facilities**
Not applicable.

U. PERMITS, AND CERTIFIES:

Before starting any work, builder shall obtain upon work permits from the NYC Department of Buildings, Department of Transportation, and/or Department of Environmental Protection. The following permits listed are required with their respective agencies:

Department of Buildings:

- a. New Building Permit: 321828572-01-NB
- b. Foundation and Structural Permit: B00710590-I1-GC-CX
- c. Plumber's Affidavit and Permit: 321828572-01-PL
- d. Sprinkler Permit: 3PL019139-01-EW SP
- e. Equipment Use Permit: 321828572-01-NB
- f. Electrical Permit: B08043375-I1-EL
- g. Sidewalk Paving Permit: 340670740

Department of Highways:

- a. Crosswalk Use Permit
- b. Sidewalk/Roadway Paving Permit

Department of Environment Protection:

- a. Sewer Connection Permit
- b. Water Tap Permit
- c. Cross Connection Permit

Fire Department of New York:

- a. Fire Alarm Permit: 321990823-01-EW FA

The architect's plans have been filed with application number 321828572 and it has been approved by the New York City Building Department on 05/23/2019.

Required inspections will be conducted by the NYC Department of Buildings, NYC Department of Environmental Protection, and/or NYC Department of Transportation and NYC Parks and Recreations.

Builder to retain the service of an architect or engineer for controlled inspection for borings, soil percolation tests, subgrade, drywell installation, concrete, concrete test cylinders, concrete design mix, masonry units, structural steel, sprinkler, mechanical ventilation and fire-stopping, all in accordance with the requirements of the New York City Building Code.

After the building is in operation, the following inspections must perform on a regular basis;

- Sprinkler and backflow prevention assemblies on a yearly basis
- Fire alarm every six months

V. VIOLATION:

There are two(2) open violations at the time of this report. Violation# 34840765P dated 04/27/2010 and violation# 34917566P dated 10/15/2011 were both issued by the Department of Buildings (DOB) for illegal use of a residential garage as an auto repair shop. The subject garage has already been demolished and a certificate of correction is being submitted to the DOB to resolve the violations. The sponsor shall cure any outstanding violations prior to the closing.

W. UNIT INFORMATION

All Condominium unit plans show overall floor plan with hatching symbol to indicate the exact location of individual unit.

a) There are a total of eight (8) residential units and unit information is as listed below:

Units	Floor No.	Proposed Use	Floor Area (SF)	Bedroom(s)	Bathroom(s)	Living Rm.	Kitchen
1A	1 st Floor	Residential Use (ADA Unit)	502	-	1	1	1
	Cellar	Accessory use to unit 1A	424	-	1/2	-	-
1B	1 st Floor	Residential Use (ADA Unit)	717	1	1	1	1
	Cellar	Accessory use to unit 1B	424	-	1/2	-	-
2A	2 nd Floor	Residential Use	594	1	1	1	1
2B	2 nd Floor	Residential Use	628	1	1	1	1
3A	3 rd Floor	Residential Use	633	1	1	1	1
3B	3 rd Floor	Residential Use	631	1	1	1	1
4A	4 th Floor	Residential Use	633	1	1	1	1
4B	4 th Floor	Residential Use	631	1	1	1	1

Table1. Residential Unit and Room Schedule

*The accessory use area located in the cellar for Unit 1A and 1B is not to be used for sleeping, cooking, and/or living purposes and will not be rented independently.

**Unit 1A & unit 1B are ADA accessible units with the exception that the accessory cellar space and exterior areaway are not accessible.

b) Finish Material Used:

Location		Floor	Base	Walls	Ceiling	Remarks
Cellar	Open cellar	Exp. Conc.	None	Paint	Painted GWB	2-HR Fire Rated Enclosure
	Power Room	Ceramic Tile	Ceramic	Paint	Painted GWB	
	Utility Room	Exp. Conc.	None	Paint	Painted GWB	2-HR Fire Rated Enclosure
1 st Floor	Stair	V.C.T.	Vinyl	Paint	Painted GWB	2-HR Fire Rated Enclosure
	Living / Dining	Ceramic Tile	Ceramic	Paint	Painted GWB	
	Bedroom	Hardwood	Paint	Paint	Painted GWB	
	Closet	Hardwood	Paint	Paint	Painted GWB	
	Bathroom	Ceramic Tile	Ceramic	Paint	Painted GWB	
	Res. Lobby	Ceramic Tile	Ceramic	Paint	Painted GWB	
2 nd thru 4 th Floor	Stair	V.C.T.	Vinyl	Paint	Painted GWB	2-HR Fire Rated Enclosure
	Living / Dining	Ceramic Tile	Ceramic	Paint	Painted GWB	

	Bedroom	Hardwood	Paint	Paint	Painted GWB	
	Closet	Hardwood	Paint	Paint	Painted GWB	
	Bathroom	Ceramic Tile	Ceramic	Paint	Painted GWB	
Roof	Stair bulkhead	V.C.T.	Vinyl	Paint	Painted GWB	2-HR Fire Rated Enclosure
	Mech. Room	Exp. Conc.	None	Exp. Conc.	Painted GWB	2-HR Fire Rated Enclosure

*All wood flooring to be ½" thick French Oak hardwood, Baker finish, manufactured by Malibu Wide Plank, Model # HDMPGTG957EF (or equivalent) and comes with a Lifetime residential finish and structural warranty, 5-year commercial finish warranty.

All walls and ceilings are to receive paint as a finish will receive one coat of primer and two coats of paint.

All bathrooms in Residential Unit contain the following:

1. Ceramic tile floors
2. Walls are covered by ceramic tiles from ground to ceiling
3. Vitreous China water closet tank and bowl
4. Plastic laminate top vanity with porcelain sinks with faucet.
5. Medical Cabinet with mirror, towel bar, soap dish at tub and toilet paper holder

All kitchens to contain the following:

1. Marble Countertops
2. Custom-made hardwood Cabinets

Bathroom / Washing Room Fixtures:		
Fixtures	Model #	Manufacture
Water Closet	N2316	Glacier Bay
Bathtub	011-3364-00	Boatz Industries
Lavatory	A123.14	AMERICAN STANDARD
Shower	27867001	GROHE
Bathroom Exhaust Fan	696N	Broan-NuTone
Kitchen Appliance:		
Appliances	Model#	Manufacture
Sink	10.191.113.127	KWC
Refrigerator	LRBCC1204S	LG
Stove	LCE3010SB	LG
Exhaust Hood Fan	JQG7502	FOTILE
Dishwasher	LDP6810SS	LG
Microwave	LMC2075BD	LG
Others Within Units		
Fixtures	Model#	Manufacture
Sprinkler Head	TY3231	Tyco

Table3. Models and Manufactures of Appliances & Fixtures

X. FINISH SCHEDULE OF SPACES OTHER THAN UNITS

Below are the common rooms and spaces other than units:

	Room / Area	Floor (in respective to Room / Area)	Walls	Ceilings
Roof	Staircase / Bulkhead Room	Concrete / Ceramic Tiles	Painted GWB	Painted GWB
4 th Floor	Staircase / Hallway	Concrete / Ceramic Tiles	Painted GWB	Painted GWB
3 rd Floor	Staircase / Hallway	Concrete / Ceramic Tiles	Painted GWB	Painted GWB
2 nd Floor	Staircase / Hallway	Concrete / Ceramic Tiles	Painted GWB	Painted GWB
1 st Floor	Staircase / Hallway	Concrete / Ceramic Tiles	Painted GWB	Painted GWB
Cellar	Staircase, Hallway, Storage Room, Water Service Room, Electrical Service Room	Concrete	Painted GWB	Painted GWB

Y. SAFETY AND WARNING DEVICES

All units and public spaces are equipped with smoke and carbon monoxide detectors as per code. Individual units are responsible for the maintenance of the hard-wired smoke/carbon monoxide detectors with backup battery within their own unit.

The building is also protected with a complete wet sprinkler system in accordance to NFPA13 - 2007 and a fire alarm system installed according to N.Y.C. Building Code and fire code. Fire alarm main control panel is in the cellar meter room.

Z. ADDITIONAL INFORMATION REQUIRED

- (1) A site plan showing landscape features, roads, the outside dimensions of the building(s) and designated common areas, including recreation and refuse disposal areas, and all privately owned access roads. The site plan may be omitted if the building covers the entire lot.
- (2) An area map showing the location of the condominium with respect to its surrounding, if the condominium is not located in a highly urban area.
- (3) A floor plan for each individual unit, indicating room dimensions and unit boundaries.
- (4) Floor to ceiling heights of units is approximately 8'-0".
- (5) Approximate total area of each unit is set forth on the unit layout attached and/or can be found in Section W: Unit Information of this report.
- (6) A master floor plan showing unit boundaries and the relationship of units to each other. The master floor plan may be omitted if the site plan clearly shows unit boundaries and appropriate unit designations.

AA. In the event that certain conditions in the building(s) cannot be adequately evaluated by a visual examination, the Department of Law may, in its discretion, direct that an independent engineer or testing laboratory be retained to perform such tests or monitoring as may be necessary in order to make adequate disclosure. Conditions which may require additional testing

or monitoring include, but are not limited to: settlement, masonry cracks, rusting of structural steel, adequacy of concrete cover, fire stopping, etc. Test results must be reported in the offering plan or in an amendment thereto.

AB. FURTHER DEVELOPMENT

No further development is intended.

AC. ASBESTOS

No material containing asbestos are used in this construction.

AD. LEAD-BASED PAINT

No lead-based paint is used in this construction.

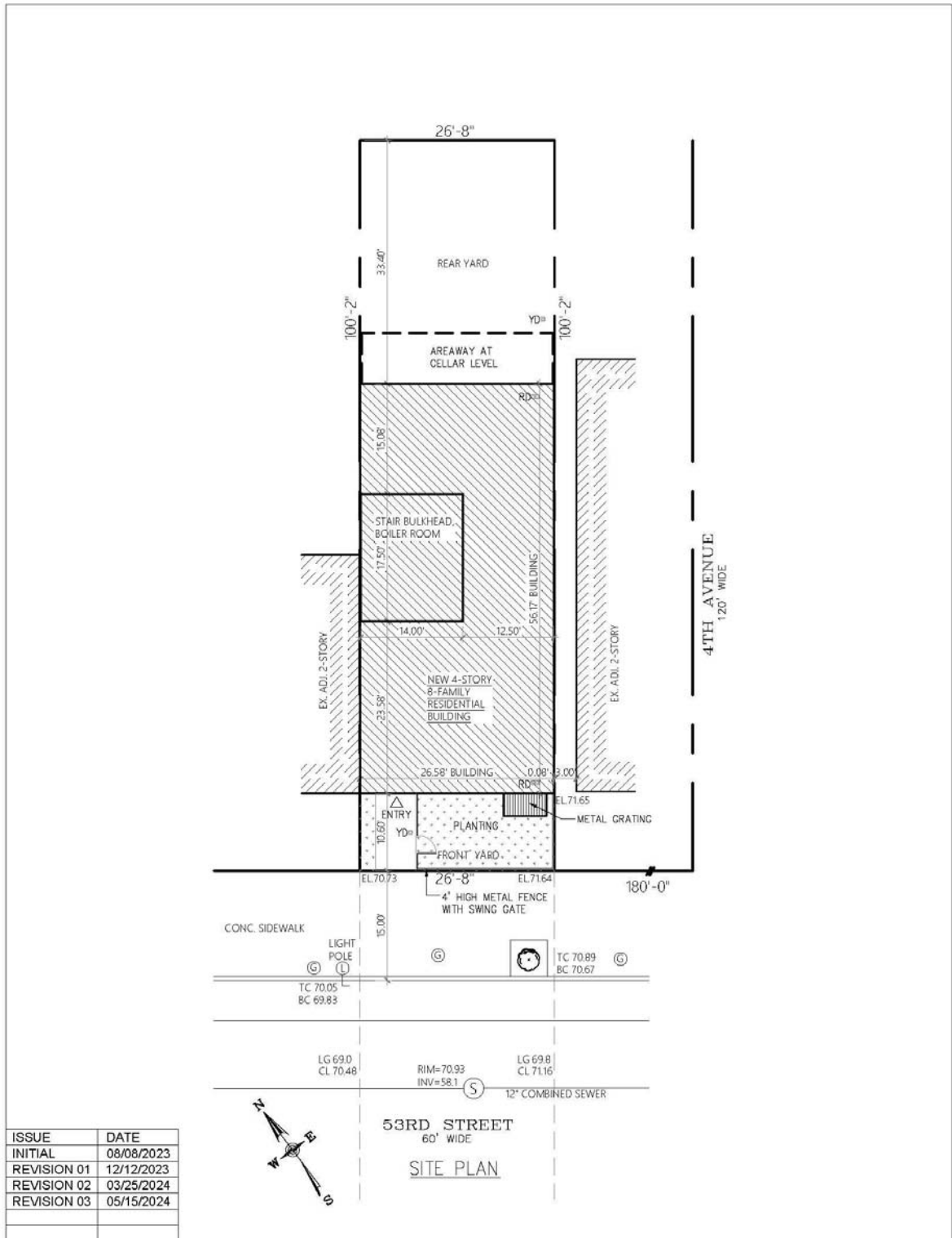
GENERAL COMMENTS

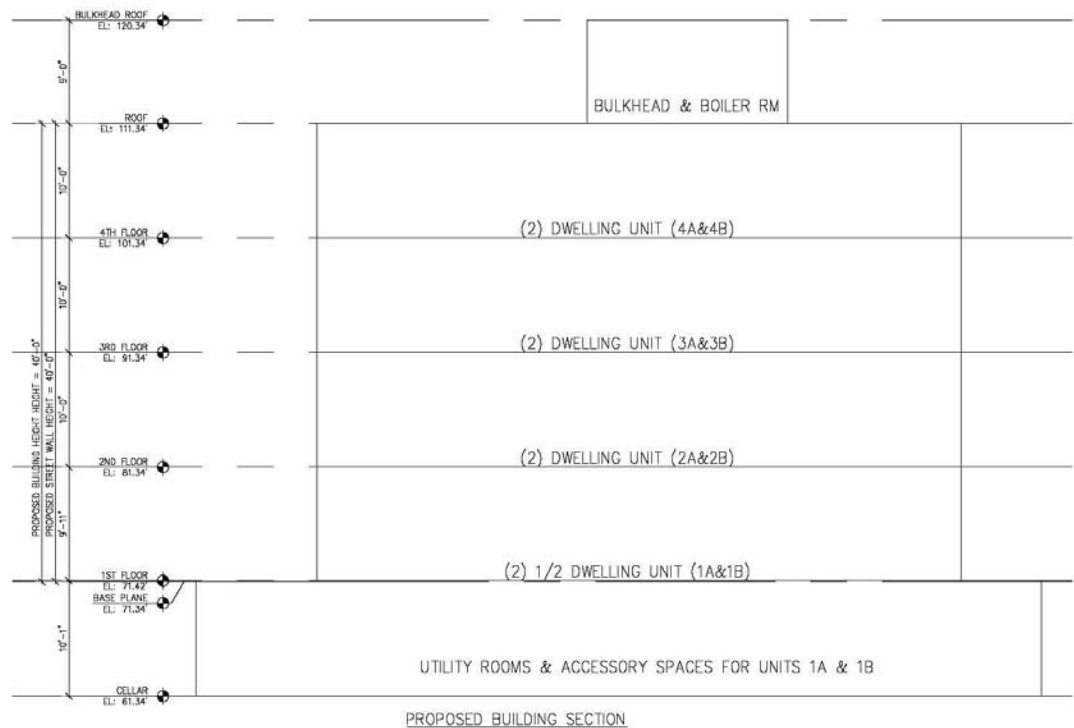
Although the sponsor intends to use fixtures, appliances, equipment and materials described herewith, it reserves the right to substitute fixtures, appliances, equipment and materials of equal or better quality.

Prepared By



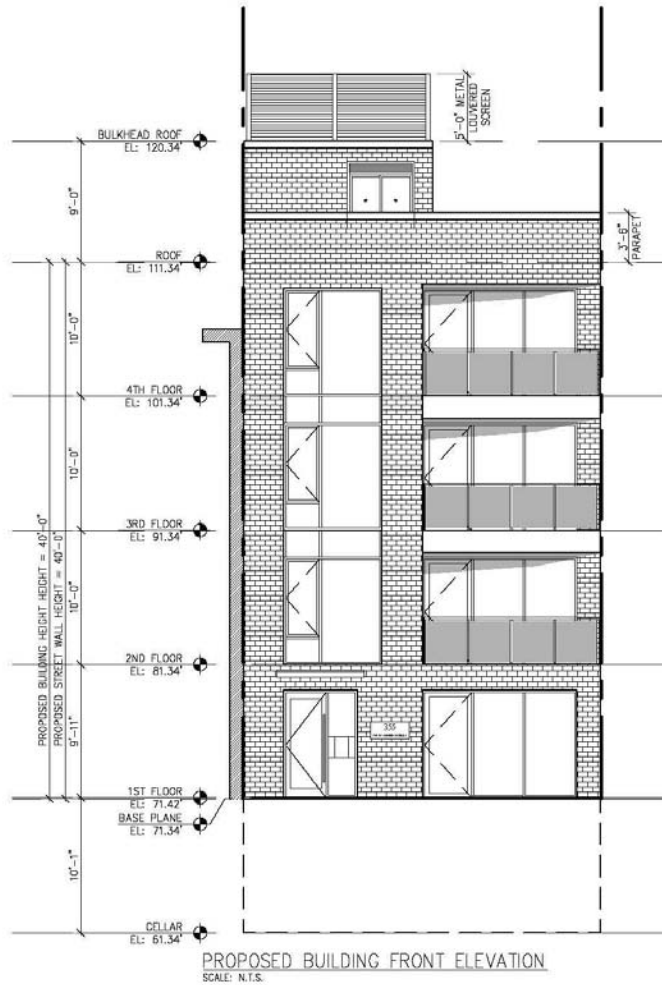
FLOOR PLANS



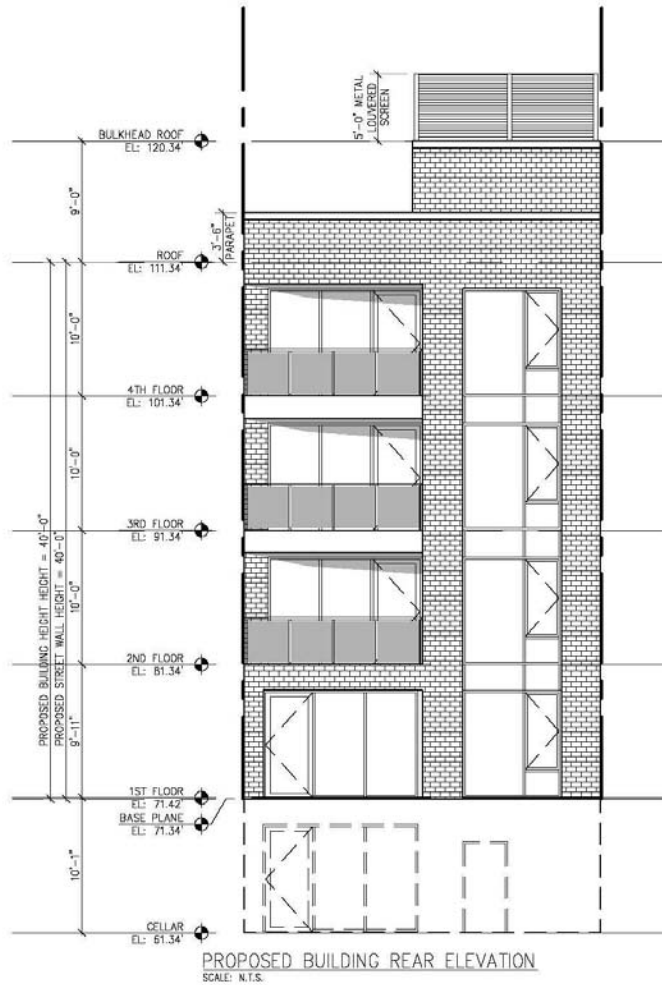


ISSUE	DATE
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REVISION 01	12/12/2023
REVISION 02	03/25/2024
REVISION 03	05/15/2024

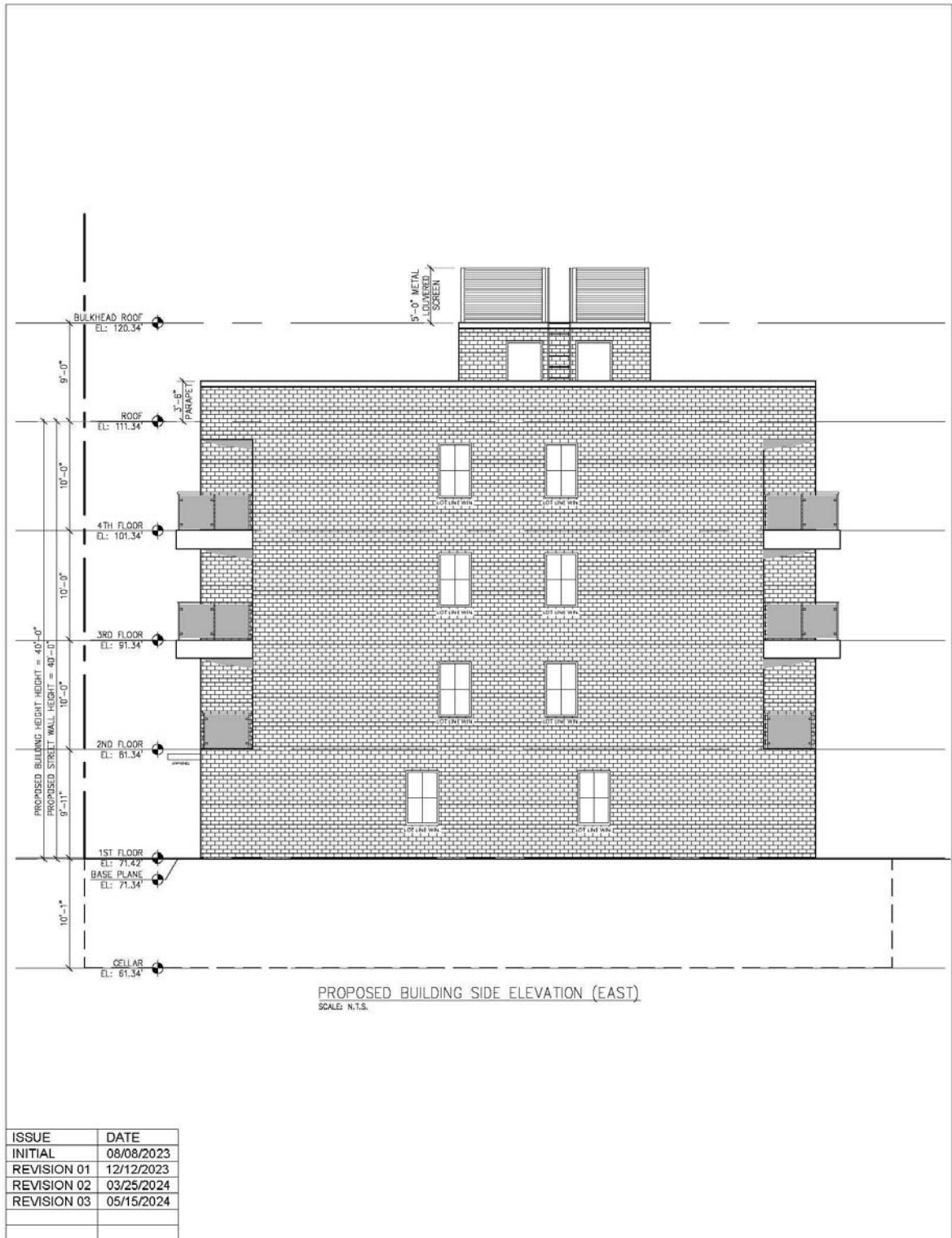
HEIGHT OF BUILDING = 40'-0"
 HEIGHT OF STREET WALL = 40'-0"
 HEIGHT FROM FLOOR TO CEILING INCLUDES FLOORING IN-BETWEEN EACH FLOOR (APPROX): 10'-0"
 CLEAR FLOOR TO CEILING HEIGHTS OF UNITS IS APPROX. = 8'-0"

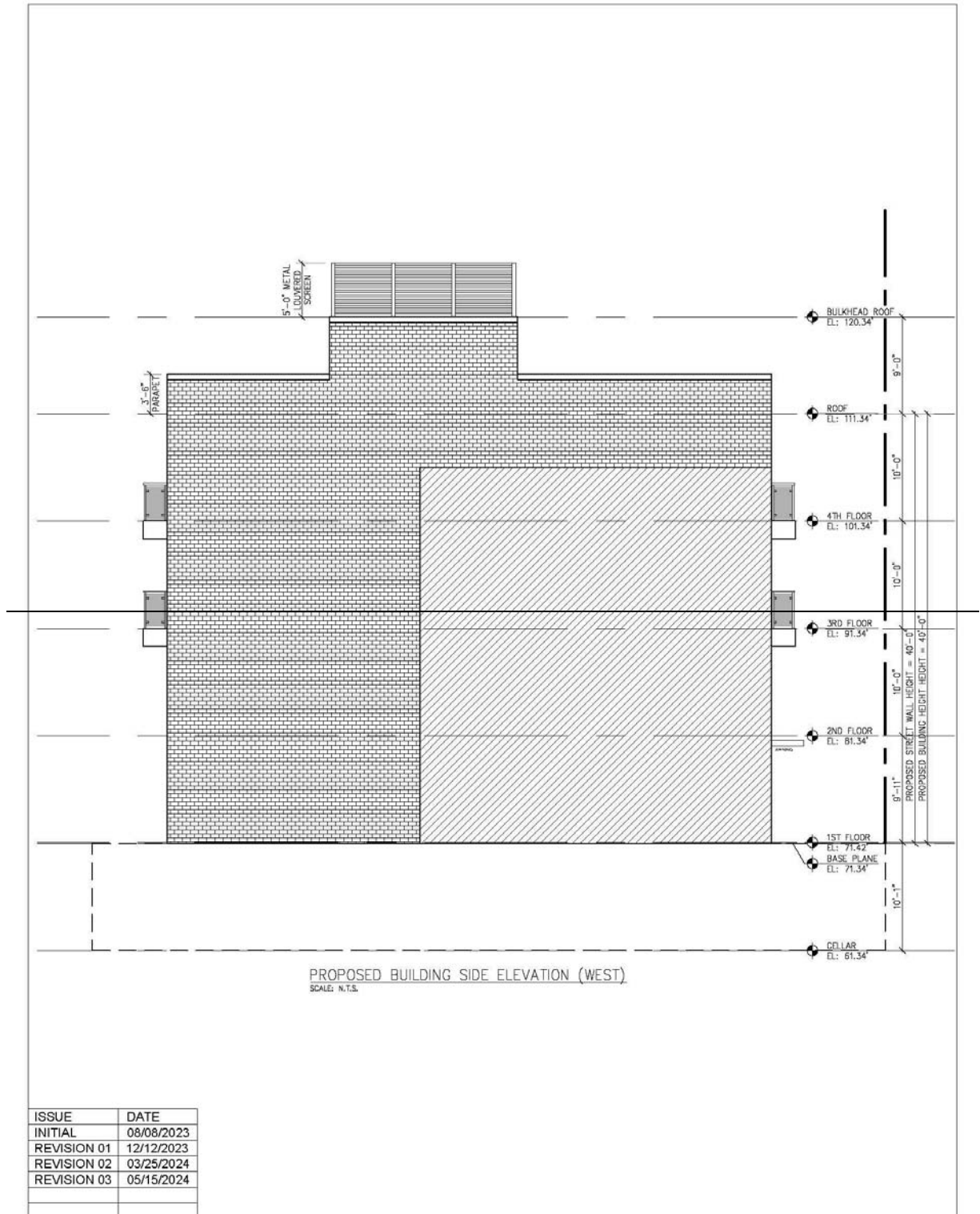


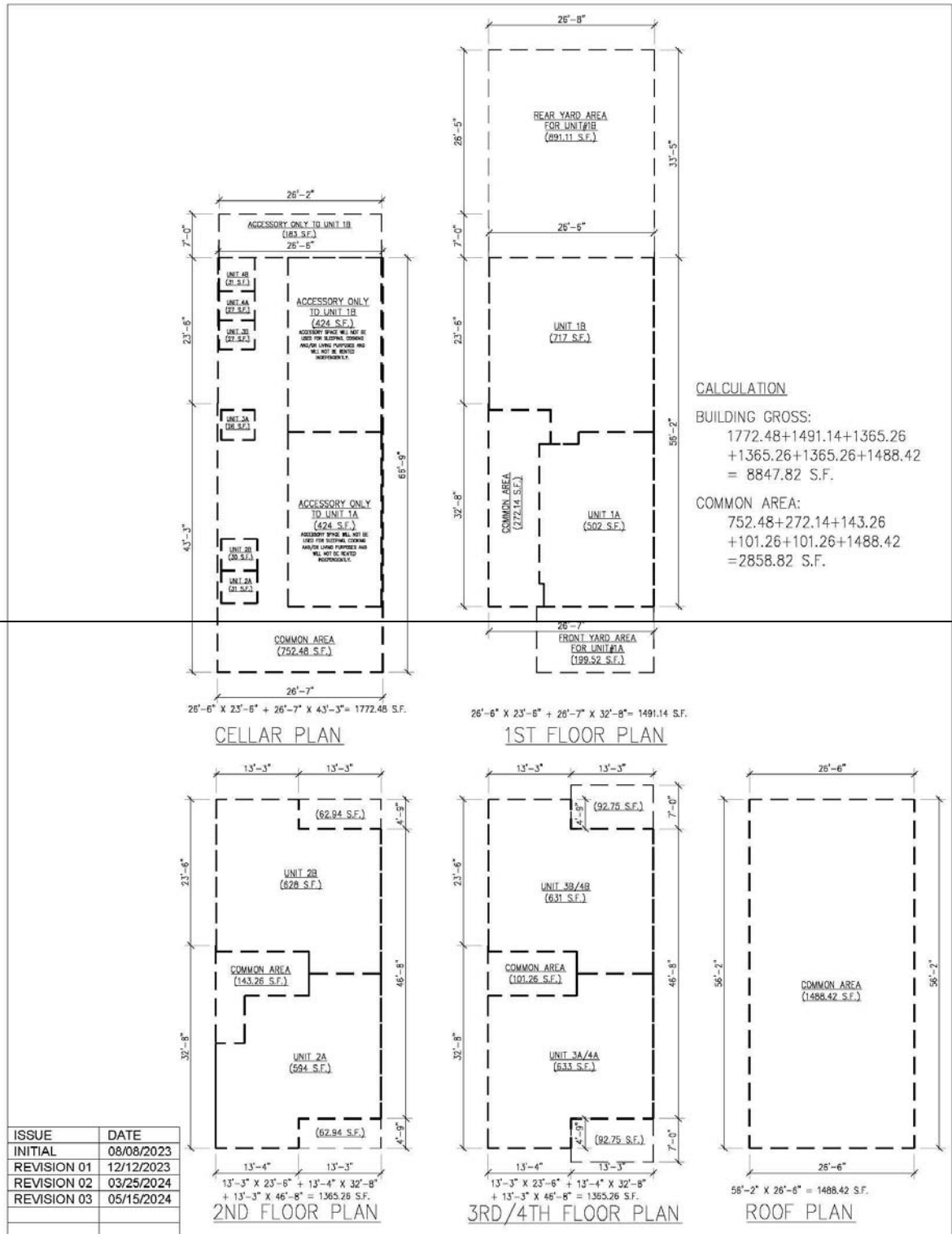
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REVISION 01	12/12/2023
REVISION 02	03/25/2024
REVISION 03	05/15/2024

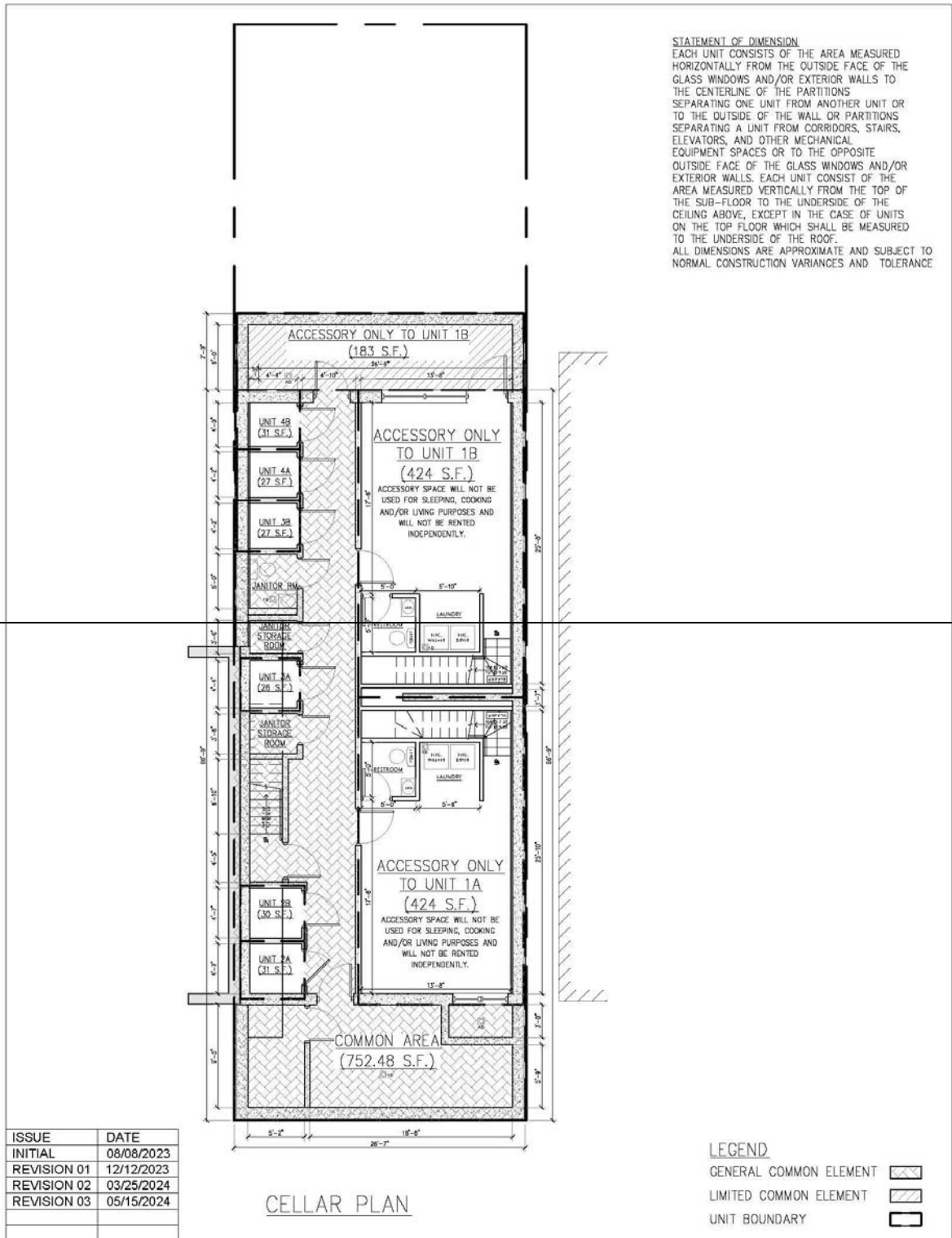


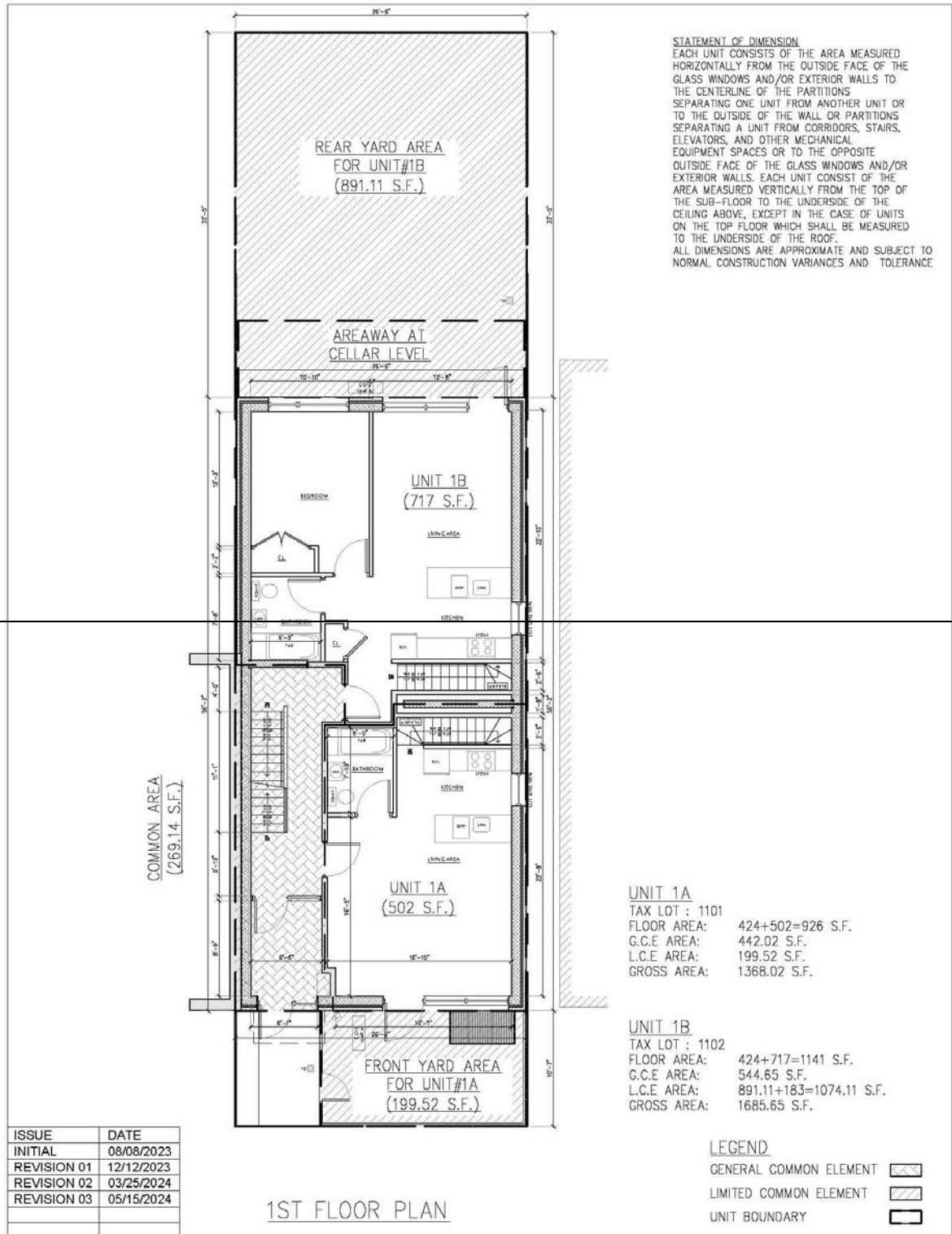
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REVISION 03	05/15/2024

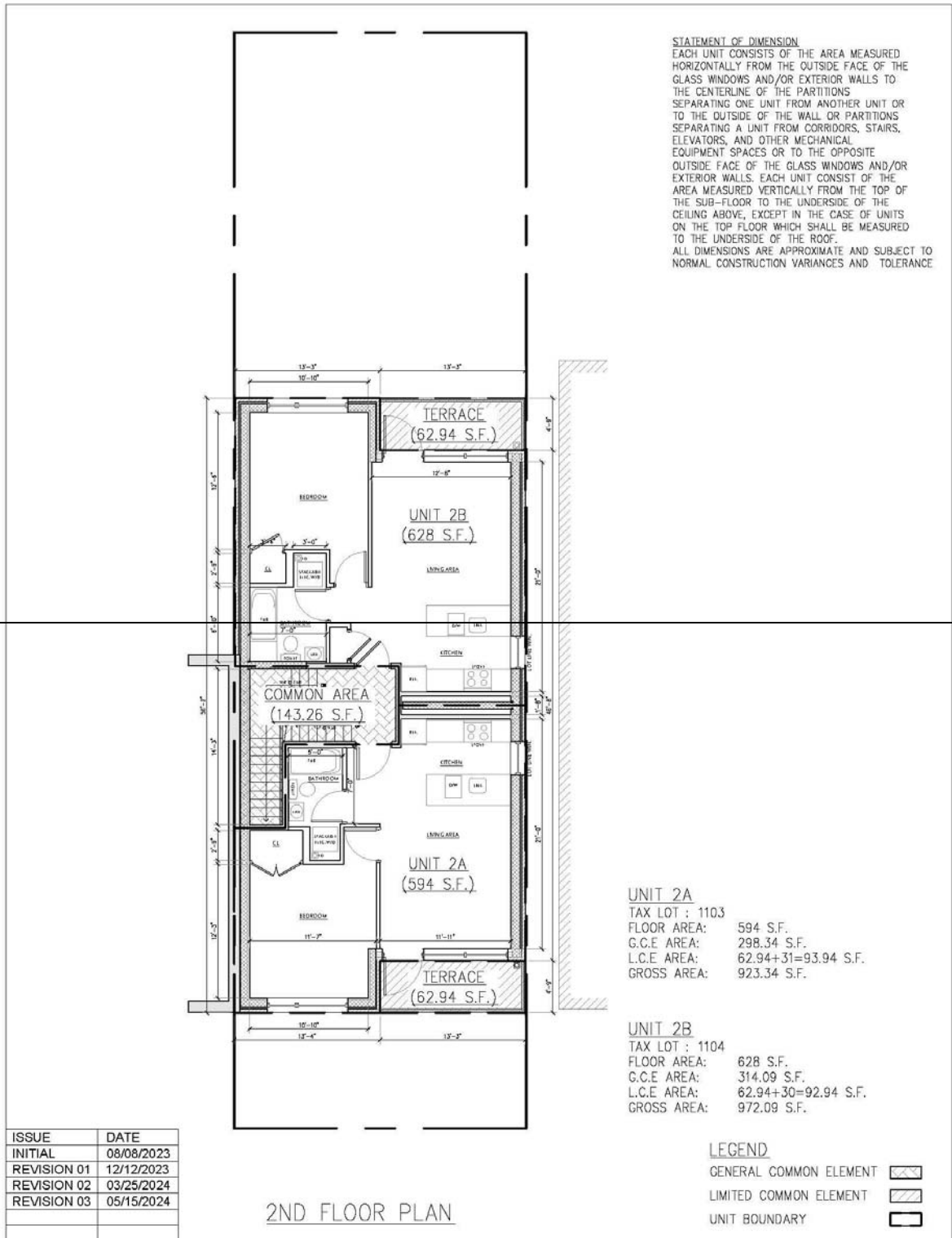


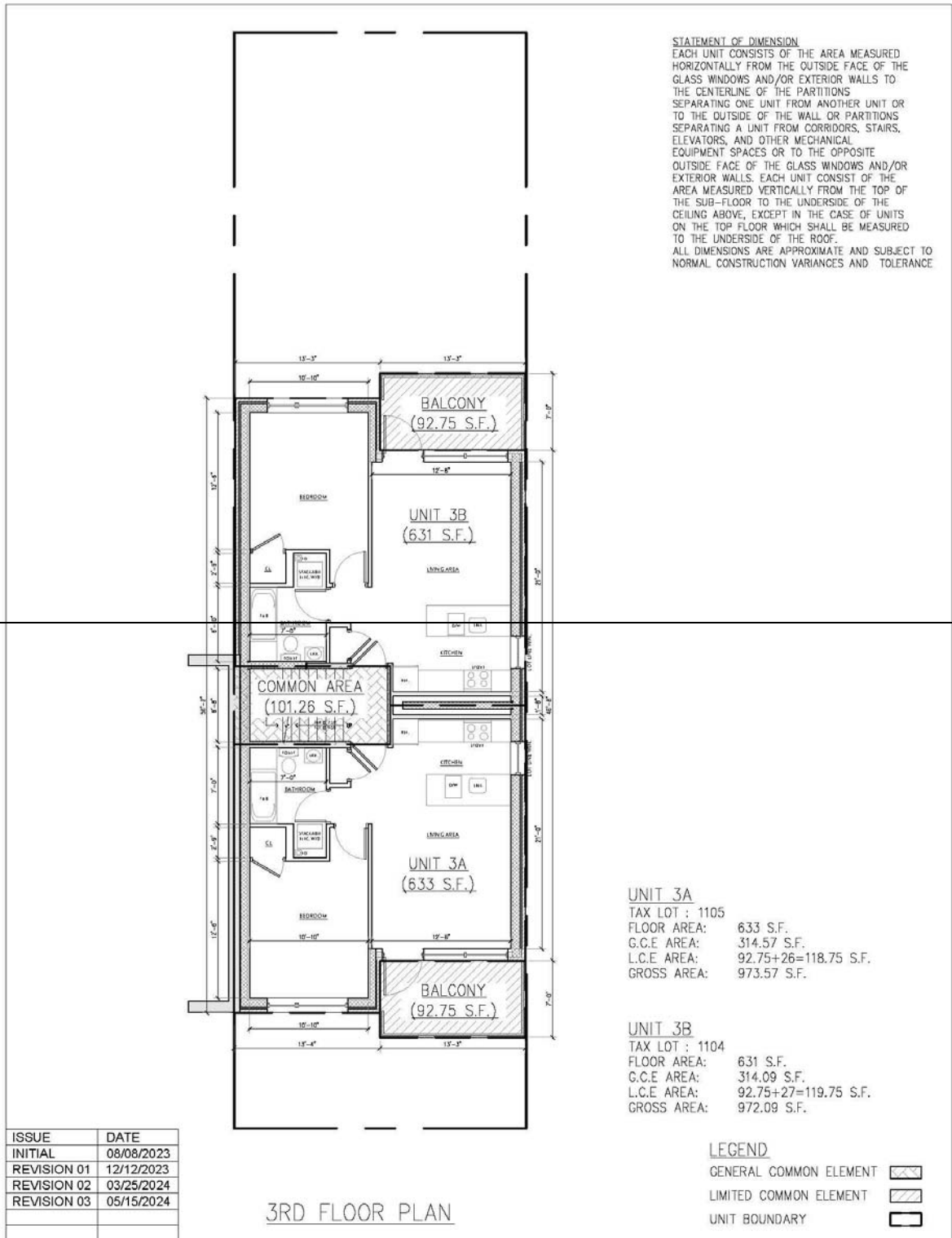


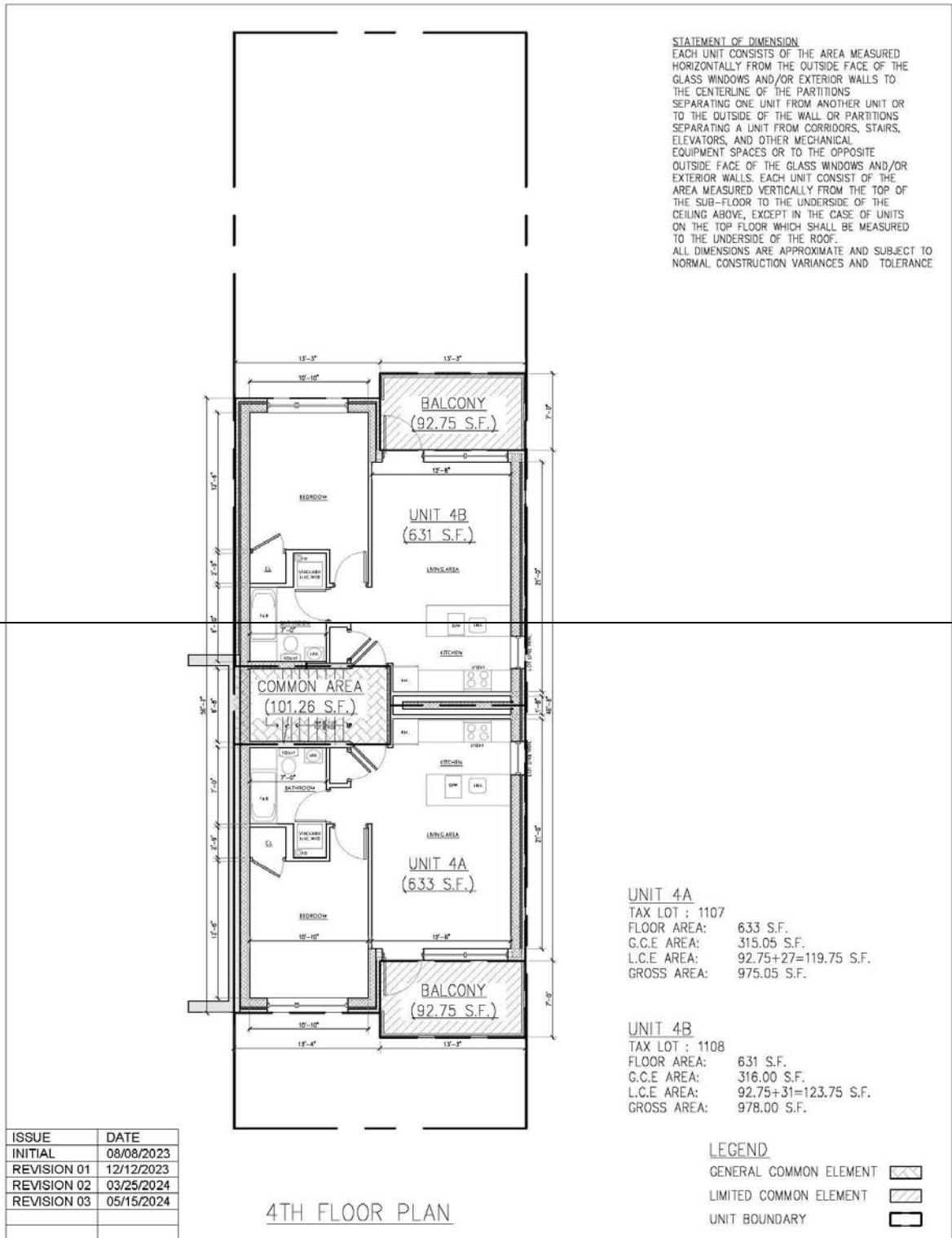


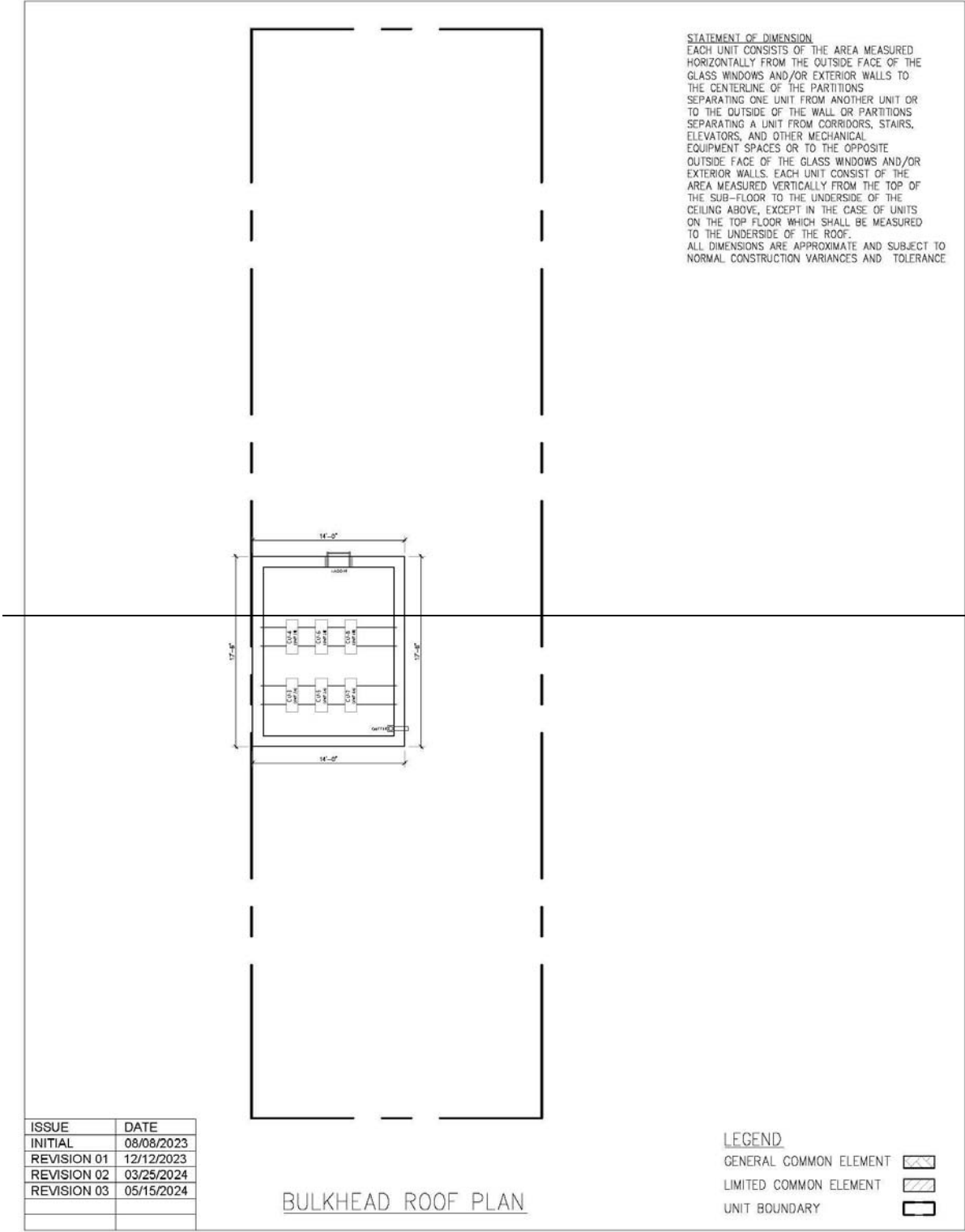












REAL PROPERTY LAW SECTION 339-KK RENTS
339-KK. RENTS

(A) For the purposes of this section, "non-occupying owner" shall mean a unit owner in a condominium association who does not occupy the dwelling unit.

(B) If a non-occupying owner rents any dwelling unit to a rental tenant and then fails to make payments due for common charges, assessments or late fees for such unit within sixty days of the expiration of any grace period after they are due, upon notice in accordance with subdivision (c) of this section, all rental payments from the tenant shall be directly payable to the condominium association.

(C) If the common charges, assessments or late fees due for any unit have not been paid in full, within sixty days after the expiration of any grace period of the earliest due date, the board of managers shall provide written notice to the tenant and the non-occupying owner providing that, commencing immediately and until such time as all payments for common charges, assessments or late fees are made current, all rental payments due subsequent to the issuance of such notice are to be made payable to the condominium association at the address listed on the notice. Where a majority of the board of managers has been elected by and from among the unit owners who are in occupancy, the board may elect not to require that rental payments be made payable to the condominium association. At such time as payments for common charges, assessments and late fees from the non-occupying owner are once again current, notice of such fact shall be given within three business days to the rental tenant and non-occupying owner. Thereafter all rental payments shall be made payable to the non-occupying owner or a designated agent. A non-occupying owner who disputes the association's claim to rental payments pursuant to this section shall be entitled to present facts supporting such owner's position at the next scheduled meeting of the board of managers, which must be held within thirty days of the date that such board receives notice that such owner seeks to dispute such claim.

(D) Nothing in this section shall limit any rights of unit owners or of the board of managers existing under any other law or agreement.

(E) Payment by a rental tenant to the condominium association made in connection with this section shall relieve that rental tenant from the obligation to pay such rent to the non-occupying owner and shall be an absolute defense in any non-payment proceeding commenced by such non-occupying owner against such tenant for such rent.

4. This act may be enforced by any party by means of a special proceeding brought pursuant to Article 4 of the Civil Practice Law and Rules.

6. This act shall take effect immediately, and is applicable to all cooperative corporations and condominiums in existence on or after such date.

THE LEGISLATURE OF THE STATE OF NEW YORK: ss.:

Pursuant to the authority vested in us by Section 70-b of the Public Officers Law, we hereby jointly certify that this slip copy of this section law was printed under our direction and, in accordance with such section, is entitled to be read into evidence.

JOSEPH L. BRUNO
Temporary President of the Senate

SHELDON SILVER
Speaker of the Assembly

DECLARATION OF CONDOMINIUM

Establishing a Plan for Condominium Ownership of Premises located at 355 53 Street, Brooklyn, NY 11220, County of Kings, City and State of New York pursuant to Article 9-B of the Real Property Law of the State of New York.

NAME: **355 Condominium**

SPONSOR: 355 REIG LLC
175 E. SUNRISE HWY
FREEPORT, NY 11520

DATE OF DECLARATION: _____

The land affected by the within instrument lies in Section , Block 806 Lot(s) fka 54 nka _____ - _____ on the Tax Map of the Borough of Brooklyn, County of Kings, City and State of New York.

Record and Return:

Attorney for Sponsor

DYLAN CHAN LAW FIRM, P.C.
Attorney for Sponsor
136-20 38th Avenue, Suite 11C
Flushing, New York 11354

DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP of Premises to be known as , located at 355 53 Street, Brooklyn, NY 11220, Borough of Booklyn, County of Kings, City and State of New York, pursuant to Article 9B of the Real Property Law of the State of New York.

355 Reig LLC, with office at 175 E. Sunrise Hwy, Freeport, NY 11520, hereinafter referred to as "the Sponsor," does hereby declare:

1. **SUBMISSION OF PROPERTY:** Sponsor hereby submits the land hereinafter described, together with the Buildings and improvements thereon erected ("the Property") to the provisions of Article 9-B of the Real Property Law of the State of New York.
2. **AREA AND LOCATION OF LAND:** The land ("Land") consists of all that certain tract, plot, piece and parcel of land situate, lying and being in the County of Kings, City and State of New York, more particularly described on Schedule A annexed hereto and made a part hereof. The Land is owned by the Sponsor in fee simple absolute.
3. **NAME OF CONDOMINIUM:** The Condominium shall be known as 355 Condominium.
4. **DESCRIPTION OF THE BUILDING:** The Building consists of one (1) newly constructed building, comprised of stories and containing eight (8) residential units. There is no parking space. The legal occupancy will match the proposed occupancy hereunder. The building complies with Class R6B construction requirements.
5. **THE UNITS:** SCHEDULE B annexed hereto and made a part hereof sets forth the following data with respect to each Unit necessary for the proper identification thereof; Unit designation; tax lot number; approximate square foot area; location; number of rooms; the portion of the Common Elements, including Limited Common Elements to which the Unit has immediate access (if any) and the percentage of interest in the Common Elements. The location of each Unit, and any Limited Common Elements appurtenant thereto, 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.
6. **FLOOR PLANS:** As shown on the Floor Plans of the Buildings (the "Floor Plans"), certified by Xiao Huang, P.E.; and intended to be filed in the County Office of the register of the City of New York, simultaneously with the recording of this Declaration, the dimensions indicated are approximate, and are as defined in said floor plans.

As shown on the Floor Plans, the approximate square foot area of each Unit is measured horizontally from the exterior side of the exterior walls (columns, mechanical pipes, shafts, shaft ways, chases, chase ways and conduits are not deducted from the measurements of each Unit) to the centerline of the partitions separating one Unit from another Unit, or separating one Unit from the corridors, stairs, elevators, and other mechanical equipment spaces or any other common element not within a Unit or to the exterior side of the opposite exterior walls. Each Unit will be measured vertically from the top of the floor (located under the finish flooring and sub-flooring materials) to the underside of the ceiling. Any Common Element located within or appurtenant to

any Unit, such as terraces and private storage spaces, shall not be considered as part of the Unit. The square footage areas determined using the methodology set forth above, as shown in Schedule A in Part I of the Plan, would be different from that derived by using an alternative methodology of measuring from interior surfaces to interior surfaces (which would yield lesser actual useable floor area for each Unit). The actual useable space is significantly less than the square footage indicated in Schedule A. The stated method of measurement is applicable to all units.

7. **COMMON ELEMENTS:** The Common Elements of the Condominium consists of the entire Property, including parts of the Buildings and improvements thereon other than the Units. Common Elements are comprised of General Common Elements and Limited Common Elements. They include, to the extent applicable, the following:

(A) General Common Elements:

- (i) The land on which the Buildings are physically erected;
- (ii) All foundations, columns, girders, beams, supports, bearing walls; those portions of the exterior walls and installations beyond the exterior face of the Buildings; those portions of the walls and partitions dividing the Units from corridors, lobby and stairs located beyond the exposed face of the dry walls enclosing the Unit; the subfloor and framing joists, including any framing attached to such joists from which the dry wall ceiling of the Unit below is attached; roofs (excluding terraces), corridors, halls, stairs and stairway areas located beyond the unexposed face of the dry walls enclosing the Residential Unit; lobby; storage and utility areas located beyond the unexposed face of the dry walls and the entrances to and exits from the Buildings;
- (iii) All installations outside the Units for services such as gas, power, light, telephone and water;
- (iv) All sewer pipes and drainage pipes outside units;
- (v) The boiler room and meter areas, and janitor's closet(s), if any, as shown and delineated on the Floor Plans. To the extent the "as-built" condition of the building differs from such Floor Plans, both said Floor Plans and this Declaration shall be deemed amended to conform to said as-built condition.
- (vi) All other apparatus and installations existing in the Buildings for common use or necessary or convenient to the existence, maintenance or safety of the Buildings.
- (vii) The foregoing are included only to the extent they are present in this building. If any of the foregoing are hereinafter designated as limited common elements, such designation shall take priority over the listing set forth herein.

(B) Limited Common Elements:

Each Unit Owner, his guests, invitees, lessees and residents of his Unit shall have the exclusive right to use and possession of the limited common elements of the building indicated in the attached Exhibit B, subject to the following:

Each Unit Owner shall be solely and only responsible for repair and maintenance of the Limited Common Element appurtenant to their Unit including, but not limited to, painting, cleaning, patching, and surface repair; and, in the case of the balconies structural maintenance. In the event a Unit Owner fails to properly maintain his Limited Common Element, the Condominium Board of Managers may take such steps as in its exclusive judgment are necessary to maintain the areas and the cost thereof shall be assessed against the Condominium Unit to which such Limited Common Elements are appurtenant. To the extent that any damage to a Limited Common Element is caused by building condition, or by other condition for which the Condominium carries insurance, the cost of repair of such damage shall be borne by the Condominium.

8. **DETERMINATION OF PERCENTAGES IN COMMON ELEMENTS:** The determination of percentages 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 or exclusive or shared use, and the overall dimensions of a particular unit, as per Section 339(i)(1)(iv) of the New York State Real Property Law.

9. **USE OF UNITS:** Any unit may be used for private residential use, provided such use shall be in compliance with certificate of occupancy and shall be permitted under applicable zoning laws and ordinances, building code, or other rules and regulations of governmental authorities having jurisdiction thereof. Such Units may also be used as professional offices by a resident thereof, provided such professional use does not violate any zoning law and ordinance, and provided further that prior written consent of the Board of Managers for such professional use is obtained. Notwithstanding the foregoing, the Sponsor may, without the permission of the Board of Managers, retain ownership of one or more Units for use as rental units, models, sales and/or offices in connection with the sale or rental of the Units.

10. **ENCROACHMENTS:** If any portion of the Common Elements encroach upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or if any encroachment shall occur hereafter as a result of (a) settling or shifting of the Buildings, 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 Buildings 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 encroachments and for the maintenance of the same so long as the Buildings shall stand.

11. **EASEMENTS:**

(a) Each Unit Owner shall have an easement in common with the owners of all other Units to use all pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements located in any of the other Units and serving his Unit. Each Unit shall be subject to an

easement in favor of the Owners of all other Units to use the pipes, ducts, cables, wires, conduits, public utility lines and other Common Elements serving such other Units and located in such Unit. The Board of Managers shall have a right to access to each Unit 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) The Sponsor and its designees, their successors, assigns, invitees, licensee, contractors, employees and tenants, shall have an easement in, on, over and across the Property for (i) 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 and (ii) 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 (iv) ingress to and egress from all land areas of the Property and the use of said land areas (in common with Unit Owners) for any lawful purpose.

(c) The Sponsor, its designees and their successors, assigns, invitees, licensees, contractors, employees and tenants (i) shall have an easement to erect, maintain, repair and replace from time to time one or more signs on the Property for the purposes of advertising the sale of Units and the leasing of space in any Unit as well as an easement in the access to Units and Common Elements consistent with the purposes of the Offering Plan for the Property as same may be amended, and Sponsor's rights and obligations thereunder, including, without limitation, the right to develop, renovate, maintain, repair, refurbish, offer, sell and lease Units and Common Elements, and (ii) reserve the right to establish, grant and create easements for any additional underground 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 the Sponsor or designee shall deem it necessary or desirable for the proper operation and maintenance of the Property or any portion thereof, or the residents of any property adjacent to the Property, or users of the Recreation Facilities, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of the Residential Units for dwelling purposes. 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 to access of any Unit, to the Common Elements or the Limited Common Elements in furtherance of such easements, provided such right to access is exercised in such a manner as not unreasonably to interfere with the use of the Units.

(d) The user of any easement granted by Sub-paragraphs "b" and "c" of this Paragraph 11 shall have the responsibility of repairing any damage resulting therefrom.

12. **PERSON TO RECEIVE SERVICE:** For the period during which Sponsor is in control of the Board of Managers, 355 Reig LLC, 175 E. Sunrise Hwy, Freeport, NY 11520, 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 located at , , NY . In addition to the foregoing, the Secretary of State of the State of New York is hereby designated as agent of the Board of Managers to accept the service of process in any proceeding. In addition to the foregoing, the Secretary of State of the State of New York is hereby designated as agent of the Board of Managers to accept the service of process in any proceeding.

13. 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 a lease or the entering unto 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.

14. AMENDMENT TO DECLARATION: This Declaration may be amended, modified, added to or deleted from by vote of Unit Owners representing at least 66 ^{2/3}% of the 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 vote of Unit Owners representing at least 66 ^{2/3}% of the Common Interest of all Unit Owners; provided however,

a) No amendment, modification, addition or deletion which shall adversely affect the lien or any mortgage may be made without the written consent of the mortgagee;

b) No amendment which shall change the percentage of Common Interests allocated to any Unit or Units may be made without the written consent of such Owner;

c) No amendment, modification, addition or deletion of or to this Declaration will be effective in any respect against the Sponsor, its designee, or any Unsold Unit until the Sponsor or such designee shall consent thereto in writing.

The Sponsor hereby reserves to itself and its designee(s) the right to amend this Declaration at any time without the requirements 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 the New York Real Property Law Section 339-p for any portion or portions of the Buildings and appurtenances which are incomplete upon the original filing of the Declaration provided that the verified statement of a registered architect or licensed professional engineer certifying that the plans being filed simultaneously with such amendment, fully and fairly depicting the layout, location, unit designations and approximate dimensions of the particular Unit or Units as built, as provided in said Section 339-p will be filed with such amendment.

No such amendment shall be effective until recorded in the County Office of the Register of the City of New York.

15. **CHANGES IN UNSOLD UNITS:** For any Unit owned by the Sponsor or its designee(s), if not prohibited by the New York Condominium Act (as the same may be amended), the Sponsor or its designee(s) shall have the right, without the vote or consent of the Board of Managers, other Unit Owners or the holders of Unit Mortgages, to (i) make alterations, additions, or improvements in, to and upon the Unit; (ii) change the layout or number of rooms in the Unit; (iii) change the size and/or number of such Units by subdividing a Unit, combining separate Units (including those resulting from any subdivision or otherwise) into one or more Units, altering the boundary walls between any Unit or otherwise; and (iv) reapportion among such Units affected by such change in size or number, subdivision, combination or alteration, appurtenant interests in the Common Elements; provided, however, that the Sponsor or its designee(s) shall comply with all rules, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom. In accordance with law, the Common Elements appurtenant to each Unit as expressed in this Declaration shall have a permanent character and shall not be altered without the consent of all Unit Owners affected. Written consent 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 the Sponsor or its designees for a Unit adversely affected as a result of the above changes, will be given the right to rescind their Purchase Agreements and receive a refund of any disclosed in an amendment to the Offering Plan for the Property. The provisions of this Paragraph 15 may not be added to, amended or deleted without the prior written consent of the Sponsor or its designee(s). In the event of any such change in an Unsold Units, Sponsor shall amend the Declaration and Floor Plans to reflect same.

In the event the Sponsor or its designee, exercising its rights pursuant to this Article so requires, the Board of Managers shall promptly amend the Declaration at the expense of the Sponsor or its designee, to reflect any such alteration, addition, improvements, changes or reapportionments and shall record such amendment in the Office of the Register of County.

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.

16. **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 other 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;

(b) Subject to the terms of Paragraph "a" above, if this Declaration or the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, this Declaration and 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 provisions as a covenant running with the Land.

17. **TERMINATION OF CONDOMINIUM:** The Condominium may be terminated by casualty loss, condemnation or eminent domain, in accordance with the provisions of the By-Laws, or by withdrawing the Property from the provisions of the New York Condominium Act if authorized by an affirmative vote of Unit Owners who own not less than eighty percent (80%) in Common Interest of the Units. No such vote shall be effective, however, without the written consent (which consent shall not be unreasonably withheld, conditioned, or delayed) of the Permitted Mortgagees representing at least fifty (51%) percent of the Common Interest of all Units which are subject to Permitted Mortgages or by a majority of Mortgage Representatives, if any. 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 all lienors (other than mortgages which are not Permitted Mortgages), have first been paid off out of his share of such proceeds.

18. **COMMON EXPENSE:** 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 Article 9-B of the Real Property Law of the State of New York, the Declaration or the By-Laws.

19. **DEFINITION OF "SPONSOR-DESIGNEE":** The term "Sponsor-Designee" as used in this Declaration shall mean any person or entity designated by the Sponsor to acquire title to a Unit, other than a good faith Purchaser for value purchasing pursuant to a validly executed Purchase Agreement. 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."

20. **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.

21. **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.

22. **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.

**SCHEDULE B
TO THE DECLARATION OF CONDOMINIUM**

**355 Condominium
355 53 Street, Brooklyn, NY 11220**

Block Number 806

[To be completed prior to Recording of the Declaration]

Tax Lot No.	Unit No.	Percentage of Common Interest	Location	Unit Square Footage (Sq. ft.)	Use	Bedrooms / Baths	Limited Common Element (Sq. Ft.)
Total %		100%	Total area				

CONDOMINIUM BY-LAWS

of

ARTICLE I

PURPOSE OF BUSINESS

Section 1. Unit Ownership: The property located in the Borough of Brooklyn, County of Kings, City and State of New York at 355 53 Street, Brooklyn, NY 11220 (hereinafter called the "Property") has been submitted pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York by the Declaration recorded in the Kings County office of the Register of the City of New York, simultaneously herewith. The Condominium thereby created shall hereinafter be known as .

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 Buildings, and all other improvements thereon (including the Units, the Common Elements and the 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 said Article 9-B of the Real Property Law of the State of New York. The Condominium Units are hereinafter sometimes referred to as "Unit" or "Units."

Section 3. Application: All present and future owners, mortgagees, lessees and occupants of Units and their employees, and any other persons who may use the facilities of the Property in any manner are subject to these By-Laws, the Declaration and the Rules and Regulations attached hereto as Schedule A. The acceptance of a deed or conveyance or the entering into of a lease for a Unit or the act of occupancy of a Unit shall constitute an agreement that these By-Laws, the Rules and Regulations and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

Section 4. Office: The office of the Condominium and of the Board of Managers shall be located at the Property.

ARTICLE II

MEETINGS OF UNIT OWNERS

Section 1. Annual Meeting: The Annual Meeting of the Unit Owners of the Condominium for the election of the Board of Managers and for such other business as may properly come before such meeting, shall be held in the Borough of , City and State of New York, at such time and place, each year as may be designated by the Board. The notice of the meeting shall be in writing and

signed by the President or a Vice President or the Secretary or an Assistant Secretary. Such notice shall state the time when and the place within the state where it is to be held, and the Secretary shall cause a copy thereof to be delivered personally or mailed to each Unit Owner of record of the Condominium entitled to vote at such meeting not less than ten (10) nor more than forty (40) days before the meeting. If mailed, it shall be directed to each such Unit Owner at his or her address as it appears in the records of the Condominium, unless he or she shall have filed with the Secretary of the Condominium a written request that notices intended for the him or her be mailed to some other address, in which case it shall be mailed to the address designated in such request.

Section 2. Special Meetings: Special meetings of Unit Owners, other than those the calling of which is regulated by statute, may be called at any time by the President or Secretary or by a majority of the Board of Managers. It shall also be the duty of the Secretary to call such meetings whenever requested in writing so to do by Unit Owners owning at least twenty-five per cent (25%) of the votes of the Condominium. The Secretary shall cause a notice of such Special Meeting stating the time, place and object thereof and the officer or other person or persons by whom the meeting is called, to be delivered personally or mailed as provided in Section 1 of this Article to each Unit Owner of record of the Condominium entitled to vote at such meeting not less than ten (10) nor more than forty (40) days before such meeting. No business other than that stated in such notice shall be transacted at such Special Meeting unless the holders of all the Units of the Condominium be present thereat in person or by proxy. Except that there shall be a meeting commenced within sixty days after the closing of the First Unit to be sold to elect a Board of Managers.

Section 3. Waiver of Notices: The notice provided for in the two foregoing sections is not indispensable, but any Unit Owners' meeting whatever shall be valid for all purposes if all the Unit Owners of the Condominium are represented thereat in person or by proxy, or if a quorum is present, as provided in the next succeeding section, and waiver of notice of the time, place and objects of such meeting shall be duly executed in writing either before or after said meeting by such Unit Owners as are not so represented and were not given such notice.

Section 4. Quorum: At each meeting of Unit Owners, except where otherwise provided by law, Unit Owners representing, in person or by proxy, 51% of the votes of the Units shall constitute a quorum; in case a quorum shall not be present at any meeting, the holders of a majority of the Units represented may adjourn the meeting to some future time and place. Only those Unit Owners who, if present at the adjourned meeting, would have been entitled to vote thereat, shall be entitled to vote at any such adjourned meeting.

Section 5. Voting: At each meeting of Unit Owners, each Unit Owner present in person or by proxy shall be entitled to cast the votes appurtenant to his/her Unit at the time of service of notice of such meeting or at such prior date, not more than forty (40) days before such meeting, as may be prescribed by the Board of Managers as the date for determining which Unit Owners of record are entitled to notice of and to vote at such meeting. The proxies shall be in writing duly signed by the Unit Owner but need not be acknowledged or witnessed, and the person named as proxy by any Unit Owner need not himself be a Unit Owner of the Condominium.

Voting by Unit Owners shall be viva voce unless any Unit Owner present at the meeting, in person or by proxy, demands a vote by written ballot, in which case the voting shall be by ballot, and each ballot shall state the name of the Unit Owner voting and the number of votes appurtenant to her/her Unit, and in addition, the names of the proxy of such ballot if cast by a proxy.

Section 6. Title to Units: Title to Units may be taken in the name of an individual or in the name of two (2) or more persons, as tenants in common or as joint tenants or as tenants by the entirety or in the name of a corporations 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. 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.

Section 7. Number of Votes: Any or all of such Owners (including the Sponsor or Sponsor-designee, if the Sponsor or its designee shall then own one or more Units) shall be entitled to cast one vote for each .01% of interest in the Common Elements attributable to the Unit or Units owned by them on all matters put to the 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 .01% of Common Interest attributable to his Unit per member to be elected. If Units are owned by more than one person as joint tenants, tenants by the entirety, or as tenants in common or by a partnership, corporation or other entity, the persons owning said Unit shall agree among themselves and cast the votes for their Unit as a single vote. A fiduciary shall be the voting member with respect to any Unit in a fiduciary capacity. Any Unit or Units owned by the Board of Managers or its designee shall not be entitled to vote.

Section 8. 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 7 of this Article II. Two thirds of Unit Owners shall mean those Unit Owners having greater than $66\frac{2}{3}\%$ of the total authorized vote of all Unit Owners present in person or by proxy and voting at any meeting of the Unit Owners. A vote of a majority of Unit Owners shall be sufficient for any action of any meeting, except where otherwise provided herein or required by statute.

Section 9. Inspectors of Election: Inspectors of election shall not be required to be appointed at any meeting of Unit Owners unless requested by a Unit Owner present (in person or by proxy) and entitled to vote at such meeting and upon the making of such request inspectors shall be appointed or elected as provided in Section 610 of the Business Corporation Law.

ARTICLE III

OFFICERS

Section 1. Designation: The principal officers of the Condominium shall be the President, the Vice-President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Managers. The Board of Managers may appoint such other officers as in its judgment may be

necessary. The President and Vice-President, but no other officers, need be members of the Board of Managers.

Section 2. Election of Officers: The officers of the Condominium shall be elected annually by the Board of Managers at the organization meeting of each new Board of Managers and shall hold office at the pleasure of the Board of Managers and until their successors are elected, their resignation or death.

Section 3. Removal of Officers: Upon the affirmative vote of a majority of the members of the Board of Managers, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Managers, or at any special meeting of the Board of Managers called for such purpose.

Section 4. President: The President shall be the chief executive officer of the Condominium. He shall preside at all meetings of the Unit Owners and of the Board of Managers. He shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York, including but not limited to the power to appoint committees from among the Unit Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium.

Section 5. Vice-President: The Vice-President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board of Managers 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. Compensation of Officers: No officer shall receive any salary or other compensation from the Condominium for acting as such or for services rendered in an official capacity.

Section 9. Liability of Officers: No officer shall be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for willful misconduct or bad faith. The Unit Owners shall severally indemnify each officer against any liability or claims except those arising out of the bad faith or willful misconduct of an officer. It is intended that each officer shall have no personal liability with respect to any contract made by him on behalf of the Condominium. It is and shall be permissible for each officer who is appointed by the original Board of Managers (designees of the Sponsor), to contract with the Sponsor and affiliated corporations without fear of being charged with self-dealing. It is also intended that the liability of any Unit Owner arising out of any contract made by an officer or out of the aforesaid indemnity in favor of each officer shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the aggregate interest in the Common Elements of all the Unit Owners. Every agreement made by an officer on behalf of the Condominium shall provide that each officer is acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners, except for willful misconduct or bad faith), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the aggregate interest in the Common Elements of all Unit Owners.

ARTICLE IV

MANAGERS

Section 1. Number: The number of Managers of the Corporation shall not be less than nor more than seven (7), as may from time to time be herein provided and, in the absence of such provision shall be . Commencing with the first election of Managers by Unit Owners of the Condominium, and until changed by amendment of this By-Law provision, and hereinafter provided, the number of Managers shall be three (3). The number of Managers shall not be decreased to a number less than the number of Managers then in office except at any Annual Meeting of Unit Owners. However, during the period the Sponsor, its Successor Offeror(s) or Designees(s) continue to own 50% or more of the Condominium the number of Managers shall remain fixed at .

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, as agent of all Unit Owners. The Board shall further have the right to employ a manager or managing agent or both, and may delegate any or all of the powers conferred by this section to such managing agent. Persons employed in the operation of the property may be designated or removed by a majority vote of the Board of Managers, or without vote by the managing agent or manager, if such a person is employed by the Board.

Section 3. Nomination and Election: The Managers shall be elected for a term of one year at the Annual Meeting of Unit Owners or at a Special Meeting called for that purpose as provided by law. Each Condominium Unit shall be entitled to cast one vote for each .01% of Common Interest in the Condominium appurtenant to the Unit, which may be cast all for one nominated Manager, or divided among any number of candidates. Their term of office shall be until their respective successors are elected and qualify.

Section 4. Quorum: A majority of the Managers then authorized by these By-Laws shall constitute a quorum.

Section 5. Vacancies: Vacancies in the Board of Managers resulting from death, resignation or otherwise may be filled without notice to any of the Unit Owners by a vote of a majority of the remaining Managers present at the meeting at which such election is held for that purpose promptly after the occurrence of any such vacancy even though no quorum is present. Each person so elected shall be a member of the Board of Managers until a successor shall be elected at the next annual meeting of Unit Owners to serve the remaining term. In the event of the failure to hold any election of Managers at the time designated for the annual election of Managers or in the event that the Board of Managers shall not have filled any such vacancy, a Special Meeting of Unit Owners shall be called to elect a new Board of Managers. Any vacancy created by amendment of these By-Laws shall be filled in the manner provided in the resolution adopting such amendment. In case of a reduction of the authorized number of Managers by amendment of these By-Laws, the Manager, if any, whose term of office shall cease, shall be determined in the manner provided in the resolution adopting such amendment.

Section 6. Meetings: The Board of Managers shall meet immediately after the Annual Meeting of Unit Owners without notice and also whenever called together by any Manager of the Condominium or upon the written request of any three Managers then holding office, upon notice given to each Manager, by delivering personally, mailing or telegraphing the same to him at least two days prior to such meeting at the last address furnished by him to the Condominium. Regular meetings may be held without notice at such times and places as the Board of Manager may determine. Any meeting of the Board at which all the Managers shall be present, or of which notice shall be duly waived by all absentees, either before or after the holding of such meeting, shall be valid for all purposes provided a quorum be present. Meetings of Managers may be held either at the principal office of the Condominium or elsewhere within the State of New York as provided in the notice calling the meeting, unless the Board of Managers by resolution adopt some further limitation in regard thereto. At all meetings of the Board of Managers, each Manager shall be entitled to one vote. The vote of a majority of the Board of Managers present at the time of a vote of a duly constituted meeting shall be the act of the Board of Managers.

Section 7. Resignation and Removal: Any Manager may resign at any time by written notice delivered in person or sent by certified registered mail to the President or Secretary of the Condominium. Such resignation shall take effect at the time specified therein, and unless specifically requested acceptance of such resignation shall not be necessary to make it effective. Any Manager may be removed from office at any time with or without cause upon the affirmative vote of the Unit Owners whose aggregate vote is at least 51% of the votes of the Condominium at a Unit Owners' meeting duly called for the purpose; provided, however, that the Manager(s) elected by the Holders of "Unsold Units" can be removed only for cause by a vote of a majority of the Unit Owners or without cause by the Holders of Unsold Units.

Section 8. Annual Cash Requirements: The Board of Managers shall, from time to time determine the cash requirements as defined in the Condominium's By-Laws, and fix the terms and manner of payment of Common Charges as more specifically set forth in Article VI. The Board of Manager shall have discretionary power to prescribe the manner of maintaining and operating the Building,

to be paid as aforesaid by the Unit Owners. Every such determination by the Board of Managers shall be final and conclusive as to all Unit Owners and any expenditures made by the Condominium's officers or its agent under authority of, or with the approval of, the Board of Managers of the Condominium shall, as against the Unit Owners, be deemed necessarily and properly made for such purpose. Until the earlier of (i) the third anniversary of the First Closing or (ii) such time as the Holders of Unsold Units hold less than 50% of the outstanding votes of the Residential Units, the Board of Managers of the Condominium will not take any of the following actions unless Unit Owners owning at least 51% of the votes of Residential Units of the Condominium approve in writing or by vote, in person or by proxy, at a duly constituted meeting called for such purpose:

- a) Increase the number or change the type of employees from that described in the NOTES TO SCHEDULE B of the offering plan;
- b) Provide for new or additional services from indicated in the NOTES TO SCHEDULE B, unless the annual cost of such new or additional services, when added to the annual cost of all other services, being provided, is no greater than that provided in said notes;
- c) Establish any reserve other than the Reserve and/or Working Capital Funds set forth in the Offering Plan.

However, notwithstanding anything contained herein to the contrary, the Sponsor, as Holder of Unsold Units, or other successor sponsor, shall not veto the expenses set forth in SCHEDULE B of the Offering Plan, or expenditures required to comply with applicable laws or regulations.

Section 9. Rules and Regulations: The Board of Managers may from time to time adopt and amend such rules and regulations as it may deem necessary in respect to the Building of the Condominium for the health, safety and convenience of the Unit Owners. Copies thereof and of changes therein shall be furnished to each Unit Owner.

Section 10. Compensation: No Member of the Board of Managers shall receive any compensation from the Condominium for acting as such.

Section 11. Liability of the Board of Managers: The Members of the Board of Managers shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the members of the Board of Managers against all contractual liability to others arising out of contracts made by the Board of Managers on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these By-Laws. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium within the scope of their authority. It is understood and permissible for the original Board of Managers, who are designated by the Sponsor, to contract with the Sponsor and affiliated corporations without fear of being charged with self-dealing. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers shall be limited to such proportion of

the total liability thereunder as his interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements. Every agreement made by the Board of Managers, or the Managing Agent, or 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 in the Common Elements. Every agreement made by the Board of Managers or by the Managing Agent or by the Manager on behalf of the Condominium shall provide that the members of the Board of Managers, or the Managing Agent, or the Manager, as the case may be, are acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

ARTICLE V

NOTICES

Section 1. Definitions: Whenever under the provisions of the Declaration or of these By-Laws, notice is required to be given to the Board of Managers, any Manager, Unit Owner or mortgagee, it shall not be construed to mean personal notice; but such notice may be given in writing, by mail, by depositing the same in a post office or letter box, in a postpaid sealed wrapper, addressed to the Board of Managers, such Managers or Unit Owner or mortgagee in such address as appears on the books of the Condominium.

Sections 2. Service of Notice Waiver: Whenever any notice is required to be given under the provisions of the Declaration or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE VI

OPERATION OF THE PROPERTY

Section 1. Determination of Common Expenses and Fixing of Common Charges: The Board of Managers shall from time to time, and at least annually, prepare a budget for the operation of the Condominium, determine the amount of the Common Charges payable by the Unit Owners to meet the Common Expenses, and allocate and assess such Common Charges and Expenses among the Unit Owners in proportion to their respective Common Interests. 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 these By-Laws and the fees and disbursements of the Insurance Trustee. The Common Expenses may also include such amount as the Board of Managers may deem proper for the operation and maintenance of the Common Elements including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the common expenses for any prior year. The Common Expenses may also include such amounts as may be required for the purchase or lease of

any Unit whose Owner has elected to sell or lease such Unit, or any Unit which is to be sold at a foreclosure or other judicial sale. The Board of Managers shall advise all Unit Owners promptly, in writing, of the amount of Common Charges and Expenses payable by each of them, respectively, as determined by the Board of Managers, as aforesaid, and shall furnish copies of each budget on which such Common Charges and Expenses are based, to all Unit Owners. Any dispute relating to the expenses to be borne by the Unit Owners shall be submitted to arbitration in accordance with these By-Laws.

The Sponsor or Sponsor-designee shall be responsible for the Common Charges assessed against a Unit owned by it from the date of the First Unit Closing until such Unit is sold to a bona fide purchaser.

Section 2. Insurance: The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance: (1) fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring the Buildings containing the Units (including all of the Units and the fixtures initially installed therein by the Sponsor or by prior construction and any other property usual to the servicing and general occupancy, but not including furniture, furnishings, or other personal property supplied or installed by Unit Owners) together with all service machinery and equipment contained therein and covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees with certificates of insurance, as their interests may appear, in an amount to be determined by the Board of Managers.

Each insurance policy shall contain a provision that such policy may not be either cancelled or substantially modified except upon at least 10 days' prior written notice to the Condominium Board and all insureds who may have requested such notice, including permitted mortgagees.

Section 3. 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 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 Unit subsequent to a sale, transfer or other conveyance by him.

Section 4. Collection of Common Charges and Assessments: The Board of Managers shall assess Common Charges against Unit Owners from time to time at least annually and shall take prompt action to collect any Common Charge due from any Unit Owner which remains unpaid for more than thirty (30) days from the due date for payment thereof. The Board of Managers shall also take prompt action to collect any assessment due from any Unit Owner which remains unpaid for more than thirty (30) days from the due date thereof.

Section 5. 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 Owners 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 attorney's 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 attorney's fees, in an action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit granted by Section 339-z of the Real Property Law of the State of New York, in the manner provided in Section 339-aa thereof. A Unit Owner defaulting in payment of Common Charges or assessments shall not be permitted to vote at any regular or special meeting of Unit Owners.

Section 6. 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 a reasonable rental for the use of his Unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of all Unit Owners, shall have the power to purchase such Unit at foreclosure sale and to acquire, hold, lease, mortgage (but not to vote the votes appurtenant to), convey, or otherwise deal with same. A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing the same. The proceeds from the sale of any Unit pursuant to this Section shall be used first to pay the unpaid Common Charges and/or assessments, plus reasonable attorney's fees and administrative costs and any other lawful liens on the defaulting Unit. Amounts above this, if any, will be the property of the defaulting Unit Owner. If after the sale of Unit for the nonpayment of Common Charges and/or assessments, the sale does not recover the full amount due and owing, the Board of Managers has the right to assess all the Unit Owners as a Common Expense for the difference between the amount received by the Condominium from the sale of the Unit and the amount owed to the Condominium.

Section 7. Statement of Common Charges and Assessment: The Board of Managers 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 8. 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.

Section 9. Maintenance and Repairs:

a) All maintenance of and repairs to any Unit, ordinary or extraordinary, and to the doors (except painting exterior side of Unit entrance door), windows (except painting exterior side of windows), electrical (except Common Elements), plumbing (except Common Elements) and heating fixtures and air conditioning units within the Unit or belonging to the Unit Owner shall be at the Unit Owner's expense, excepting as otherwise specifically provided herein.

b) All maintenance, repairs and replacements to the General Common Elements as defined in the Declaration, and the painting and decorating of the exterior side of Unit entrance doors and windows shall be made by the Board of Managers as a Common Expense, excepting to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner. Maintenance, repair and replacements in or to the Limited Common Elements as defined in the Declaration will be performed as per the Declaration.

Section 10. Restrictions on Use of Units: In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of the Property shall be restricted to and shall be in accordance with the following:

a) The Residential Units shall be used for private residences only, except that a Unit Owner may use his Unit for any home occupation use permitted under applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction. Any Unit may also be used as a professional office by a resident thereof provided such professional use does not violate zoning regulations and provided further that the prior consent of the Board of Managers to such professional use is obtained. Notwithstanding the foregoing, the Sponsor or Sponsor-Designee shall have the right, without charge, (i) to maintain general and sales offices in one or more Units or elsewhere on the Property, to use one or more Units as models and for other promotional purposes and to erect and maintain signs on the Property; (ii) to have its employees, contractors and sales agents present on the Property; (iii) to do all things necessary or appropriate, including the use of the Common Elements, to sell or lease Units and to complete construction of the Building and to comply with its obligations.

b) The Common Elements shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of Units.

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 of 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 or other Limited Common Elements appurtenant thereto (other than the entire Unit including the Limited Common Elements appurtenant thereto), may be separately rented.

f) Smoking and using electronic cigarettes is prohibited in any common areas within the interior of the building(s) as required by all applicable laws and is permitted in any of the dwelling units, provided that smoke does not enter into other Units or the Common Elements.

Smoking and using electronic cigarettes is permitted in all outdoor areas, including but not limited to, common courtyards, rooftops, balconies and patios, and any outdoor areas connected to dwelling units.

Unit Owners and their guests shall not permit cigarette, cigar or pipe smoke from escaping from the Unit and entering any other Unit or the Common Elements. Unit Owners shall not smoke in their Units if they are unable to prevent the smoke from entering the Common Elements or another Unit. The Board shall have the right to obtain a court order enjoining occupant of a Unit from smoking in the Unit or the Common Elements if the smoke escapes the Unit and the Board shall have the right to seek the eviction of a tenant who smokes in a Unit or the Common Elements if the smoke escapes from the Unit. In addition to all other remedies available to the Board, violation of this policy shall subject the Unit Owner to (i) a fine in an amount to be determined from time to time by the Board and (ii) reimbursement for any fees or expenses incurred by the Condominium to cause the smoke infiltration into the Common Elements or another Unit to cease (including but not limited to legal fees) in enforcing this provision.

Section 11. Additions, Alterations or Improvements by Unit Owners: No Unit Owner shall make any structural addition, alteration or improvement in or to his Unit, or which affects the exterior of the Building's Units, without prior written consent thereto of the Board of Managers. The Board of Managers shall have the obligation to answer in writing any written request by a Unit Owner for approval of a proposed structural addition, alteration or improvement in such Unit Owner's Unit, within thirty (30) days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board of Managers to the proposed addition, alteration, or improvement. An 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 material man on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom.

In the event the Board of Managers grants its consent, either affirmatively or by its inaction, to any structural addition, alteration or improvement to be made by a Unit Owner, the consent shall provide that any such work shall be at the Unit Owner's sole cost and expense, that work shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances, that all work shall be done by reputable contractors with adequate liability, property damage and worker's compensation insurances (certificates for which

shall be delivered to the Board of Managers prior to the commencement of construction), that any additions, alterations or improvements, shall be maintained in their entirety by said Unit Owner who shall also be responsible for any repairs, including structural repairs, to such area in any event, and to the Unit and any Common Elements where such repairs become necessary due to additional stresses caused by the structural alteration, addition or improvement, or due to improper design or construction of the structural alteration, addition or improvement, and such approval shall further provide that the Unit Owner shall reimburse the Board of Managers any out-of-pocket expenses incurred by the Board of Managers in connection with the granting of such approval and in connection with any services provided to such alteration, addition or improvement; such expenses may include, but shall not be limited to, any fees of an attorney and/or fees of an architect consulted in connection with any request by a Unit Owner for approval of such work.

The provisions of this Section 11 which requires the consent of the Board of Managers in connection with a structural addition, alteration or improvement shall not apply to Units owned by the Sponsor or its designee. All other provisions of this Section 11 shall apply to all Units.

Non-structural alterations and improvements to Units that do not affect the exterior of the Buildings may be made without the prior approval of the Board of Managers.

Section 12. 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. The Sponsor and any Sponsor-Designee shall have the right to use of the Common Elements, without charge, for the purpose set forth in Section 10 of this Article VI.

Section 13. Right of Access: A Unit Owner shall grant a right of access to his Unit, to the Manager and/or any other person authorized by the Board of Managers, the Manager or the Managing Agent, for the purpose of making inspections or for the purpose of correcting any condition originating in his Unit and threatening another Unit or a Common Element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in his Unit or elsewhere in the Building in which the Unit is located, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. In the event of the exercise of the right of access provided in this Section 13, any costs for repairs shall be borne in accordance with the provisions of Section 10 of this Article VI. Each Unit Owner will be required to give a copy of his/her keys to his/her Unit to the President of the Board of Managers who shall designate an authorized person or persons to keep the keys and use them in case of an emergency.

Section 14. Rules of Conduct: Rules and Regulations concerning the use of the Units and the Common Elements may be promulgated and amended by the Board of Managers. A majority vote of Unit Owners at a meeting may overrule the Board. 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.

Section 15. Water Charges and Sewer Rents: Water shall be supplied to all of the Units and the Common elements through one or more building meters or pursuant to a frontage charge and, the Board of Managers shall pay, as a Common Expense, all charges for water consumed on the Property and in 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 the purchaser of such Unit or to the purchaser's title insurance company, a letter agreeing to pay all charges for water and sewer rents affecting the Property as of the date of closing of title to such Unit promptly after such charges shall have been billed.

ARTICLE VII

MORTGAGES

Section 1. Notice to Board of Managers: A Unit Owner who mortgages his Unit shall notify the Board of Managers of the name and address of his mortgagee and shall file a confirmed copy of the note and mortgage with the Board of Managers; the Board of Managers shall maintain such information in a book entitled "Mortgages of Units."

Section 2. Notice of Unpaid Common Charges: The Board of Managers, when so requested in writing by a mortgage of a Unit, shall promptly notify any mortgagee of a Unit, of such Unit Owner's default, including non-payment of Common Charges, in the obligations of such Unit Owner under the Declaration, By-Laws, Rules and Regulations, as the same are amended from time to time, or in any order of the Board of Managers issued with respect thereto.

Section 3. Notice of Default: The Board of Managers, when giving notice to a Unit Owner of a default in paying Common Charges or other default for more than 60 days, 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 at reasonable times, on business days.

Section 5. Consent of Mortgagees and Designation of Mortgage Representatives:

(a) Except as otherwise expressly provided for herein or in the Declaration, no consent or approval by any mortgagee shall be required with respect to any determination of act of the Board of Managers or any Unit Owner, provided, however, that nothing contained herein shall be deemed to limit or affect the rights of any mortgagee against a Unit Owner's mortgage. In the event that any such consent or approval shall be expressly required pursuant to the terms of the Declaration or these By-Laws, the decision of a majority of the Mortgage Representatives, if any are designated pursuant to the terms of paragraph (b) of this Article VII, Section 5, shall be deemed binding upon the holders of all mortgages encumbering Units. (b)

The holders of institutional mortgages constituting a majority in principal amount of all institutional mortgages may, if they so elect, designate not more than 3 mortgage representatives by giving written notice thereof to the Board of Managers, which mortgage representatives shall thereby be empowered to act as the representatives of the holders of all mortgages encumbering Units with respect to any matter requiring the consent or approval of mortgagees under the Declaration or these By-Laws. Any designation of a mortgage representative pursuant to the terms of this paragraph

(b) shall be effective until any successor mortgage representative is designated pursuant to the terms hereof and written notice thereof is given to the Board of Managers. Unless otherwise required by Law, no holders of mortgages (which are not institutional mortgages) shall be entitled to participate in the designation of mortgage representatives, but all holders of mortgages encumbering Units shall be subject to all determinations made by the mortgage representatives pursuant to the terms of the Declaration or these By-Laws.

Section 6. Notice to Mortgagees:

(a) The Condominium shall provide written notice to the mortgagee of Unit, whose name and address has heretofore been furnished to the Board of Managers to the extent applicable of any default by the mortgagee's mortgagor in the payment of Common Charges or Special Assessments for more than 60 days. If the Board of Managers shall foreclose a lien on such mortgagor's Unit pursuant to the terms of Article VI, Section 6 hereof by reason of such default, the Board of Managers shall pay to such mortgagee any net proceeds of any foreclosure sale of such Unit (after retaining all sums due and owing to the Board of Managers pursuant to the Condominium Documents) or such lesser sum as shall be due and owing to such mortgagee.

(b) In no event, however, shall the Board of Managers (including its Members, officers, agents, attorneys, and employees) and Unit Owners be liable for any claims or liabilities and expenses for any failure, through oversight or negligence, in giving a mortgagee any notice required under (a) above. Nonetheless, the Board of Managers shall give such missed notice with reasonable promptness after discovering such failure.

(c) Where consent of the mortgagees or mortgage representatives is required pursuant to the terms of the Declaration or By-Laws, if the mortgagees or mortgage representatives fail to respond within 60 days after written receipt of the required consent, delivered by either certified or registered mail, "return receipt" requested, the implied approval of such mortgagees or mortgage representatives shall be assumed.

(d) Mortgagee of the mortgage on any unit in this Condominium shall be entitled to timely written notice of any condemnation or casualty loss, any proposed action that requires the consent of mortgagees and a lapse, cancellation, or material modification of any insurance policy.

ARTICLE VIII

SALES, LEASES AND MORTGAGES OF UNITS

Section 1. Sales and Leases: No Unit Owner other than the Sponsor or Sponsor-designee may sell or lease his Unit or any interest therein except by complying with the provisions below. The Sponsor or Sponsor-designee need not comply with such provisions.

Any Unit Owner who receives a bona fide offer for the sale of his Unit together with: (i) the undivided interest in the Common Elements and any Limited Common Elements appurtenant thereto; (ii) the interest of such Unit Owner in any Units theretofore acquired by the Board of Managers, or his designee, on behalf of all Unit Owners, or the proceeds of the sale or lease thereof, if any; (iii) the interest of such Unit Owner in any other assets of the Condominium, as defined in the Declaration (hereinafter collectively called the "Appurtenant Interest"); or a bona fide offer for a lease of his Unit (such proposed sale or lease, as the case may be is hereinafter called an "Outside Offer"), which he intends to accept, shall give notice by hand or by certified or registered mail to the Board of Managers of such offer and of such intention, the name and address of the proposed purchaser or lessee, the terms of the proposed transaction and such other information as the Board of Managers may reasonably require, and shall offer to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, to the Board of Managers, or his designee, corporate or otherwise, on behalf of the Owners of all other Units, on the same terms and conditions as contained in such Outside Offer. The giving of such notice shall constitute a warranty and representation by the Unit Owner who has received such offer, to the Board of Managers of behalf of the other Unit Owners, that such Unit Owner believes the Outside Offer to be bona fide in all respects. Within thirty (30) days after receipt of such notice, the Board of Managers may elect to purchase such Unit, together with the Appurtenant Interest, or to lease such Unit as the case may be (or to cause the same to be purchased or leased by his designee, corporation or otherwise), on behalf of all other Unit Owners, on the same terms and conditions as contained in the Outside Offer and as stated in the notice from the offering Unit Owner.

In the event the Board of Managers shall elect to purchase such Unit, together with the Appurtenant Interests, or to lease such Unit, or to cause the same to be purchased or leased by his designee, corporate or otherwise, title shall close or a lease shall be executed at the office of the attorneys for the Condominium in accordance with the terms of such offer but in no event less than forty-five (45) days after the giving of notice by the Board of Managers of its election to accept such offer. At the closing, the Unit Owner, if such Unit, together with the Appurtenant Interests, is to be sold, shall convey the same to the Board of Managers, or to his designee, on behalf of all other Unit Owners, by deed in the form required by Section 339-o of the Real Property Law of the States of New York, with all transfer stamps affixed, and shall pay all other taxes arising out of such sale. In the event such Unit is to be leased, the offering Unit Owner shall execute and deliver to the Board of Managers, or to his designee, a lease between the offering Unit Owner, as landlord, and the Board of Managers, or his designee, as tenant, covering such unit, for the rental and term contained in such Outside Offer.

In the event the Board of Managers or to his designee fails to notify the offering Unit Owner of its decision to accept such offer within thirty (30) days after receipt of notice as aforesaid or to notify the offering Unit Owner within such (30) day period of its decision not to accept such offer, the offering Unit Owner shall be free to contract to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, as they case may be, within sixty (60) days after the expiration of the thirty (30) day period in which the Board of Managers or to his designee

might have accepted such offer, to the Outside Offeror, on the terms and conditions set forth in the notice from the offering Unit Owner to the Board of Managers of such Outside Offer. Any such deed to any Outside Offeror shall provide that acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as the same may be amended from time to time. Any such lease shall be consistent with these By-Laws and shall provide that it may not be modified, amended, extended or assigned without the prior written consent of the Board of Managers, and that the tenant shall not sublet the demised premises, or any part thereof, without the prior consent in writing of the Board of Managers, and that the Board of Managers shall have the power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of default by the tenant in the performance of such lease. Except as hereinbefore set forth, the form of any such lease for Residential Units shall be in the then current form of apartment lease recommended by Julius Blumberg, Inc., or the Real Estate Board of New York, Inc., with such modifications as shall be approved in writing by the Board of Managers. In the event the offering Unit Owner shall not, within such sixty (60) day period, contract to sell such Unit together with the Appurtenant Interests, or to lease such Unit, as the case may be, to the Outside Offeror on the terms and conditions contained in the Outside Offer, or if the Unit Owner shall so contract to sell or lease his Unit within such sixty (60) day period, but such sale or lease shall not be consummated pursuant to the terms of such Outside Offer, then should such offering Unit Owner thereafter elect to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be, to the same or another Outside Offeror on the same or other terms and conditions, the offering Unit Owner shall be required to again comply with all the terms and provisions of this section 1 of this Article VIII.

Any purported sale or lease of a Unit in violation of this section shall be voidable at the election of the Board of Managers.

THE BOARD OF MANAGERS MAY NOT DISCRIMINATE AGAINST ANY PERSON ON THE BASIS OF RACE, CREED, COLOR, NATIONAL ORIGIN, SEX, AGE, DISABILITY, MARITAL STATUS OR OTHER GROUNDS PROHIBITED BY LAW.

Section 2. Consent of Unit Owners to Purchase or Lease of Units by Board of Managers. The Board of Managers shall not exercise any option hereinabove set forth to purchase or lease any Unit without the prior approval of a majority of the Unit Owners.

Section 3. No Severance of Ownership. No Unit Owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to his or her Unit without including therein its Appurtenant Interests, it being the intention 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 interest, 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, conveyed, or otherwise disposed of, except as part of a sale, transfer, conveyance, or other disposed of, except as part of a sale, transfer or other disposition of the Unit to which such interest of interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the Appurtenant Interests of all Units.

Section 4. Release by Board of Managers of Right of First Refusal. The right of first refusal contained in Section 1 of this Article VIII may be released or waived by the Board of Managers, in which event the Unit, together with the Appurtenant Interests, may be sold, conveyed, or leased, free and clear of the provisions of such section.

Section 5. Certificate of Termination of Right of First Refusal. A certificate, executed and acknowledged by the Secretary of the Condominium, stating that the provisions of Section 1 of this Article VIII have been met by a Unit Owner, or have been duly waived by the Board of Managers and the rights of the Board of Managers thereunder have terminated, shall be conclusive upon the Board of Managers in favor of all person who rely thereon in good faith. Such certificate shall be furnished to any Unit Owner who has in fact complied with the provisions of Section 1 of this Article VIII or in respect to whom the provisions of such section have been waived, upon request.

Section 6. Financing of Purchase of Units by Board of Managers. Acquisition or lease of Unit by the Board of Managers, or his designee, on behalf of all Unit Owners, may be made from the working capital and Common Charges in the possession of the Board of Managers, or, if such funds are insufficient, the Board of Managers may levy an assessment against each Unit Owner, other than the offering Unit Owner, in proportion to his ownership ion the Common Elements, as a Common Charge, which assessment shall be enforceable in the same manner as provided in Section 5 and 6 of Article VI, or, the Board of Managers, in its discretion, may borrow money to finance the acquisition of lease of such Unit, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the Unit, together with the Appurtenant Interests, so to be acquired or leased by the Board of Managers.

Section 7. Exceptions. The provisions of Section 1 of this Article VIII shall not apply with respect to any sale or conveyance or lease by a Unit Owner of his Unit, together with the Appurtenant Interests, to his spouse or to any of his children or to his parent or parents or to his brothers or sisters, or any one or more of them, or to any Unit owned by the Sponsor or Sponsor-designee, or to the acquisition or sale of any Unit, together with Appurtenant Interests, by a mortgagee herein authorized who shall acquire title to such Unit by foreclosure or by deed in lieu of foreclosure or to the sale or lease of any Unit. However, the provisions of this section shall apply with respect to any purchaser of a Unit from a mortgagee.

Section 8. Gifts and Devises, etc. Any Unit Owner shall be free to convey or transfer his or her Unit, together with its Appurtenant Interests, by gift, or to devise the same by will or to have the same pass by intestacy, without restriction.

Section 9. Waiver of Right of Partition with Respect to Such Units as are Acquired by the Board of Managers or his 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 his designee, on behalf of all Unit Owners as tenants in common, all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Unit.

Section 10. Payment of Common Charges and Assessments. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his 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 Board of Managers against his unit and until he shall have satisfied all unpaid liens, other than that of Permitted Mortgages, levied against such Unit.

Section 11. Mortgage of Units. No Unit Owner shall mortgage his Unit, except by a first and/or second mortgage made to a bank, savings bank, trust company, savings and loan association, credit union or similar banking institution whether organized under the laws of New York 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 or a purchase money mortgage made to the Sponsor, Sponsor-designee, or to the seller of the Unit. Any such mortgage shall be substantially in the form on file with the Board of Managers, except for such changes or additions as may be required in order to permit the particular institutional lender to make the mortgage loan, or to the extent permitted by the Board of Managers. A mortgage may be made to a reputable private lender, other than a lender as above described, provided the same is approved in writing by either the Sponsor, prior to the Sponsor's relinquishing control of the Board of Managers, or the Board of Managers, subsequent to the release of control by the Sponsor. Such approval shall be in the sole and absolute discretion of the Sponsor or the Board of Managers as the case may be. Prior to or simultaneously with the closing of any mortgage, the Unit Owner must satisfy all arrearages for unpaid Common Charges or assessments and discharge any liens therefor.

Section 12. Fees and Charges. The Condominium Board shall have the right to require the Offeree Unit Owner to pay a fee to the Condominium Board and/or the Managing Agent to cover reasonable legal and other expenses of the Condominium Board and the Managing Agent in connection with the sale or lease of a Residential Unit pursuant to the provisions of this Article VIII except such charges and fees shall not apply to a sale or lease of any Unit by Sponsor, any Sponsor-designee or any partner of any entity affiliated directly or indirectly with Sponsor. Any other fees in connection with the sale or lease of a Residential Unit may only be enacted by action of Unit Owners except any such fee shall not apply to a sale or lease of any Unit by Sponsor, any Sponsor-designee or any partner of any entity affiliated directly or indirectly with Sponsor.

ARTICLE IX

CONDEMNATION AND TERMINATION

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 such award amounts to more than \$50,000.00. If seventy-five percent (75%) or more of the Unit Owners duly and promptly approve the repair and restoration of such Common Elements, the Board of Managers or the Insurance Trustee, 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 seventy-five percent (75%) or more of the Unit Owners do not duly and promptly approve the repair and restoration of such Common Element, the Board of Managers shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds where there is no repair or restoration of the damage, as provided in Section 2 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.

Section 2. Termination: The Condominium may be terminated by the casualty loss, condemnation or eminent domain, in accordance with the provisions of the By-Laws, or by withdrawing the Property from the provisions of the New York Condominium Act if authorized by an affirmative vote of Unit Owners who own not less than eighty (80%) percent in number and in Common Interest of the Units. Sponsor or its designees will not vote its interests appurtenant to any Unsold Units for such withdrawal unless at least eighty (80%) percent in number and in Common Interest of all other Unit Owners have elected for such withdrawal, in which event the Sponsor may choose to vote in favor of or against such withdrawal. No such vote shall be effective, however, without the written consent (which consent shall not be unreasonably withheld, conditioned, or delayed) of the mortgagees representing at least fifty-one (51%) percent of the Common Interest of all Units which are subject to mortgages or by a majority of mortgage representatives, if any. 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. However, no payment shall be made to a Unit Owner until all liens to which his/her Unit are subject are paid off, in the order of priority of such liens.

ARTICLE X

ARBITRATION

Section 1. Procedure: Any matter required or permitted to be determined by arbitration pursuant to the terms of the Condominium Documents shall be submitted for resolution by a single arbitrator in a proceeding held in New York City, New York, in accordance with the then existing rules of the American Arbitration Association or any successor organization thereto. In the event that the American Arbitration Association shall not then be in existence and has no successor organization, any such arbitration shall be held in New York City, New York before one arbitrator appointed, upon the application of any party by the Real Estate Board of New York.

Section 2. Variation by Agreement: The parties to any dispute required or permitted to be resolved by arbitration pursuant to the terms of the Condominium Documents may, by written agreement, vary any of the terms of Section 1 hereof with respect to the arbitration of such dispute or may agree to resolve their dispute in any manner, including, without limitation, the manner set forth in Section 3031 of the New York City Practice Law and Rules and known as "New York Simplified Procedure for Court Determination of Disputes."

Section 3. Binding Effect: The decision in any arbitration conducted pursuant to the terms of Section 1 and 2 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction.

Section 4. Cost and Expenses: (a) The fees, costs and expenses of the arbitrator shall be borne by the losing party in the arbitration or, if the position of neither party to the dispute shall be substantially upheld by the arbitrator, such fees, costs and expenses shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of his counsel and expert witnesses.

All costs and expenses paid or incurred by Condominium board in connection with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses, shall constitute Common Expenses.

ARTICLE XI

CONFLICTS

Section 1. Conflicts: These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Law of the State of New York. In case any of these By-Laws conflict with the provisions of said statute or of the Declaration, the provisions of said statute or of the Declaration, as the case may be, shall control.

ARTICLE XII

AMENDMENTS TO THE BY-LAWS

Section 1. Amendment to By-Laws: These By-Laws may be modified or amended by the vote of two-thirds (as that number is defined in these By-Laws) in Common Interests of all Unit Owners at a meeting of Unit Owners duly held for such purpose.

For as long as there are of one or more Unsold Units, these By-Laws, including the Rules and Regulations of the Condominium attached hereto, may not be altered, amended, repealed or added to without the consent of the Sponsor or its designee.

ARTICLE XIII

MISCELLANEOUS

Section 1. Invalidity: The invalidity of any part of the By-Laws shall not impair or affect in any manner the valid enforceability or effect of the balance of these By-Laws.

Section 2. Captions: The captions herein are inserted only by matter of convenience and or reference, and in no way define, limit, or describe the scope of these By-Laws, or the intent of any provision therein.

Section 3. Gender: The use of the masculine gender in the By-Laws shall be deemed to include the feminine gender and the use of singular shall be deemed to include the plural, whenever the context requires.

Section 4. Waiver: No restriction, condition, obligation or provision contained in these By-Laws, shall be deemed to have abrogated or waived by reason of any failure to enforce the same, respective of the number of violations or breaches thereof which may occur.

Section 5. Insurance Trustee: The Insurance Trustee 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 approval of the holders of five (5) or more Unit first mortgages). In the event 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 the holders of five (5) or more Unit first mortgagees). The Board of Managers shall pay fees and disbursements of any Insurance Trustee, and such fees or disbursements shall constitute a Common Expense of the Condominium.

ARTICLE XIII

Sale or Lease of Unit

FOR THE PROPOSED RESALE OF A RESIDENTIAL:

Any Unit Owner shall have the right to sell his or her Unit under the following terms and conditions:

The terms of any lease, including the rent, will be subject to state or local laws.

A. The Unit Owner shall first give the Board of Managers thirty (30) days prior written notice of the terms of any bona fide sale, together with a copy of a contract of sale executed by a prospective purchaser, which the Unit Owner desires to execute. Written notice with a copy of the contract of sale shall be sent to the managing agent, if any, or to the President of the Condominium by Certified Mail or overnight mail by via a nationally recognized overnight courier service with proof of delivery being retained by the Unit Owner;

B. The Board of Managers may require the prospective purchaser to complete an application and/or questionnaire for consideration by the Board of Managers or Sponsor of the proposed transaction. (The 30-day period as discussed above shall commence from the time that the managing agent or the President of the Condominium receives a fully completed application in the event that the condominium requires applications to be completed by prospective purchasers). The Board of Managers shall require photo identification of all persons who are prospective purchasers and who may reside in the condominium unit; the names, addresses and social security numbers of all proposed occupants shall be provided to the Board of Managers with the proposed contract of sale. Any prospective purchaser of any condominium unit consents to the Board of Managers obtaining a criminal background check on the proposed purchasers. The Board of Managers may not discriminate against any

proposed purchaser or proposed occupant on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law.

If the Board of Managers fails to act within such thirty (30) day period, it shall be deemed to have waived the right of first refusal to the proposed transaction;

Any such deed to convey any condominium unit shall provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as the same may be amended from time to time.

C. If the Board of Managers exercises the right of first refusal to the transaction, it shall, within the thirty (30) day period, either:

(i) Produce a purchaser who will purchase the unit upon the same terms as stated in the Unit Owner's notice to the Board of Managers and the contract of sale executed by the proposed purchaser, or

(ii) Agree to purchase the Unit on behalf of all other Unit Owners on the same terms stated in the contract of sale submitted to the Board of Managers.

If the Board of Managers desires to purchase the condominium unit from a unit owner, at the closing, the Unit Owner shall convey the unit (and Appurtenant Interests) to the Board of Managers or to its designee, on behalf of all other Unit Owners, by deed in the form required by Section 339-0 of the Real Property Law of the State of New York, with all transfer stamps affixed, and shall pay all transfer and other taxes arising out of such sale. Real estate taxes, mortgage interest and common charges and expenses shall be apportioned between the Unit Owner and the Board of Managers, or its designee, as of the closing date. The closing shall occur within 45 days from the date that the Board of Manager exercises its right of first refusal to purchase the condominium unit. The closing shall occur at the offices of the attorney for the condominium.

In connection with the foregoing, the Board of Managers may not purchase a Unit without the approval of a majority of the Unit Owners (as such term "majority" is defined in the By-Laws). In the event that the Board of Managers does not have sufficient funds on hand for the purchase of a Unit which has been approved by the majority of the Unit Owners, the Board of Managers may borrow such funds or may assess the Unit Owners in proportion to their respective common interests to the extent of the purchase price amount. In the event that the Board of Managers exercises its right to purchase the condominium unit, it may do so on the same terms and conditions (including but not limited to the mortgage contingency provisions and closing date provisions set forth in the contract executed by the proposed purchaser). In the event that the Board of Managers does not either produce a purchaser for the Unit or agree to purchase the Unit on behalf of all of the Unit Owners as set forth above within the stated thirty (30) day period, the Unit Owner shall have the right to consummate the sale on the terms submitted to the Board of Managers and in accordance with the terms set forth in the contract of sale executed by the proposed purchaser. The proposed purchaser must comply with the requirements set forth in the Declaration and By-Laws.

The restrictions upon the sale of Units, set forth in this Section shall not apply to the Sponsor, or its designee, or to a mortgagee (including the holder of a construction loan, if any) acquiring title in foreclosure or by deed in lieu of foreclosure. The foregoing persons shall be free to sell without first notifying or obtaining the waiver of right of first refusal of the Board of Managers or Sponsor. The Board of Managers and the Sponsor, as the case may be, shall be required to cooperate in providing appropriate physical access to any such Unit and the common elements, as well as all financial information regarding same.

A Unit acquired by the Board of Managers pursuant to the Right of First Refusal described herein may be sold, leased, mortgaged or otherwise dealt with in the discretion of the Board of Managers. The proceeds of such disposition will be received by the Board of Managers on behalf of all Unit Owners in proportion to their respective common interests.

FOR THE PROPOSED LEASING OF A CONDOMINIUM UNIT BY A UNIT OWNER:

Any Unit Owner shall have the right to lease their condominium unit under the following terms and conditions:

The Unit Owner shall first give the written notice by Certified Mail or via a nationally recognized overnight courier service with proof of delivery being retained by the Unit Owner to and subject to the right of first refusal by the (a) Sponsor if Sponsor is in control of the Board of Managers, or (b) the Board of Managers if Sponsor is no longer in control of the Board of Managers, of no less than thirty (30) days written notice of the terms of any bona fide proposed lease and tenant, together with a copy of a completed lease to be executed by a prospective tenant, or if executed by the prospective tenant, the lease must include the following provision:

For a lease:

"THIS LEASE IS SUBJECT TO THE WRITTEN WAIVER OF RIGHT OF FIRST REFUSAL OF THE BOARD OF MANAGERS OF . THIS LEASE IS NOT VALID UNLESS THE BOARD OF MANAGERS ISSUES A LETTER STATING THAT THE CONDOMINIUM HAS WAIVED THE RIGHT OF FIRST REFUSAL TO THE PROPOSED LEASING OF THE CONDOMINIUM UNIT WHICH IS THE SUBJECT OF THE LEASE".

Written notice must be sent by the Unit Owner by Certified Mail or via a nationally recognized overnight courier service with proof of delivery being retained by the Unit Owner to the Sponsor if the Sponsor is still in control of the Board of Managers, or to the President of the Condominium if the Sponsor is no longer in control of the Board of Managers.

If the Board of Managers fails to waive the right of first refusal to the proposed leasing of the subject condominium unit within thirty (30) days of receipt by the Sponsor or President of the Board of Managers, as the case may be, of the notice and lease as set forth above, it shall be deemed that the Board of Managers or the Sponsor, as the case may be, has

consented to the proposed transaction. If there is a managing agent managing the condominium building, then such notice may be sent to the managing agent instead of the President of the Condominium.

The Board of Managers may require the prospective tenant to complete an application and/or questionnaire for consideration by the Board of Managers or Sponsor of the proposed leasing transaction. (The 30 day period as discussed above shall commence from the time that the managing agent or the President of the Condominium receives a fully completed application in the event that the condominium requires applications to be completed by prospective purchasers). The Board of Managers shall require photo identification of all persons who are prospective tenants and occupants who shall reside in the condominium unit which is the subject of the lease. The names, addresses and social security numbers of all persons who will reside in the condominium unit must be submitted to the Board of Managers with the proposed lease. Any prospective tenant of any condominium unit consents to the Board of Managers obtaining a criminal background check on the proposed tenants and occupants. The Board of Managers may not discriminate against any proposed purchaser or proposed occupant on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law.

If the Board of Managers or the Sponsor exercises the right of first refusal to the proposed leasing of any condominium unit, the Unit Owner may not execute the lease with the proposed tenant.

Any purported leasing of a Condominium Unit in violation of this Section shall be voidable at the election of the Board of Managers or Sponsor as the case may be.

The restrictions upon the leasing of Condominium Units, set forth in this Section shall not apply to the Sponsor, or its designee, or to a mortgagee (including the holder of a construction loan, if any) acquiring title in foreclosure or by deed in lieu of foreclosure. The foregoing persons shall be free to lease, without first notifying or obtaining the consent of the Board of Managers or Sponsor. The Board of Managers and the Sponsor, as the case may be, shall be required to cooperate in providing appropriate physical access to any such Unit and the common elements, as well as all financial information regarding same.

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

Notwithstanding the foregoing, no Unit Owner may sell or lease his Unit if he is in arrears on payment of common charges.

Unit Owners will be free, without restriction, to sell or lease their respective Units to a spouse or, any adult children, without first offering the unit for sale or lease to, or obtaining the consent of the Board of Managers. Furthermore, a Unit Owner is free, without restriction, to make a gift of his Unit to anyone during his lifetime, to devise such Unit by will or pass such Unit by intestacy. No Unit can be sold, leased or in any way transferred apart from its appurtenant interest in the Common Elements.

The Board of Managers may make further restrictions on or conditions to sale or lease of Units in the future consistent with the Condominium Declaration, By-Laws and applicable law.

Every Unit Owner shall be required to pay a processing fee, to be determined by the Board of Managers, per transaction to the Board of Managers for each sale (other than the initial purchase by the Unit Owner) or lease of his or her Unit.

**CERTIFICATIONS
OF
SPONSOR AND PRINCIPALS**

**CERTIFICATION OF SPONSOR AND SPONSOR'S PRINCIPALS PURSUANT TO
SECTION 20.4(b) OF THE REGULATIONS ISSUED PURSUANT TO GENERAL
BUSINESS LAW ARTICLE 23-A, AS AMENDED**

New York State Department of Law
Real Estate Financing Bureau
28 Liberty Street, 21st Floor
New York, New York 10005

**RE: 355 Condominium
 355 53 Street, Brooklyn, NY 11220**

We are the sponsor and the principals of sponsor of the condominium offering plan for the captioned property. We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Office of the Attorney General in Part 20 and such other laws and regulations as may be applicable.

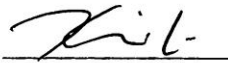
We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the offering plan does, and that documents submitted hereafter by us which amend or supplement the offering plan will:

- (i) set forth the detailed terms of the transaction and be complete, current and accurate;
- (ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;
- (iii) not omit any material fact;
- (iv) not contain any untrue statement of a material fact;
- (v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;
- (vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) not contain any representation or statement which is false, where I/we:
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to ascertain the truth; or
 - (d) did not have knowledge concerning the representation or statement made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

We certify under penalty of perjury under the laws of the State of New York and the United States of America that the foregoing is true and correct. Executed on August 29, 2023.

355 REIG LLC



By: King Li
as Managing Member

Sworn to before me
on August 29, 2023



Notary Public

DYLAN W. CHAN
Notary Public, State of New York
No. 02ch6019321
Qualified in King County
Commission Expires February 1, 2027



By: Kevin Ma
as Managing Member

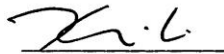
Sworn to before me
on August 29, 2023



Notary Public

DYLAN W. CHAN
Notary Public, State of New York
No. 02ch6019321
Qualified in King County
Commission Expires February 1, 2027

Principal of Sponsor



King Li

Sworn to before me
on August 29, 2023



Notary Public

DYLAN W. CHAN
Notary Public, State of New York
No. 02ch6019321
Qualified in King County
Commission Expires February 1, 2027



Kevin Ma

Sworn to before me
on August 29, 2023



Notary Public

DYLAN W. CHAN
Notary Public, State of New York
No. 02ch6019321
Qualified in King County
Commission Expires February 1, 2027



Ding Xing Chen

Sworn to before me
on August 29, 2023



Notary Public

DYLAN W. CHAN
Notary Public, State of New York
No. 02ch6019321
Qualified in King County
Commission Expires February 1, 2027

EXHIBIT (A-1)

Certification by the Sponsor and the Sponsor's Principals

Page 2 of 2

**CERTIFICATION
OF
SPONSOR'S ENGINEER**

CERTIFICATION OF SPONSOR'S ARCHITECT
PURSUANT TO SECTION 20.4
OF THE REGULATIONS ISSUED PURSUANT TO
GENERAL BUSINESS LAW, ARTICLE 23-A
AS AMENDED

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

Attn: Real Estate Financing Bureau

RE: 355 Condominium
355 53 Street, Brooklyn, NY 11220

The undersigned is licensed as an Engineer in New York State and certifies as follows:

The sponsor of the offering plan for condominium ownership of the captioned property retained us to prepare a report describing the construction of the property (the "Report"). We examined the building plans and specifications which were prepared by UPC Engineering, D.P.C., and which are dated May 19, 2022, May 11, 2023 and March 7, 2024, and prepared the Report dated July 3, 2024, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

We are licensed engineers in the state where the property is located. We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in part 20 insofar as they are applicable to this report.

We have read the entire report and investigated the facts set forth in the report and the facts underlying with due diligence in order to form a basis for the certification. This certification is made for the benefit of all persons to whom this offer is made. We certify that the report does:

- (I) Sets forth in narrative form the description of the entire property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that we prepared;
- (II) In our professional opinion, afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the physical condition of the property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that we prepared;
- (III) Does not omit any material facts;

- (IV) Does not contain any untrue statements of a material fact;
- (V) Does not contain any fraud, deception, concealment or suppression;
- (VI) Does not contain any promise of representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (VII) Does not contain any representation or statement which is false, where we (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to (as certain) as to the truth; or (d) did not have knowledge concerning the representations or statements made.

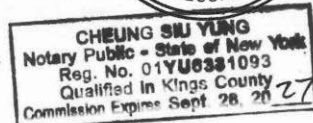
We further certify that we are not owned or controlled by and have no beneficial interest in the sponsor and that our compensation for preparing this report is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

I certify under penalty of perjury under the laws of the State of New York and the United States of America that the foregoing is true and correct. Executed on July 31, 2024.

Very truly yours,

NY OF NEW YORK, PLLC



Sworn to before me

this 31 day of July 2024

[Signature]
Notary Public Signature

SPONSOR'S EXPERT CONCERNING ADEQUACY OF BUDGET

**CERTIFICATE OF ADEQUACY OF OPERATING BUDGET
PURSUANT TO 13 NYCRR 20.4 (d)**

Date: July 28, 2023

State of New York
Department of Law
28 Liberty Street,
New York, NY 10005
Attn: Real Estate Financing Bureau

**RE: 355 Condominium
 355 53rd Street, Brooklyn, NY**

Gentlemen:

The sponsor of the condominium Offering Plan for the above captioned property retained us to review SCHEDULE B and SCHEDULE B-1, containing the projections of income and expenses for the first year of condominium operation. Our experience in the field includes being a licensed real estate broker for four (4) years; the management of approximately eight (8) residential condominium buildings; and the sale of numerous condominiums, co-ops, rental properties, and commercial properties. We are familiar with prices, practices and procedures in the area of this condominium.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20, insofar as they are applicable to SCHEDULE B and SCHEDULE B-1. We have reviewed the SCHEDULES and investigated the facts set forth in the SCHEDULES, and the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings.

We certify that the projections in SCHEDULE B and SCHEDULE B-1 appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

We certify that the Schedules do:

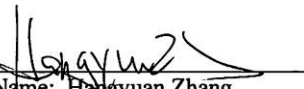
1. Set forth in detail the projected income and expenses for the first year of condominium operation;
2. Afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

3. Not omit any material fact;
4. Not contain any untrue statement of a material fact;
5. Not contain any fraud, deception, concealment, or suppression;
6. Not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
7. Not contain any representation or statement which is false where we:
 - a) knew the truth;
 - b) with reasonable effort, could have known the truth;
 - c) made no reasonable effort to ascertain the truth; or
 - d) did not have knowledge concerning the representations or statements made.

We further certify that we are not owned or controlled by the sponsor. We understand that a copy of this certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the income and expenses of the first year of condominium operation. This certification is made under the penalty of perjury for the benefit of all persons to whom this offering is made.

We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Youyork Management LLC

By: 
Name: Hangyuan Zhang
Title: Licensed Real Estate Broker

Sworn to before me this
on July 28, 2023



Notary Public

DYLAN W. CHAN
Notary Public, State of New York
No. 0208019321
Qualified in King County
Commission Expires February 1, 2027