

CONDOMINIUM OFFERING PLAN

286 1ST STREET CONDOMINIUM

286 1st Street
Brooklyn, NY 11215

COUNTY OF KINGS

Total Amount of Offering\$6,885,000.00

(Three (3) Residential Units being offered for sale.

Sponsor:

286 1ST ST LLC

689 Degraw Street, Apt. 1
Brooklyn, NY 11217

Selling Agent:

CORCORAN

125 Seventh Avenue
Brooklyn, NY 11215

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

SEE PAGE iii FOR SPECIAL RISKS TO PURCHASERS

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

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

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SPECIAL RISKS

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

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

1. The Sponsor intends to sell the Units offered pursuant to this Plan and will endeavor in good faith to sell the Units offered in a reasonably timely manner rather than rent. Sponsor reserves the unconditional right to rent the Residential Units offered pursuant to this Plan after consummation of this Plan. Because the Sponsor is not limiting the conditions under which it will rent rather than sell Units, there is no commitment to sell more units than the fifteen percent (15%) necessary (i.e., 1 Residential Unit) to declare the Plan effective and owner-occupants may never gain effective control and management of the Condominium. If the Sponsor makes a bulk sale of all or some of its Unsold Units, meaning a sale in bulk to a transferee successor sponsor, then the transferee successor sponsor is bound by Sponsor’s representations regarding its commitment to sell, and its reservation of the right to rent, the Units as specified herein. The validity of the Plan’s effectiveness shall not be impaired or affected if one or more Purchasers counted for purposes of declaring the Plan effective do not close title. However, if all Purchase Agreements are rescinded or terminated prior to the date of the first Unit closing, the Sponsor shall re-declare the Plan effective, regardless of whether the Declaration has been recorded in the Office of the City Register. See the sections of the Plan entitled “Introduction,” “Effective Date” and “Rights and Obligations of the Sponsor.”
2. No bond or other security is provided to secure the obligations of the Sponsor under the Plan, including the obligation to complete the construction work described in this Plan. See the section of this Plan entitled “Rights and Obligations of Sponsor.”
3. The Sponsor has commenced the construction described in this Plan with its own funds and with funding from Lakeland Bank (the “construction lender”). Such funding is firmly committed and anticipated and expected, but not guaranteed, to be sufficient to complete the construction described in this Plan. If unforeseen circumstances arise, however, the Sponsor may not be able to complete the construction described in this Plan. If Sponsor is unable to complete construction, the Sponsor may abandon this Plan or provide financially responsible entities or individuals who will assume the status and all of the obligations of the Sponsor under this Plan, in either case in accordance with applicable legal requirements and by amendment to this Plan. If this Plan is abandoned, all Purchase Agreements will be terminated and all Down Payments will be promptly returned to Purchasers.

The loan documents do not require a specific minimum number or percentage of Purchase Agreements to be entered into prior to declaring the Plan effective or impose any minimum release prices for the lender to release its lien against any Unit.

To the extent not prohibited by applicable law, the construction lender may, on an occurrence of default by the Sponsor, exercise the Sponsor's rights under this Plan or other rights as the owner of the Units to the same extent as the Sponsor would have been entitled to exercise such rights, and superior rights under the mortgage, and may give all consents, waivers and ratifications in respect thereof and may otherwise act with respect thereto as though the lender or its designees were the outright holder of such rights. Promptly after any such event, this Plan will be amended to disclose the extent to which the construction lender will exercise the Sponsor's rights under this Plan and applicable law and the other rights as owner of the Units. The construction lender may require that the Sponsor rent Units in the Building in the event market conditions change and the Units cannot be sold at the offering prices and, further, the lender may do so itself in the occurrence of a default.

4. Under the By-Laws, as set forth in Part II of this Plan, until the first meeting of Unit Owners, the Board of Managers will consist of three (3) members designated by the Sponsor. Within ninety (90) days after the first Closing of title to a Unit, the Sponsor will call the first meeting of Unit Owners, at which meeting the Unit Owners shall elect three (3) members, subject to Sponsor's right to designate members. The Sponsor shall have the right to designate two members of the Board until the earlier of: (1) five years after the Closing of the first Unit or (2) the time the Sponsor holds less than fifty percent (50%) of the Common Interests. After Sponsor's initial voting control period, there is no requirement that a majority of the Board of Managers be composed of owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals. Therefore, owner-occupants and non-resident owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed. The Sponsor may not exercise veto power over expenses described in "Schedule B – Projected Budget for First Year of Condominium Operations," or over expenses required to comply with applicable laws or regulations, or to remedy any notice of violation, or to remedy any work order by an insurer. The Sponsor may exercise veto power over expenses other than those described in the preceding sentence until five (5) years after the Closing of the first Unit or until the Unsold Units constitute less than twenty five (25%) percent of the Common Interest, whichever is sooner. See the sections of this Plan entitled "Control by the Sponsor" and "Board of Managers."
5. Down Payments will be placed in an escrow account of the Sponsor's attorney at Bank of America. Deposits in excess of \$250,000 will not be federally insured in excess of \$250,000. Purchasers with bank accounts at Bank of America should note that other Purchaser funds held with Bank of America may factor into such \$250,000 insurance limit. See the section of this Plan entitled "Procedure to Purchase."
6. In New York, the seller of real property is statutorily obligated to pay and responsible for

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

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

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

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

In addition to transfer taxes and the Mansion Tax and Supplemental Tax, Purchasers will also be obligated to pay at Closing any new or supplement tax, or any increase to or modification of existing taxes or rates, on the transfer of condominium units enacted after the date of this Plan (any such tax, an "Additional Tax"), regardless of whether such Additional Tax is by law the primary obligation of the seller or purchaser. Sponsor will amend the Plan to disclose the enactment of any Additional Tax. However, Purchasers will be required to pay such Additional Tax at Closing regardless of whether the Plan amendment disclosing the Additional Tax has been accepted for filing by the date on which the Purchase Agreement is fully executed. Notwithstanding the foregoing, if the Department of Law considers the enactment of an Additional Tax resulting in an increase of 25% or more a material revision adversely affecting the rights, obligations or liabilities

of then existing Purchasers, the Department of Law may require Sponsor to offer such Purchasers the right to rescind their Purchase Agreements, in which case such Purchasers will be given the right to rescind their Purchase Agreements and be refunded all monies paid thereunder (with interest earned thereon, if any) within thirty (30) days of presentation of the amendment offering such rescission. However, as to a Purchaser who first became an occupant of the Building after this Plan is filed with the Department of Law, such rescission will be conditioned on the cancellation of any Interim Lease and surrender of possession of his, her or its Unit within thirty (30) days after rescission.

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

See the section of the Plan entitled “Closing Costs and Adjustments.”

7. Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a final certificate of occupancy (“FCO”) covering the entire buildings but with only a temporary certificate of occupancy (“TCO”), and sometimes with several successive TCOs. Certificates of occupancy are generally governed by Section 301 of the New York Multiple Dwelling Law and local building codes and rules. Both TCOs and FCOs are issued by the New York City Department of Buildings (“DOB”). A TCO is intended to indicate that the Property is safe for occupancy, and that it conforms substantially to the DOB approved plans and specifications and to the requirements of all applicable laws, rules and regulations for the uses and occupancies specified in the TCO, but means that not all of the construction or renovation work and/or inspections have been performed, or that not all of the required documents for an FCO have been submitted to DOB. No change of use or occupancy shall be made unless a new certificate of occupancy is issued. All TCOs have an expiration date. A TCO typically expires ninety (90) days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance or sell or refinance the Unit. In New York City, it is common for sponsors to commence unit closings when one, some or all units are covered by a TCO rather than a FCO. The Sponsor anticipates this scenario may occur. Sponsor and its principals will undertake the responsibility for obtaining and extending each TCO received for the Building prior to expiration thereof and ultimately for obtaining a FCO covering the Building within two years from the date of the issuance of the first TCO for the Building. However, the Sponsor and its principals make no representation or guarantee that DOB will issue the FCO within such two-year periods. Furthermore, because Sponsor and the Condominium’s By Laws may permit Unit Owners to undertake renovations to individual Units prior to the procurement of a FCO, such renovations may cause additional delays in

the issuance of a FCO, including a delay beyond two (2) years from the date of issuance of the first TCO. NOTWITHSTANDING THE FOREGOING, SPONSOR AND ITS PRINCIPALS ARE OBLIGATED TO PROCURE THE FCO FOR THE BUILDING AND SHALL EXERCISE THEIR BEST EFFORTS TO OBTAIN THE SAME WITHIN SUCH TWO-YEAR PERIOD WHILE KEEPING THE TCO CURRENT. Unit Owners and the Board of Managers shall be obligated to cooperate with and refrain from obstructing the Sponsor in these undertakings. Purchasers are advised to visit the DOB website for further recommendations when purchasing a Unit without an FCO having been issued. More information on certificates of occupancy is available on the DOB website at: <https://www.nyc.gov/site/buildings/property-or-business-owner/certificate-of-occupancy.page> Additionally, Purchasers are advised that because open building permits for Unit Owner alterations may impact the ability to obtain the FCO, Sponsor or the Board may, in order to obtain the FCO or any other reason, impose temporary restrictions or prohibitions on Unit alterations by Unit Owners. See the section of this Plan entitled “Rights and Obligations of the Sponsor.”

8. The Sponsor anticipates that renovation of the Building will be completed by January 1, 2025. Construction is a complicated process requiring the coordination of numerous tasks and the balancing of complex mechanical and architectural systems. No assurance can be given with regard to the accuracy of any projected completion dates set forth herein. During the first year of Condominium operation, construction workers and related personnel may be at the Property from time to time to make adjustments and to perform various tasks related to the completion of construction. Various systems, including, but not limited to, water supply, electricity, air conditioning, heating and ventilation may need to be shut down temporarily. See the section of this Plan entitled “Rights and Obligations of the Sponsor.”
9. The tax projections set forth on Schedule A include the projection of real estate taxes payable by each Unit Owner during the projected first year of Condominium operations, which include and are based on an assessment of the Building before construction is complete and, therefore, Purchasers are advised that the real estate taxes projected on Schedule A for the projected first year of Condominium operations may increase materially when the Building is reassessed after construction is complete. See Footnote 6 to Schedule A for more information regarding the projected assessed valuation after completion of construction. Therefore, Schedule A also contains projections for the second year of Condominium operations because it is the first tax year for which taxes are anticipated to be fully (rather than partially) assessed, resulting in significantly higher projected real estate taxes.

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

10. At the request of a Purchaser, the Sponsor may, in its sole discretion, agree to perform modifications, upgrades or specialized work in a Unit, or to combine one or more Units into a single Unit, all subject to any Legal Requirements. Such work shall be performed upon terms and conditions determined by the Sponsor and the Purchaser. In connection with the combination of one or more Units into a single Unit, the first installment of the Down Payment payable by the Purchaser shall equal twenty percent (20%) of the total Purchase Price of the combined Units; in all other cases, a sum equal to the cost of such modifications or special work shall be paid to the Sponsor prior to any obligation on the Sponsor's part to perform such work. Such sum will be placed in the Escrow Account initially together with the Down Payment. However, Purchasers should note that such funds may be released from the Escrow Account by the Escrow Agent so long as Sponsor uses the funds for such upgrades, modifications or special work. As a result, except as set forth below, in the event a Purchaser is entitled to rescind its Purchase Agreement or in the event the Sponsor is unable to close title to the Unit with Purchaser for any reason, and even if this Plan is not consummated, the Purchaser will not receive a refund of any funds used for such requested modifications or specialized work but shall receive a refund of any unused funds. Notwithstanding the foregoing, Purchasers will receive a full refund of funds for such modifications or special work in the event the Sponsor abandons the Plan prior to declaring the Plan effective. See the section of this Plan entitled "Changes in Prices and Units."
11. Risk of loss for fire or other casualty remains with the Sponsor until legal title to the Unit has been conveyed to the Purchaser, unless the Purchaser enters into an Interim Lease or otherwise takes possession of the Unit. The Building will be covered by a fire and casualty insurance policy in an amount expected to be adequate to rebuild the Building's structure (but not portions of the interior of Units that are the responsibility of Unit Owners to insure) if totally destroyed by fire or other insured peril. Purchasers are advised to obtain insurance against loss for fire or other casualty for items not covered by the insurance described above, effective upon his, her or its taking title to or possession of a Unit. Specifically, Unit Owners, as well as Purchasers who take possession prior to the Closing, are urged to obtain insurance for the contents of their Units, their personal possessions, replacements, additions, upgraded fixtures and improvements to the Units and liability coverage for occurrences within their Units, and to confer with an insurance advisor of their choosing. A Purchaser who occupies a Residential Unit prior to the closing pursuant to an Interim Lease, or otherwise takes possession of a Unit prior to Closing, may not be able to obtain insurance for all risks of damage to the Unit and therefore assumes the risk of losses not covered by insurance. See the section of this Plan entitled "Procedure to Purchase."
12. Areas in Schedule A are not based on measurements from the interior surfaces of interior walls of rooms and are significantly greater than the usable floor area of the Units. All measurements are approximate, within reasonable tolerances. A Unit's square footage is calculated horizontally approximately to the outside face of the exterior walls of the building and approximately to the unit side of the walls and partitions (dividing the units from corridors, stairs and mechanical spaces), and vertically from the top of the floor slab

below (located under the finished flooring materials) to the underside of the ceiling above. Dimensions shall be to the centerline when a partition divides two units. However, any Common Elements located within a Unit shall not be considered a part of the Unit. See the section in Part I of this Plan entitled "Offering Prices and Related Information, Schedule A," as well as the Description of Property and Specifications or Building Conditions and the Declaration, copies of which are included in Part II of this Plan.

13. If a Purchaser defaults under a Purchase Agreement, time is of the essence with respect to the time within which the Purchaser must cure the default, as provided in the Purchase Agreement. This means that time limits within which the Purchaser must cure the default will be strictly observed and extensions will not be granted. In addition, if a Purchaser defaults under a Purchase Agreement, Seller may send notice to Purchaser of Sponsor's intention to cancel the Purchase Agreement. Sponsor must give such written notice of default at least thirty (30) days before forfeiture of the Down Payment may be declared. The Sponsor's attorney shall impose a fee of \$500 for such notice of default, which will be paid by Purchaser. See the section of Part I of this Plan entitled "Procedure to Purchase," as well as the Purchase Agreement, a copy of which is included in Part II of this Plan.
14. Although a Purchaser may obtain financing from a lending institution or any other source, his, her or its obligation to purchase a Unit pursuant to his, her or its Purchase Agreement is not contingent on obtaining financing for such purchase. Any Purchaser who executes a Purchase Agreement and does not obtain financing may lose his or her deposit if he or she is unable to otherwise raise the monies necessary to pay the balance of the purchase price at the closing of title.

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

15. The Purchase Agreement provides that prior to the Closing, the Purchaser shall not offer the Unit or the Purchase Agreement for sale or rental, engage any selling agent or broker, list the Unit or the Purchase Agreement with any selling agent or broker, link or make reference to or otherwise use any marketing material used by the Sponsor or its representatives, for the purpose of offering the Unit or the Purchase Agreement for sale

or rental without the prior, written consent of the Sponsor. Failure by Purchaser to abide by the restrictions contained in the Purchase Agreement shall constitute a default thereunder. In addition, after the Closing, the Unit Owner shall not link or make reference to or otherwise use any marketing material used by the Sponsor or its representatives, for the purpose of offering the Unit for sale or rental, without the prior, written consent of the Sponsor. See the Purchase Agreement in Part II of this Plan, as well as the section in Part I entitled "Terms of Sale."

16. Each Unit Owner must notify the Board of Managers (and the Managing Agent, if any) in writing when a child or children under the age of eleven (11) years lives or resides (even temporarily) in the Residential Unit. Each Unit Owner shall install, at such Unit Owner's expense, the required window guards in all windows of the Residential Unit. The Unit Owner must maintain all window guards installed in the Residential Unit and shall not remove the same until permitted by applicable law and in any event, without full knowledge of the Board of Managers (and the Managing Agent, if applicable). See the Rules and Regulations contained in the By Laws in Part II of this Plan.
17. The Sponsor anticipates that the first Closing of a Unit will occur on or about January 1, 2025. Except as otherwise set forth below, if the first Unit Closing does not occur within twelve months following January 1, 2025, Purchasers will be offered the right to rescind their Purchase Agreements. If this Plan is amended to provide for a later projected date for the first Unit closing, Purchasers will be offered the right to rescind their Purchase Agreements if the first Unit closing occurs more than twelve months following such amended, later date. Purchasers should note that even if the first Unit closing occurs on or before January 1, 2025 (or such other date projected as the date of commencement of Condominium operations at the time the Purchase Agreement was entered into) or within the twelve month period thereafter, the Sponsor may also schedule the closings of title to other Units significantly later than such projected date. In such case, provided the Sponsor is otherwise in compliance with its obligations under the Plan, the Purchaser will not be entitled to terminate the Purchase Agreement (unless the Purchase Agreement contains an outside closing date and the Closing to the Unit does not occur by such outside closing date), or to a right of rescission or to make claims against the Sponsor for damages or losses as a result of such delays and will not be excused from paying the full purchase price for the Unit. PROSPECTIVE PURCHASERS SHOULD THEREFORE CONSIDER CAREFULLY THE POSSIBILITY OF SUCH DELAYS AND SUCH RISKS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT. See the section entitled "Procedure to Purchase" in Part I.
18. At the first Unit Closing, Sponsor will deliver, assign, or otherwise grant to the Board, on behalf of all Unit Owners, the right to proceed under any assignable warranties and other assignable undertakings received by Sponsor from contractors, suppliers and/or others in connection with the construction and equipping of the Building, including the assignable warranties and assignable undertakings received by Sponsor relating to appliances, equipment and/or fixtures located in the Units and the Common Elements, except that assignable warranties and assignable undertakings received by Sponsor relating to

appliances, equipment or fixtures located in any Unit shall be assigned to the Purchaser on the Closing Date. Sponsor does not make any representation as to which, if any, of the warranties and other assignable undertakings will continue to remain in force upon the Closing of any particular Unit. Sponsor shall have no liability or responsibility in the event a warrantor is unable, unwilling or for any reason, fails to perform under its warranty. See the Description of Property and Specifications in Part II of this Plan.

19. A Purchaser will pay the closing costs and expenses referred to in the section of this Plan (as same may be amended to date) entitled "Closing Costs and Adjustments," which include, without limitation, the following fees of the Sponsor's attorney: \$3,200 for preparation of legal documents and for coordinating the Closing; an additional \$300 attendance fee if, at Purchaser's request and Sponsor's consent, the Closing occurs outside of the Sponsor's attorney's office or other office designated by the Sponsor but in the City of New York or \$500 if in Westchester, Nassau or Suffolk Counties, or an amount determined by the Sponsor's attorney if elsewhere; an additional \$300 fee if the Closing is adjourned at the Purchaser's request on less than forty-eight (48) hours notice (nothing herein shall give a Purchaser a right to adjourn a Closing); an additional \$500 fee if notice of default is issued, unless the Closing does not occur because of a default by the Sponsor or the Sponsor's inability to close; and an additional \$500 fee if the Purchaser assigns his, her or its Purchase Agreement. See the section of this Plan entitled "Closing Costs and Adjustments."
20. At Closing, each Purchaser will contribute three months' Common Charges to the Condominium's working capital fund. No representation is made that the working capital fund will be, or is intended to be, adequate to cover expenses for the first or any subsequent year of Condominium operations, including, without limitation, the cost of any necessary repairs or replacements. If additional funds are required over and above the working capital fund, it may be necessary to increase the Common Charges or to assess Unit Owners. Neither the Department of Law nor any other governmental agency has passed upon the adequacy of the working capital fund. See the section of this Plan entitled "Working Capital Fund and Closing Adjustments with the Condominium Board."
21. The Sponsor has budgeted for a yearly contribution to a reserve fund in the amount set forth in Schedule B, to be funded out of Common Charges. It is anticipated, but not guaranteed, that the budgeted yearly reserve fund will be sufficient to pay for major capital repairs or replacement items that may be needed within the first five years of Condominium operations. However, no warranty or representation as to the need for, or timing of, future capital improvements is made to Unit Owners or the Board of Managers. See the section in Part I of this Plan entitled "Reserve Fund."
22. The Board of Managers does not have the right to approve or disapprove Purchasers. There is no limit on the number of Unit Owners who may purchase for investment rather than for personal occupancy. Therefore, there may always be a substantial percentage of Unit Owners who are non-residents and owner-occupants may never gain effective

control and management of the Board of Managers or the Condominium. See the By Laws included in Part II of this Plan.

23. Each Unit Owner shall be responsible for maintaining, repairing and replacing the Limited Common Elements appurtenant to his Unit, including any pavers, decking, drains, hose bibs, electrical outlets, lighting and light fixtures, enclosures and dividers installed thereon. Purchasers should note that Limited Common Elements may not be used as bedrooms or living rooms, all of which would be violations under the NYC Building Code. See the section of this Plan entitled “Rights and Obligations of Unit Owners and the Board of Managers” and the Declaration of Condominium.
24. The Financial Crimes Enforcement Network (“FinCEN”) has issued a Geographic Targeting Order (“GTO”) requiring U.S. title insurance companies to identify and report to FinCEN the natural persons behind certain companies purchasing certain residential real property in New York City without lender financing. FinCEN has revised and extended the Order from time to time, which currently remains in effect until April 18, 2024 but may be subject to further extension. For as long as the GTO remains in effect, U.S. title insurance companies must report to FinCEN the personal identity of purchasers in residential real estate transactions occurring on or after November 17, 2018 in which:
 - a. The purchaser is a corporation, partnership, limited liability company or other similar business entity, whether formed under the laws of a state, or of the United States, or a foreign jurisdiction, other than a business whose common stock or analogous equity interests are listed on a securities exchange regulated by the Security Exchange Commission (“SEC”) or a self-regulated organization registered with the SEC, or an entity solely owned by such a business;
 - b. The purchaser buys residential real property located in the Boroughs of Bronx, Brooklyn, Queens, Manhattan and Staten Island;
 - c. The total purchase price is for \$300,000 or more;
 - d. The purchase is made without a bank loan or other similar form of external financing; and
 - e. The purchase is made, at least in part, using currency (including, without limitation, virtual currency) or a cashiers check, certified check, traveler’s check, personal check, business check, money order in any form or a funds transfer.

If a Purchaser enters into a transaction that falls within the current scope of the GTO, the Purchaser shall be required to deliver to the title company at Closing all documents and information necessary in order for the title company to comply with the requirements set forth in the GTO.

See the section of this Plan entitled “Procedure to Purchase.”

25. The Purchase Agreement provides that the Purchaser shall have the one time right to adjourn the Closing Date for up to fifteen (15) days after the scheduled Closing Date (to a date that shall be acceptable to Sponsor) on five (5) days written notice to Sponsor, provided however, that Purchaser shall pay to Sponsor at Closing an adjournment fee equal to 0.04% of the Total Purchase Price for the Unit for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date as a reimbursement of Sponsor’s higher carrying costs for the Unit by virtue of the delay. In addition, the Closing apportionments described in the Plan will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual Closing occurs. The fees described in this paragraph shall also apply during any default-curing period. See the Purchase Agreement included in Part II of this Plan.
26. Wood flooring in a Unit should be maintained in accordance with the manufacturer’s and the National Wood Flooring Association’s recommendations and specifications. For more information on proper care for wood flooring, Purchasers can visit the website of the National Wood Flooring Association at <http://www.nwfa.org>.

Wood is subject to changes due to humidity and seasonal changes, and to cupping, curling, chipping, scratching and cracking. Any exposure to the sun will subject the floors to bleaching. Sponsor makes no representation or warranty that the wood floors will maintain their appearance after they are subject to use or about the color or cohesion of the floor, including, without limitation, bleaching due to sun exposure. In addition, Sponsor is not responsible for floor level variations, normal base and floor separations, normal shrinking or expansion of wood, variations in width, length or tone of wood floor strips or scratches and dents in flooring. See the section in Part II of this Plan entitled “Description of Property and Specifications or Building Condition.”

27. The By Laws provide that any controversy between Unit Owners or any claim by a Unit Owner against the Condominium or another Unit Owner arising out of or in relation to the Declaration, By-Laws or Rules and Regulations of the Condominium shall be settled by arbitration in accordance with the Rules of the American Arbitration Association, and judgment upon the award rendered by the Arbitration may be entered in any court having jurisdiction thereof. The arbitrator must be an independent third party unrelated to any party of the dispute. The parties shall bear the costs of their own expenses and witness preparation but shall equally share the costs of the administrative fees, including the arbitrator’s compensation. See the By Laws included in Part II of this Plan.
28. The Purchase Agreement provides that Purchaser waives trial by jury in any action, proceeding, or counterclaim involving any matter arising out of, or connected with, the Purchase Agreement or the relationship of the parties as Purchaser and Seller, or the right

of Purchaser to any statutory relief or remedy. See the Purchase Agreement included in Part II of this Plan.

29. On December 22, 2017 the Tax Cuts and Jobs Act (the “2017 Act”) was signed into law. The 2017 Act made changes to the Internal Revenue Code of 1986, as amended (the “Code”) that are generally effective for individual taxpayers for the period January 1, 2018 through December 31, 2025, at which point the relevant Code provisions in effect prior to 2018 become effective again. The 2017 Act made changes to the pre-2018 Code provisions relating to tax and interest deduction for home ownership. In general, under the new Tax Cuts and Jobs Act, the owner of a residential condominium unit may deduct interest paid on his or her mortgage indebtedness on a mortgage of \$750,000 or less, as well as up to \$10,000 in the aggregate of the real estate taxes assessed and paid on his or her interest in the property and the state and local taxes paid to the taxing authorities. See the Opinion Letter included in Part I of this Plan.
30. If there is any “floor area” (as defined in the Zoning Resolution of the City of New York (the “Zoning Resolution”)) pertaining to the Property and not used in the Building as constructed or as a result of a future rezoning of the area on which the Property is located (the “Excess Floor Area”), the Sponsor or its designee, on behalf of itself, and acting as attorney-in-fact for the Board of Managers and each of the Unit Owners, may execute and deliver such documents and take such other actions as are appropriate to transfer, sell or permit the use of the Excess Floor Area, at any adjoining lot where the use of the Excess Floor Area is permitted pursuant to the Zoning Resolution, including, without limitation, executing and delivering on behalf of itself, the Board of Managers and each of the Unit Owners one or more declarations of zoning restrictions, zoning lot development agreements, and waiver of parties in interest. If the Excess Floor Area is used on adjoining properties, it may result in the vertical or horizontal expansion of such adjoining properties and, therefore, it may alter the views from and light into the Building. The Sponsor will not use the Excess Floor Area to expand the Building. Solely the Sponsor, and not the Board of Managers or any of the Unit Owners, has any interest in the Excess Floor Area or any proceeds from the transfer or sale or use thereof, both before and after all Units have closed title. Therefore, unless development rights are separately acquired on behalf of the Condominium or a Unit Owner, any future expansion of the Building by the Board of Managers or of a Unit by a Unit Owner as may otherwise be permitted pursuant to applicable Legal Requirements may not be possible or may be limited. The power of attorney granted to the Sponsor or its designee in this paragraph is irrevocable and coupled with an interest. See the “Reservation of Development Rights” section in Part I of this Plan and the Declaration in Part II of this Plan.
31. Local Law 147 (“LL 147”) was signed into law on August 28, 2017 and went into effect on August 28, 2018. Pursuant to LL 147, the Condominium must contain a written smoking policy for the Property that addresses smoking in Units, Common Elements and Limited Common Elements and that applies to all Unit Owners, occupants of the Units and persons on the Property.

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

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

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

32. Part II of this Plan contains a limited warranty of materials and workmanship that will be given to a Purchaser upon the purchase of a Unit. The limited warranty is permitted under the provisions of the Housing Merchant Implied Warranty Law (Article 36-B of the New York General Business Law), and limits the Sponsor's total liability under the warranty to seventy-five percent (75%) of the Unit's purchase price. Regardless of any limitations in the warranty or in this Plan, Sponsor is obligated to construct or renovate the Building in accordance with all applicable codes, filed plans and specifications, and locally accepted building practices for items which are not covered by codes, and any conflict between the disclaimers and Sponsor's obligations to construct the Building in accordance with all applicable codes, filed plans and specifications shall be resolved in favor of the latter. See the Limited Warranty, a copy of which is included in Part II of this Plan.
33. Sponsor reserves the right to delay and waive the collection of Common Charges from Purchasers for a period of time prior to full occupancy of the Building (the "Waiver Period"). During the Waiver Period, Sponsor shall be solely responsible for the timely payment of, and will timely pay, all expenses to operate the Building based on the actual costs of operating the Building, including, without limitation, insurance premiums and reserve fund payments, instead of on the estimates set forth in Schedule B. Such expenses, however, shall not include individual Unit Owner expenses such as, but not limited to, real estate taxes and utility charges consumed within the Units. Therefore, during the Waiver Period, Schedule B will not be in effect and the level of services to the Building described in the Notes to Schedule B will not be fully in effect. In all instances, however,

including during the Waiver Period, Unit Owners will remain responsible for the payment of real estate taxes applicable to and utility charges consumed within their Units, regardless of whether the Units have been separately assessed. Sponsor will terminate the Waiver Period upon thirty (30) days' prior written notice to Unit Owners, after which the Schedule B and all Building services disclosed in the Notes to Schedule B will be in effect and the collection and payment of Common Charges will commence.

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

If Sponsor elects to delay and waive the collection of Common Charges, Sponsor will disclose the implementation of the Waiver Period in a closing notice to Purchasers, which notice shall state the services that will be available as of the date of the first Unit closing and the expected duration of the Waiver Period, and in the post closing amendment to this Plan, and will file a subsequent amendment to the Plan disclosing the expiration of the Waiver Period. See the section in Part I of this Plan entitled "Rights and Obligations of Unit Owners and the Board of Managers."

34. At Sponsor's election, a Purchaser may rent a Residential Unit pursuant to an Interim Lease for the contracted-for Unit prior to the Closing and prior to or after consummation of this Plan, in the form included in Part II of this Plan. No rental protection laws are applicable to Interim Leases. It will be a default under the Interim Lease if the Purchaser-occupant fails to comply with all of the Purchaser's obligations under the Purchase Agreement. It will be a default under the Purchase Agreement if the Purchaser-occupant fails to comply with all of the Purchaser-occupant's obligations under the Interim Lease, which default will permit the Sponsor to cancel the Purchase Agreement. See the section in Part I of this Plan entitled "Interim Leases."
35. A Unit Owner may sell or lease his, her or its Unit subject only to the right of first refusal exercisable by the Board of Managers, if applicable, and may mortgage his, her or its Unit, without restriction, with a lender. See the "By Laws" in Part II of this Plan.
36. Immediately prior to the first Unit Closing or as soon thereafter as necessary information is available, the Sponsor shall apportion certain typical real estate closing items with the Board of Managers as of midnight of the day immediately preceding such Closing. If the result of the closing adjustments is a net credit in favor of the Condominium, the Sponsor shall make a contribution to the working capital fund in the amount of such net credit. If, however, the result of the closing adjustments is a net credit in favor of the Sponsor, same will be paid to the Sponsor by the Board in twelve (12) equal consecutive monthly installments pursuant to the terms of twelve (12) negotiable serial promissory notes to be executed by the Board at the first Closing. The first of these serial promissory notes will mature two (2) months after the date upon which the first Closing takes place and the balance will mature monthly thereafter. Each serial promissory note will contain a

- provision allowing the Sponsor to accelerate the note's maturity date in the event of a default under any other serial promissory note, in which case interest shall be due and payable on the compound sum of the lesser of 16% per annum or the highest rate permitted by law, such interest to accrue from the date payment was initially due until payment of said sum plus all such interest is made in full.. The Board of Managers will be entitled to prepay each serial promissory note, in full only, at any time and without penalty. Payments of the serial promissory notes may be withdrawn from the Working Capital Fund. In the event the Working Capital Fund is insufficient to fully pay off the serial promissory notes, payment of the balance of the same shall be a Common Expense that will increase the Common Charges. The Sponsor will disclose any such closing adjustments made as of and in the post-closing amendment to this Plan. See the section of this Plan titled "Closing Adjustments with the Condominium Board."
37. The original building that forms a part of the Property was built prior to 1960. There could be lead-based paint on the walls and ceilings throughout the Building because buildings built prior to 1979 may contain lead-based paint and buildings built prior to 1960 are presumed to contain lead-based paint. The ingestion of lead-based paint poses serious health risks, especially in children. Purchasers are advised to familiarize themselves with NYC Local Law 1 of 2004. Purchasers for investment are advised that there are certain occupancy and turnover requirements contained therein. Purchasers for their own occupancy, particularly those with children, are additionally advised to consult with a professional to determine the existence of, and appropriate remediation for, lead-based paint. The Purchase Agreement provides a Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards and further provides a Purchaser with sufficient opportunity to conduct a lead-based paint assessment. The Purchaser is required to execute and deliver to Seller the Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards simultaneously with the Purchase Agreement. Furthermore, Part II of this Plan contains a pamphlet entitled "Protecting Your Family from Lead in Your Home." See the sections of this Plan entitled "Procedure to Purchase" in Part I and "Purchase Agreement," "Description of Property and Improvements" and "Protecting Your Family from Lead in Your Home" in Part II.
38. A Purchaser shall have no right to assign its Purchase Agreement without the prior consent in writing of Sponsor. Sponsor's refusal to consent to an assignment shall not entitle Purchaser to cancel its Purchase Agreement or give rise to any claim for damages against Sponsor. If Sponsor, in its sole discretion, shall consent to an assignment, the same shall be subject to the conditions that (a) Purchaser wishing to assign its Purchase Agreement has executed the Purchase Agreement and tendered the required Down Payment; (b) the assignment in a form approved by Sponsor is executed and delivered by the respective assignee no later than thirty (30) days prior to the Closing Date; and (c) Purchaser or the assignee pays Sponsor's attorney a fee of \$500 for legal services in connection with the assignment. See the section in Part I of this Plan entitled "Assignment of Purchase Agreements" and the Purchase Agreement included in Part II of this Plan.

39. The number of members of the Board may not be increased without the consent of the Sponsor for so long as Sponsor owns one Unit. The Sponsor may not exercise veto power over expenses described in “Schedule B – Projected Budget for First Year of Condominium Operations,” or over expenses required to comply with applicable laws or regulations, or to remedy any notice of violation, or to remedy any work order by an insurer or to remedy matters posing imminent danger to the health and safety of the occupants of the Building. The Sponsor may exercise veto power over expenses other than those described in the preceding sentence until five (5) years after the Closing of the first Unit or until the Unsold Units constitute less than twenty five (25%) percent of the Common Interest, whichever is sooner. See the section of this Plan entitled “Control by Sponsor.”
40. Each Residential Unit will be provided with, and each Unit’s purchase price includes, only the equipment, appliances and fixtures described in the Description of Property and Specification included in Part II of this Plan, subject to Equal or Better substitutions.
41. The kitchen countertops and other areas in the Residential Units may contain natural stone. Natural stone varies in tone and color, can be porous and may absorb and react to liquids and other substances, resulting in stains, discoloration, etching and/or scratches. After the Closing, a Unit Owner, at the Unit Owner’s sole cost, expense and discretion, can arrange with a professional of its choosing to have a protective film applied to stone surfaces in its Unit. Purchasers are advised that the application of a sealer or protective film to stone does not guarantee that stain, discoloration, etching or scratching will not occur. Sponsor makes no representation or warranty that any natural stone in a Unit will maintain its appearance after they are subject to use or about the color or cohesion of the stone. In addition, Sponsor is not responsible for variations in tone or color of, or normal scratches, etching or discoloration on, of or to, any natural stone in a Unit. See the section in Part II of this Plan entitled “Description of Property and Specifications or Building Condition.”
42. In accordance with Board of Managers of 184 Thompson Street Condominium v. 184 Thompson Street Owner LLC, et al, 106 A.D. 3d542 (1st Dept. 2013), the principals of Sponsor expressly disclaims the existence of any private right of action for contract claims by individual unit owners (or a board on their behalf) in connection with or arising solely from the principals’ execution of the Certification of Sponsor and Principal, absent liability under another statute or under an alter-ego or other veil-piercing theory. See the form of “Purchase Agreement” set forth in Part II of the Plan.
43. Purchasers of Unit 1 should note that portions of such Unit are located in the Building’s cellar. Such portions of the Unit may not be used as bedrooms or living rooms or contain full bathrooms, all of which would be violations under the NYC Building Code. Such portions of the Units are also more susceptible to dampness and have less light and air than ordinary living space.

Purchasers of Units 2 and 3 should note that the storage spaces appurtenant to those Residential Units are located in the Building's cellar and, therefore, more susceptible to dampness.

Purchasers should note that Limited Common Elements may not be used as bedrooms or living rooms, all of which would be violations under the NYC Building Code.

See the Description of Property and Schedule A in Part I of this Plan and the Floor Plans in Part II of this Plan.

44. The Building will be self-managed. No manager or management contract is provided for. The Board will be responsible for, among other duties, operating and maintaining the Property, hiring and supervising any staff, purchasing supplies, effecting insurance coverage, paying all Condominium accounts, collecting common charges and assessments, and retaining and assisting accountants to prepare tax returns and annual statements. If in the future the Board of Managers retains the services of a managing agent, the fee for same will result in increased common charges. See the sections in Part I of this Plan titled "Notes to Schedule B" and "Management Agreement, Contracts and Leases."

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DEFINITIONS

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

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

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

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

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

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

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

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

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

- a. Voting power;
- b. Share of Common Expenses;
- c. Share of any distribution upon termination of Condominium ownership.

10. Condominium - The Units and Common Elements constitute the Condominium to be located at 286 1st Street, Brooklyn, NY 11215 and to be known as "286 1st Street Condominium."

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

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

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

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

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

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

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

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

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

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

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

22. JAMS – Formerly known as Judicial Arbitration and Mediation Services, Inc., JAMS is a United States-based for-profit organization of alternative dispute resolution services, including mediation and arbitration.

23. Land – The parcel of land upon which the Building is situated and known as 286 1st Street, Brooklyn, NY 11215, as more fully described in the Declaration.

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

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

26. Plan - This offering plan describing the sale of Units at 286 1st Street, Brooklyn, NY 11215, including the Exhibits.

27. Property - The Land and the Building.

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

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

30. Residential Units – Units 1, 2 and 3, as described in the Floor Plans.

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

32. Selling Agent – Corcoran, a real estate brokerage firm retained by the Sponsor to market the Units, with an address at 125 Seventh Avenue, Brooklyn, NY 11215, or other persons or entities designated from time to time by the Sponsor to be its agent in the sale of Units. The Selling Agent and its personnel may not bind the Sponsor or make any representation on behalf of the Sponsor.

33. Sponsor – 286 1st St LLC, the company making the offering described in this Plan. 286 1st St LLC has an address at 689 Degraw Street, Apt. 1, Brooklyn, NY 11217. It is formed under the laws of the State of New York.

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

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

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

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

INTRODUCTION

286 1st St LLC (“Sponsor”) presents this offering plan (“Plan”) to describe the submission to condominium ownership of the Land and the Building known as 286 1st Street, Brooklyn, NY 11215 and all appurtenances thereto and the sale of Units in the Condominium. The Condominium will be known as “286 1st Street Condominium.” The Condominium will contain three (3) Residential Units, all of which are vacant and offered for sale.

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

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

The Sponsor of this Plan is 286 1st St LLC. The Sponsor acquired title to the Property on August 17, 2023. The Property will contain a Building containing three (3) Residential Units and the Limited Common Elements set forth in Note 8 to Schedule A and in the Declaration.

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

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

The Sponsor may abandon this Plan or provide financially responsible entities or individuals who will assume the status and all of the obligations of the Sponsor under this Plan, in either case in accordance with applicable legal requirements. If this Plan is abandoned, all Purchase Agreements will be terminated and all Down Payments will be promptly returned to Purchasers. However, all Purchase Agreements will remain in full force and effect if a financially responsible successor sponsor is provided. This Plan may be abandoned by the Sponsor, at its sole and unrestricted option, at any time before it is declared effective by an amendment together with form RS-3 filed at the Department of Law, but it may not be abandoned once it has been declared effective for any reason other than those set forth in the "Effective Date" section of this Plan.

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

This Plan as currently constituted calls for three (3) Residential Units, as well as the Common Elements. Improvements, if any, being made to the Building by the Sponsor are described in the section of Part II of this Plan entitled "Description of Property and Specifications or Building Condition."

The initial purchase price for each Unit, the percentage of Common Interest allocated to each Unit, the estimated annual Common Charges and other financial information are listed below

in “Schedule A – Schedule of Purchase Prices and Other Financial Details for Each Unit.” **THE PRICES CONTAINED IN THIS PLAN HAVE BEEN SET BY THE SPONSOR WITHOUT ARMS LENGTH NEGOTIATION AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.**

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

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

Features of Condominium Ownership

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

A Unit Owner will be required to pay Common Charges in accordance with the Declaration, By-Laws and Sections 339-i, 339-m and other applicable provisions of the Condominium Act, proportionate to his, her or its respective interest in the Common Elements, for the operation and maintenance of the Property. The Common Charges may include a reserve for contingencies, replacements and/or repairs in such amount as the Board of Managers shall decide is in the best interest of the Condominium. The Board of Managers will determine the Common Charges. See “Schedule B – Projected Budget for First Year of Condominium Operations.” A Unit Owner may use the Unit for any legal purpose, subject to Legal Requirements. Prospective Purchasers should note the use restrictions contained in the Declaration and the By-Laws and described in the section of this Plan entitled “Rights and Obligations of the Unit Owners and the Board of Managers.” Each Unit Owner must comply with the Declaration, the By-Laws and the Rules and Regulations and may lose the right to vote annually for the Board of Managers and be subject to other sanctions if not in compliance with all of the foregoing.

A Unit Owner may sell or lease his, her or its Unit subject only to the right of first refusal exercisable by the Board of Managers, if applicable, and may mortgage his, her or its Unit, without restriction, with a lender.

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

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

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

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

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

During the period that the Sponsor controls the Board, the Sponsor agrees it will enforce its obligations under the Plan and as required by Legal Requirements, and that Sponsor will not vote on any Board votes with respect to bringing an action against the Sponsor. The obligations of the Sponsor hereunder shall be enforceable by the Board of Managers on behalf of Unit Owners. Except as expressly provided herein to the contrary, the obligations of the Sponsor shall be enforceable by individual Unit Owners only if either (i) the Board fails to take reasonable action to enforce such obligations within ninety (90) days following the giving of notice of a claim by a Unit Owner to the Board or (ii) the applicable statute of limitations with respect to any claim by a Unit Owner which would otherwise be enforceable by the Board will expire during the

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

* * * *

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

When notice is required pursuant to the regulations of the Department of Law as described in Part I of this Plan, it shall be effective as follows: service by personal delivery shall be deemed complete upon delivery; service by mailing shall be presumed complete on the fifth day after the date of mailing. Purchasers should note that documents contained in Part II of this Plan may contain different notice provisions in which case such different provision shall apply.

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

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

This Plan consists of Parts I and II, including all schedules, as well as Parts A, B, C and D of the Exhibits submitted to the Department of Law. This Plan constitutes the entire offer of the Sponsor and contains all of the material terms of the transaction. Part I sets forth a general description of the offering and the Condominium. Part II of this Plan contains the basic documents necessary to create the Condominium and otherwise effectuate this Plan. Also included in Part II are a detailed physical description of the Property and certifications as to certain matters discussed in this Plan. All documents referred to in this Plan are important and should be read carefully by prospective Purchasers. Prospective Purchasers should consult an attorney before purchasing a Unit and provide him or her with a copy of this Plan. Copies of this Plan, all documents referred to herein and all Exhibits submitted to the Department of Law in connection with the filing of this Plan, will be available for inspection by prospective Purchasers and their attorneys without charge at the office of the Sponsor's attorney during normal business hours. Copies will also be available for photocopying at a reasonable charge. In addition, copies of this Plan and all Exhibits will be available for inspections without charge and copying at a reasonable fee at the Department of Law, 28 Liberty Street, New York, NY 10005.

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

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The Property is located on 286 1st Street, in the Park Slope neighborhood of Brooklyn.

The Building contains a cellar, three floors, a penthouse floor and three (3) Residential Units. The Property will also include the following Limited Common Elements:

Rear Yard

Unit 1 shall have as a Limited Common Element a rear yard (the “**Yard**”), as shown on the Floor Plans. The owners of Unit 1 may use the Yard only in compliance with all Legal Requirements. The owners of Unit 1 and their successors and assigns shall be responsible for the maintenance, repair and replacement of any paving, landscaping, fences, enclosures, walls, or other elements of the Yard, other than the Building walls, as required by Legal Requirements. The Board of Managers shall be responsible for maintenance, repair and replacement of the Building’s exterior walls and other elements of the Building, except that in all events a Unit Owner shall be responsible for any maintenance, repair and replacement of any portion of the Yard or Building’s exterior walls or other elements of the Building, if necessitated by damage caused by the Unit Owner or the Unit Owner’s invitees, tenants, employees, agents or contractors. The Board of Managers and its agents, employees and contractors may have access to all areas of the Yard in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take. In the event such Board actions or repairs require removal or disruption of any element of the Yard, it shall be the responsibility of the Board of Managers to replace such element. The owners of Unit 1 may not perform construction in the Yard unless the owners comply with all Legal Requirements and obtain the prior approval of the Board of Managers, such approval not to be unreasonably withheld, delayed or conditioned.

Terraces

Units 1, 2 and 3 shall each have at least one terrace as a Limited Common Element, as shown on the Floor Plans. The owners of such Units and their successors and assigns shall be responsible for maintenance, repair and replacement of their terrace, including the terrace’s surface, but the Board of Managers shall make any structural repairs to the terrace, including the railings, if any, that are required, except that in all events the Unit Owner shall be responsible for any maintenance, repair and replacement of any portion of the terrace if necessitated by damage caused by the Unit Owner or the Unit Owner’s invitees, tenants, employees, agents or contractors. The Board of Managers and its agents, employees and contractors may have access to the terrace in order to inspect the Common Elements and for any action the Board of Managers is required

or permitted to take. In the event such Board repairs or actions require removal or disruption of any elements of the terrace, it shall be the responsibility of the Board of Managers to replace such elements. The owners of such Unit may not perform construction in their terrace unless the owners comply with all Legal Requirements and obtain the written approval of the Board of Managers.

Decks

Unit 1 shall have a deck as a Limited Common Element, as shown on the Floor Plans. The owners of such Unit and their successors and assigns shall be responsible for maintenance, repair and replacement of their deck, including the deck's surface, but the Board of Managers shall make any structural repairs to the deck, including the railings, if any, that are required, except that in all events the Unit Owner shall be responsible for any maintenance, repair and replacement of any portion of the deck if necessitated by damage caused by the Unit Owner or the Unit Owner's invitees, tenants, employees, agents or contractors. The Board of Managers and its agents, employees and contractors may have access to the deck in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take. In the event such Board repairs or actions require removal or disruption of any elements of the deck, it shall be the responsibility of the Board of Managers to replace such elements. The owners of such Unit may not perform construction in their deck unless the owners comply with all Legal Requirements and obtain the written approval of the Board of Managers.

Balconies

Unit 3 shall have a balcony as a Limited Common Element, as shown on the Floor Plans. The owners of such Unit and their successors and assigns shall be responsible for maintenance, repair and replacement of their balcony, including the balcony's surface, but the Board of Managers shall make any structural repairs to the balcony, including the railings, if any, that are required, except that in all events the Unit Owner shall be responsible for any maintenance, repair and replacement of any portion of the balcony if necessitated by damage caused by the Unit Owner or the Unit Owner's invitees, tenants, employees, agents or contractors. The Board of Managers and its agents, employees and contractors may have access to the balcony in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take. In the event such Board repairs or actions require removal or disruption of any elements of the balcony, it shall be the responsibility of the Board of Managers to replace such elements. The owners of such Unit may not perform construction in their balcony unless the owners comply with all Legal Requirements and obtain the written approval of the Board of Managers.

Storage Areas

Units 2 and 3 shall have as a Limited Common Element a storage area, as shown on the Floor Plans. The owners of such Units may use their storage areas only in compliance with all Legal Requirements and shall be responsible for maintenance, repair and replacement of their

storage areas. The Board of Managers and its agents, employees and contractors may have access to all storage areas in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take. In the event that any such Board action requires removal or disruption of all or any elements of the storage areas, it shall be the responsibility of the Board of Managers to replace such elements.

Mechanical Equipment

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

Skylights

Unit 3 shall have as Limited Common Elements the roof skylights, as shown on the Floor Plans. The owners of Unit 3 shall be responsible for the maintenance, repair and replacement of their skylights and associated flashing, curbing and all other elements of their skylights.

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

Each Residential Unit will be provided with, and each Unit's purchase price includes, only the equipment, appliances and fixtures described in the Description of Property and Specification included in Part II of this Plan, subject to Equal or Better substitutions. Such appliances and fixtures in each Unit include all typical major plumbing fixtures and equipment, a washer, a dryer, kitchen cabinets, a cooktop with hood, an oven, a refrigerator and a dishwasher.

Purchasers of Unit 1 should note that portions of such Unit are located in the Building's cellar. Such portions of the Unit may not be used as bedrooms or living rooms or contain full bathrooms, all of which would be violations under the NYC Building Code. Such portions of the Units are also more susceptible to dampness and have less light and air than ordinary living space.

Purchasers of Units 2 and 3 should note that the storage spaces appurtenant to those Residential Units are located in the Building's cellar and, therefore, more susceptible to dampness.

The original building that forms a part of the Property was built prior to 1960. There could be lead-based paint on the walls and ceilings throughout the Building because buildings built prior to 1979 may contain lead-based paint and buildings built prior to 1960 are presumed to contain lead-based paint. The ingestion of lead-based paint poses serious health risks, especially in children. Purchasers are advised to familiarize themselves with NYC Local Law 1 of 2004. Purchasers for investment are advised that there are certain occupancy and turnover requirements contained therein. Purchasers for their own occupancy, particularly those with children, are additionally advised to consult with a professional to determine the existence of, and appropriate remediation for, lead-based paint. The Purchase Agreement provides a Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards and further provides a Purchaser with sufficient opportunity to conduct a lead-based paint assessment. The Purchaser is required to execute and deliver to Seller the Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards simultaneously with the Purchase Agreement. Furthermore, Part II of this Plan contains a pamphlet entitled "Protecting Your Family from Lead in Your Home." See the sections of this Plan entitled "Procedure to Purchase" in Part I and "Purchase Agreement," "Description of Property and Improvements" and "Protecting Your Family from Lead in Your Home" in Part II.

The Sponsor anticipates that the first Closing of a Unit will occur on or about January 1, 2025, though the Sponsor does not warrant or guarantee any occupancy dates for the Building.

In Part II of this Plan is a detailed description of the Property.

LOCATION AND AREA INFORMATION

The Property is located at 286 1st Street in the Borough of Brooklyn, City and State of New York.

Nearby hospitals include the New York Methodist Hospital and the Brooklyn Hospital Center. Hospitals and medical centers located within the New York City area also include New York Hospital, Cornell Medical Center, Memorial Sloan Kettering, Lenox Hill Hospital, New York University Medical Center, Mount Sinai Medical Center and Columbia Presbyterian Medical Center.

Many private, public and parochial schools on the elementary, middle school and high school levels, and many colleges, universities, and other educational centers, are located in the New York City area.

Accessible transportation are the 2, 3, 4, F, G, D, N, R and W subway lines, extensive bus routes, and taxi and private automobile services.

Services: Police, fire, water, sanitation, and road maintenance services are all provided by the City of New York.

Zoning: The Property is located within an R6B district, which permits residential uses.

Neither the Sponsor nor a principal of the Sponsor owns or has an option or right to acquire any properties adjacent to the Property that are not fully developed. If either the Sponsor or a principal of the Sponsor acquires or gets an option or right to acquire any such adjacent properties, this Plan will be amended within a reasonable time after any such occurrence.

SCHEDULE A

OFFERING PRICES AND RELATED INFORMATION
FOR EACH UNIT FOR THE FIRST YEAR OF CONDOMINIUM OPERATIONS
FROM JANUARY 1, 2025 THROUGH DECEMBER 31, 2025

286 1ST STREET CONDOMINIUM
286 1ST STREET, BROOKLYN, NY 11215

							Ltd. Common						Est. RE Taxes		Est. RE Taxes		Est. Carrying Costs	
							Element						monthly/annually First Year		monthly/annually Second		monthly/annually First	
							Approx. Area						monthly/annually		Year (6)		Year (7)	
Unit	Beds (1)	Baths (1)	Location*	Unit Approx Area sq. ft. (2)	Limited Common Element (8)*	sq. ft. (2)	Offering Price (3)	Interest % (4)	Est. Common Charges monthly/annually (5)			(6)						
1	2	2.5	Cellar	942	Rear Yard	516	\$ 2,500,000.00	44.00%	\$ 1,025.27	\$ 12,303.28	\$ 539.81	\$ 6,477.68	\$ 793.17	\$ 9,518.08	\$1,565.08	\$ 18,780.96		
			Floor 1	1075	Terrace	184												
			Total	2017	Deck	50												
					Condenser	7												
					Total	757												
2	2	2	Floor 2	1086	Storage	40	\$ 1,735,000.00	19.00%	\$ 442.73	\$ 5,312.78	\$ 233.10	\$ 2,797.18	\$ 342.51	\$ 4,110.08	\$ 675.83	\$ 8,109.96		
			Roof Plan		Terrace	27												
					Condenser	7												
			Total	1086	Total	74												
3	3	2	Floor 3	1119	Storage	65	\$ 2,650,000.00	37.00%	\$ 862.16	\$ 10,345.94	\$ 453.93	\$ 5,447.14	\$ 666.99	\$ 8,003.84	\$1,316.09	\$ 15,793.08		
			Penthouse	400	Balcony	36												
			Total	1519	Rear Terrace	581												
					Front Terrace	60												
					Skylights	26												
					Condenser	7												
					Total	775												
Total				4622		1606	\$ 6,885,000.00	100.00%	\$ 2,330.17	\$ 27,962.00	\$ 1,226.83	\$ 14,722.00	\$ 1,802.67	\$ 21,632.00	\$3,557.00	\$ 42,684.00		

* Purchasers should note that (a) the portion of Unit 1 in the cellar labeled in the Floor Plans as "Accessory" may not be used as a bedroom or living room, which uses would be violations under the NYC Building Code, and that such portion of the Unit is more susceptible to dampness and has less light and air than ordinary living space; and (b) the Limited Common Elements may not be used as bedrooms or living rooms, which uses would be violations under the NYC Building Code.

NOTES TO SCHEDULE A

1. Bedrooms and Bathrooms

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

The bedroom/bathroom count does not necessarily conform to counts used by the New York City Department of Buildings or any other government agency. Any Floor Plan or sketch shown to a prospective Purchaser shows only an approximation of the dimensions and layout of a Unit, within reasonable tolerances. Floor Plans are included in Part II of this Plan. Each Unit should be inspected to determine its condition, layout and the position of partitions. The Sponsor reserves the right to change the location of any demising walls used in defining the spaces of any Unit, and thereby change, within reasonable tolerances, the approximate square footage of the Unit so affected.

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

2. Approximate Area

Areas in Schedule A are not based on measurements from the interior surfaces of interior walls of rooms and are significantly greater than the usable floor area of the Units. A Unit's square footage is calculated horizontally approximately to the outside face of the exterior walls of the building and approximately to the unit side of the walls and partitions (dividing the units from corridors, stairs and mechanical spaces), and vertically from the top of the floor slab below (located under the finished flooring materials) to the underside of the ceiling above. Dimensions shall be to the centerline when a partition divides two units. However, any Common Elements located within a Unit shall not be considered a part of the Unit. No Unit shall include any Common Element. Unit area measurements are approximate, within reasonable tolerances. No material change in size or layout may be made unless an affected Purchaser consents if a Purchase Agreement has been executed and delivered to the Sponsor for that Unit and the Purchaser is not in default. No material change in size of the Units will be made without an amendment to the Plan.

3. Offering Prices

The prices presented in Schedule A for Units may be changed only by an amendment to this Plan duly filed with the Department of Law when the change in price is an across-the-board

increase or decrease affecting one or more lines of Units, or is to be advertised, or is a price increase for an individual Purchaser. The Sponsor reserves the right to lower prices and to alter other terms of the Purchase Agreement for a Unit as a result of individual negotiations between the Sponsor and a Purchaser without filing an amendment. Accordingly, it is possible that Purchasers may pay less than is indicated in this Plan. See the section of this Plan entitled “Changes in Price and Units,” below.

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

4. Percentage of Common Interest

A Unit’s percentage of Common Interest is calculated based on a Unit's floor space subject to the location of such space and additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared used, and the overall dimensions of the particular Unit, pursuant to Section 339-i (1) (iv) of the Condominium Act.

5. Common Charges

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

6. Projected Real Estate Taxes

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

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

values and/or tax rates, the amount of income tax deductions with respect to real estate taxes will vary. See the section of this Plan entitled “Real Estate Taxes,” below.

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

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

It is estimated that construction of the Building will be substantially completed by January 1, 2025.

Upon completion of construction, the estimated taxable assessed value for the Building is \$110,750, with an estimated applicable tax rate of 20.10% for the Residential Units. The Department of Finance of the City of New York will allocate the assessed value among the Units. It is anticipated that the allocation will be based on each Unit’s Common Interest but no warranty as to the method of allocation is made to any Purchaser or Unit Owner. Pursuant to Real Property Law Section 581, the assessed value of the Property must be determined without regard for whether the Property is owned on a condominium basis or not. The estimated real estate taxes for the first year of Condominium operations are \$14,722 for the Residential Units. Due to the date in January every year in which New York City conducts assessments and because the real estate tax year commences in July, not January, the estimated real estate taxes shown in Schedule A for the estimated first year of Condominium operations are not based on an assessment of a fully renovated Building. The estimated real estate taxes for the second year of Condominium operations are \$21,632 for the Residential Units.

The Sponsor will not apply for real property tax benefits for the Building or Units, and no representation is made as to the Building’s or a Unit’s eligibility to receive any such real property tax benefits.

Projected real estate taxes for the property were assigned to the Units based on Common Interests. Real estate taxes for an individual Unit will increase in proportion to any increase in real estate taxes for the Condominium as a whole.

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

7. Carrying Charges

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

8. Limited Common Elements

Rear Yard

Unit 1 shall have as a Limited Common Element a rear yard (the “**Yard**”), as shown on the Floor Plans. The owners of Unit 1 may use the Yard only in compliance with all Legal Requirements. The owners of Unit 1 and their successors and assigns shall be responsible for the maintenance, repair and replacement of any paving, landscaping, fences, enclosures, walls, or other elements of the Yard, other than the Building walls, as required by Legal Requirements. The Board of Managers shall be responsible for maintenance, repair and replacement of the Building's exterior walls and other elements of the Building, except that in all events a Unit Owner shall be responsible for any maintenance, repair and replacement of any portion of the Yard or Building's exterior walls or other elements of the Building, if necessitated by damage caused by the Unit Owner or the Unit Owner's invitees, tenants, employees, agents or contractors. The Board of Managers and its agents, employees and contractors may have access to all areas of the Yard in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take. In the event such Board actions or repairs require removal or disruption of any element of the Yard, it shall be the responsibility of the Board of Managers to replace such element. The owners of Unit 1 may not perform construction in the Yard unless the owners comply with all Legal Requirements and obtain the prior approval of the Board of Managers, such approval not to be unreasonably withheld, delayed or conditioned.

Terraces

Units 1, 2 and 3 shall each have at least one terrace as a Limited Common Element, as shown on the Floor Plans. The owners of such Units and their successors and assigns shall be responsible for maintenance, repair and replacement of their terrace, including the terrace's surface, but the Board of Managers shall make any structural repairs to the terrace, including the railings, if any, that are required, except that in all events the Unit Owner shall be responsible for any maintenance, repair and replacement of any portion of the terrace if necessitated by damage caused by the Unit Owner or the Unit Owner's invitees, tenants, employees, agents or contractors. The Board of Managers and its agents, employees and contractors may have access to the terrace in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take. In the event such Board repairs or actions require removal or disruption of any elements of the terrace, it shall be the responsibility of the Board of Managers to replace such elements. The owners of such Unit may not perform construction in their terrace unless the owners comply with all Legal Requirements and obtain the written approval of the Board of Managers.

Decks

Unit 1 shall have a deck as a Limited Common Element, as shown on the Floor Plans. The owners of such Unit and their successors and assigns shall be responsible for maintenance, repair and replacement of their deck, including the deck's surface, but the Board of Managers shall make any structural repairs to the deck, including the railings, if any, that are required, except that in all events the Unit Owner shall be responsible for any maintenance, repair and replacement of any portion of the deck if necessitated by damage caused by the Unit Owner or the Unit Owner's invitees, tenants, employees, agents or contractors. The Board of Managers and its agents, employees and contractors may have access to the deck in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take. In the event such Board repairs or actions require removal or disruption of any elements of the deck, it shall be the responsibility of the Board of Managers to replace such elements. The owners of such Unit may not perform construction in their deck unless the owners comply with all Legal Requirements and obtain the written approval of the Board of Managers.

Balconies

Unit 3 shall have a balcony as a Limited Common Element, as shown on the Floor Plans. The owners of such Unit and their successors and assigns shall be responsible for maintenance, repair and replacement of their balcony, including the balcony's surface, but the Board of Managers shall make any structural repairs to the balcony, including the railings, if any, that are required, except that in all events the Unit Owner shall be responsible for any maintenance, repair and replacement of any portion of the balcony if necessitated by damage caused by the Unit Owner or the Unit Owner's invitees, tenants, employees, agents or contractors. The Board of Managers and its agents, employees and contractors may have access to the balcony in order to

inspect the Common Elements and for any action the Board of Managers is required or permitted to take. In the event such Board repairs or actions require removal or disruption of any elements of the balcony, it shall be the responsibility of the Board of Managers to replace such elements. The owners of such Unit may not perform construction in their balcony unless the owners comply with all Legal Requirements and obtain the written approval of the Board of Managers.

Storage Areas

Units 2 and 3 shall have as a Limited Common Element a storage area, as shown on the Floor Plans. The owners of such Units may use their storage areas only in compliance with all Legal Requirements and shall be responsible for maintenance, repair and replacement of their storage areas. The Board of Managers and its agents, employees and contractors may have access to all storage areas in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take. In the event that any such Board action requires removal or disruption of all or any elements of the storage areas, it shall be the responsibility of the Board of Managers to replace such elements.

Mechanical Equipment

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

Skylights

Unit 3 shall have as Limited Common Elements the roof skylights, as shown on the Floor Plans. The owners of Unit 3 shall be responsible for the maintenance, repair and replacement of their skylights and associated flashing, curbing and all other elements of their skylights.

SCHEDULE B

BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATIONS BEGINNING JANUARY 1, 2025

286 1ST STREET CONDOMINIUM
286 1ST STREET
BROOKLYN, NY 11215

Income

Common Charges (1)	\$27,962.00
Total Common Charges	\$27,962.00

Expenses

Labor (2)	\$6,000.00
Gas Costs (3)	\$0.00
Electricity Costs (4)	\$1,177.00
Water Charges and Sewer Rents (5)	\$3,285.00
Repairs, Maintenance and Supplies (6)	\$2,000.00
Service Contracts (7)	\$950.00
Insurance (8)	\$6,250.00
Management Fee (9)	\$0.00
Legal and Audit Fees (10)	\$2,500.00
Other Expenses (11)	\$1,000.00
Contingency Fund (12)	\$2,000.00
Reserve Fund (13)	\$2,800.00
Total Estimated Expenses	\$27,962.00

NOTES TO SCHEDULE B

1. Common Charges

The estimate of the Common Charges to be billed during the first year of Condominium operation is based upon the assumption that the first year of Condominium operation will be the year from January 1, 2025 to December 31, 2025. The actual first year of operation may be earlier or later than that year.

2. Labor Costs

A visiting part-time superintendent will be an independent contractor. He or she will be on-call 24-hours a day and expected to be at the Building an average of two hours per week to clean the common areas. Her or she will be paid an estimated \$500 per month. The superintendent will maintain the common areas only. Her or she will be responsible for paying all taxes, benefits and insurance required by law from his or her fee. The superintendent will not be a union member. The level of staffing complies with all applicable housing and labor laws, including, but not limited to, the NYC Administrative Code section 27-2052, et.seq.

3. Gas Costs

No gas will be used for the Building.

4. Electricity Costs

The estimated electrical charge of \$1,070 is for lighting the common areas of the Building and use of common building systems. Unit Owners will each arrange directly with the utility company for electricity consumed within Units and will be responsible for paying charges for their own electrical service, an estimate of which is provided in Schedule B-1, below. The budgeted common electrical charges are based on the estimate of 2,378.10 KWH power usage at a rate of \$0.45 per KWH, which includes applicable taxes and surcharges, estimated by Insite East LLC, 13 Greene Avenue, Brooklyn, NY 11238, plus a 10% inflation factor.

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

5. Water and Sewer

Water charges and sewer rents are based upon an estimate by Insite East LLC, 13 Greene Avenue, Brooklyn, NY 11238, based on estimated usage and current rates. Based on an estimated

consumption of 26,905 cubic feet per year at an estimated cost of \$12.21 per 100 cubic feet, the annual cost of water and sewer charges for the Units and Common Elements is estimated to be \$3,285.

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

6. Repairs, Maintenance and Supplies

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

7. Service Contracts

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

- Annual sprinkler inspection - \$600 per year; and
- Annual backflow testing - \$350 per year.

Purchasers should note that the Sponsor expects to enter, but has not yet entered, into contracts with third parties on the Condominium's behalf for the above-referenced services. The above-referenced estimates are based on current market rates for those services and assume applicable taxes.

The budget for the first year of Condominium operation does not provide for the maintenance, repair and replacement of the Building's windows. In accordance with the By-Laws, maintenance, repair and replacement of the windows in any Unit shall be the responsibility of the Unit Owner of such Unit.

8. Insurance

The budget for insurance is based upon a proposal submitted by Admiral Insurance Brokerage Corp., 6833 Shore Road, Brooklyn, NY 11220, and includes the following coverage:

Building (Special Form) Replacement Cost	\$1,800,000
General Liability	\$1,000,000
Boiler & Machinery	Included
Back Up Sewers	Included
Building Ordinance	Included
Estimated Annual Premium:	\$6,250.00
Optional Coverages:	
Umbrella Liability \$1,000,000	\$2,500
Directors & Officers Liability \$1,000,000	\$2,200

This coverage does not include auto liability, fidelity bond or rent insurance, all of which may be available at extra cost, which would be a Common Expense of all Unit Owners.

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

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

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

9. Management Fee

The Building will be self-managed. No manager or management contract is provided for. The Board will be responsible for, among other duties, operating and maintaining the Property, hiring and supervising any staff, purchasing supplies, effecting insurance coverage, paying all Condominium accounts, collecting common charges and assessments, and retaining and assisting accountants to prepare tax returns and annual statements. For more information regarding the duties and responsibilities of managing the Building, see the section of this Plan entitled "Management Agreement, Contracts and Leases." If in the future the Board of Managers retains the services of a managing agent, the fee for same will result in increased common charges.

10. Legal and Audit Fees

Accounting and auditing expenses will consist of a \$1,500 fee for tax filing and preparing the annual financial report to the Condominium Board of Managers for the first year of Condominium operations. The fee is based on a quotation from OG Tax and Accounting Group, 718 3rd Avenue, 2nd Floor, Brooklyn, NY 11232. \$1,000 for miscellaneous legal fees is included in the budget to provide for minor legal services to be rendered in connection with the operation of the Condominium, such as preparation of Board minutes, and is based on the experience of the Sponsor in developing and operating comparable buildings. No warranty is made that the amount shall be sufficient to pay all legal and audit expenses incurred.

11. Other Expenses

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

12. Contingency Fund

This item is included to provide a fund out of which unanticipated expenses or unanticipated increases in one or more items of operating expenses can be paid. However, no warranty is made that the contingency fund will cover all unanticipated expenses and/or increases. If additional funds are required, it may be necessary to increase Common Charges or separately assess all Unit Owners.

13. Reserve Fund

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

* * * *

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

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

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

IN THE OPINION OF FIRST CLASS MANAGEMENT, INC., AN EXPERIENCED PROPERTY MANAGER, THE PROJECTED RECEIPTS ARE ADEQUATE TO MEET THE ESTIMATED EXPENSES FOR THE CONDOMINIUM'S FIRST YEAR OF OPERATION, ASSUMING SUCH FIRST YEAR TO BE THE FISCAL YEAR COMMENCING ON JANUARY 1, 2025. THE FOREGOING SCHEDULES, HOWEVER, ARE NOT INTENDED AND SHOULD NOT BE TAKEN AS A WARRANTY OR GUARANTEE BY ANYONE THAT THE COMMON CHARGES, OTHER INCOME OR EXPENSES FOR THE FIRST YEAR OR ANY SUBSEQUENT YEAR OF OPERATION OF THE CONDOMINIUM WILL BE AS SET FORTH IN SAID SCHEDULES, AND IT IS LIKELY THAT THE ACTUAL INCOME AND EXPENSES WILL VARY FROM THE AMOUNTS SHOWN IN THE SCHEDULE. NO PROVISION IS MADE FOR UNFORESEEN EVENTS OTHER THAN THE CONTINGENCY FUND DESCRIBED ABOVE.

SCHEDULE B-1
FOR FIRST YEAR OF CONDOMINIUM OPERATIONS
JANUARY 1, 2025 – DECEMBER 31, 2025

Each Unit Owner will be responsible for the electricity associated with his, her or its Unit. Electricity costs estimates for the Residential Units include the use of appliances and systems, including heating and cooling, in the Residential Units. The costs were estimated by Insite East LLC, 13 Greene Avenue, Brooklyn, NY 11238, and are based on current electricity charges. Electricity costs are estimated at a rate of \$0.45 per KWH, inclusive of applicable taxes and surcharges. The annual costs are estimated as follows:

Unit	Estimated Annual Electricity Costs
1	\$4,111
2	\$3,256
3	\$4,295

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

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



April 25, 2024

286 1st St LLC
c/o Marcus Attorneys PLLC
13 Greene Avenue
Brooklyn, NY 11238

Re: 286 1st Street Condominium
286 1st Street, Brooklyn, New York ("the "Property")

Dear Sponsor:

I have been a licensed real estate broker engaged in the real estate business in New York State since 2005. I have participated in the sale and rental of properties in the New York City area and am familiar with numerous buildings similar to the building proposed for the Property.

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

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

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

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

Very truly yours,

A handwritten signature in black ink, appearing to read "B. Elesh".

Benjamin F Elesh
Licensed Real Estate Broker
R.E. ID# 10491208657 exp. 10.02.2024

CHANGES IN PRICES AND UNITS

A. Changes in Prices

The offering prices set forth in “Offering Prices and Related Information, Schedule A,” above, may only be changed by a duly filed amendment to this Plan if the change in prices is an across-the-board change affecting one or more lines of Units or Unit models or is to be advertised or is a price increase for an individual Purchaser. However, the Sponsor may enter into an agreement with a Purchaser to sell one or more Units at prices lower than those set forth in Schedule A pursuant to negotiations with an individual Purchaser without filing an amendment.

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

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

B. Changes of Sizes, Layout, Number and Use

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

The Sponsor reserves the right to amend or modify the plans and specifications for the Building in any way (including, without limitation, changing materials, appliances, equipment,

fixtures, and other details) and to substitute in place of any materials, appliances, equipment, and/or fixtures set forth therein or described in the “Description of Property and Specifications or Building Condition” in Part II of this Plan, Equal or Better materials, appliances, equipment, and/or fixtures provided only that any necessary approval of any governmental authority having jurisdiction thereover is first obtained. However, Sponsor shall not (a) substitute equipment or materials of lesser quality or design or (b) change the size or location of the Building, Units or Common Elements if such changes affect the percentages of Common Interest or adversely affect the value of any Unit to which title has closed or for which a Purchase Agreement has been executed and is in effect unless all affected Unit Owners and Purchasers consent in writing to such change.

Notwithstanding the immediately preceding paragraph, no change will be made in the size or number of Units, and/or their respective percentage of Common Interest or in the size or quality of Common Elements, except by amendment to this Plan and, when applicable, to the Declaration.

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

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

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

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

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

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

INTERIM LEASES

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

It will be a default under the Interim Lease if the Purchaser-occupant fails to comply with all of the Purchaser's obligations under the Purchase Agreement. It will be a default under the Purchase Agreement if the Purchaser-occupant fails to comply with all of the Purchaser-

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

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

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

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

Closing, may not be able to obtain insurance for all risks of damage to the Unit and therefore assumes the risk of losses not covered by insurance.

PROCEDURE TO PURCHASE

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

A potential Purchaser must deliver all four (4) copies of the executed Purchase Agreement together with his, her or its good unendorsed check made payable to “Marcus Attorneys, as Escrow Agent” the Down Payment of ten percent (10%) of the purchase price and additional sums due in accordance with this Plan to the Selling Agent, if any is designated by the Sponsor, or to the Sponsor.

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

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

Any time prior to Closing, the Sponsor may check the credit rating of any prospective Purchaser. Such credit check shall be performed in accordance with any applicable laws, rules, or regulations of governmental authorities. Purchasers shall timely provide the Sponsor or the

Selling Agent with any and all information, execute any and all documents, and do any and all other things that the Sponsor may reasonably request to enable the Sponsor to perform such credit check.

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

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

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

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

released from Escrow Account by the Escrow Agent so long as the Sponsor uses the funds for the modifications or special work.

2. Escrow Trust Fund Provisions. (a) The Escrow Agent: The law firm of Marcus Attorneys PLLC (“Marcus Attorneys”), with an address at 13 Greene Avenue, Brooklyn, New York and telephone number 718-643-6555, shall serve as Escrow Agent for Sponsor and the Purchaser. Escrow Agent has designated the following attorneys to serve as signatories: Guillermo Santiago, Jed S. Marcus and Philip Lavender. All designated signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatories on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

(b) The Escrow Account: The Escrow Agent has established the escrow account at Bank of America, located at 76 Court Street, Brooklyn, New York 11201, a bank authorized to do business in the State of New York. The escrow account is entitled Marcus Attorneys PLLC Escrow Account (“Escrow Account”). The Escrow Account is federally insured by the FDIC at the maximum amount of \$250,000 per deposit. Any deposit in excess of \$250,000 will not be insured. All such deposits made by Purchasers will be aggregated for the purpose of the maximum FDIC insured amount. Purchaser funds held with Bank of America may factor into such \$250,000 insurance limit.

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

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

The main Escrow Account will be an IOLA account and interest will not be credited to any party. If, however, the Purchaser returns, along with executed Purchase Agreements and the Down Payment, an executed W-8 or W-9 form, as the case may be, and requests an interest bearing account in writing, then the Down Payment shall be deposited in an interest bearing sub-account and interest will be credited to the Purchaser. The interest would be at the rate of interest set by Bank of America. Failure by a Purchaser to comply with these terms shall result in the Down Payment being deposited in the main IOLA account without any interest being credited to any party. No fees of any kind may be deducted from the Escrow Account, and the Sponsor shall bear all costs associated with the maintenance of the Escrow Account.

(c) Notification to Purchaser: Within five (5) business days after the Purchase Agreement has been tendered to Escrow Agent along with the Down Payment, the Escrow Agent shall sign the Purchase Agreement and place the Down Payment into the Escrow Account. Such deposit in

the Escrow Account may be made even though the Sponsor has not accepted the Purchase Agreement of the Purchaser. Furthermore, Escrow Agent's execution of the Purchase Agreement prior to Sponsor's execution thereof and prior to delivery of a fully executed Purchase Agreement to the Purchaser shall not, in any way whatsoever, constitute acceptance of the Purchase Agreement by the Sponsor. With ten (10) business days of the placing the Down Payment 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 Down Payment, if any. Any deposits made for upgrades, extras, or custom work shall be initially deposited into the Escrow Account, and released in accordance to the terms of a written agreement between Purchaser and Sponsor.

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

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

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

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

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

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

(iii) by a final order or judgment of an arbitrator, as set forth herein. Any dispute regarding the disposition of Deposit funds must be submitted to "Expedited Arbitration". Expedited Arbitration means a binding arbitration proceeding held in New York County administered by JAMS, or if JAMS is no longer providing such service to another private

alternative dispute resolution provider selected by Sponsor which is not affiliated with Sponsor (the “ADR Provider”) and conducted, to the extent consistent with the Purchase Agreement, in accordance with the then prevailing rules and expedited procedures of the ADR Provider (the “ADR Rules”). Accordingly, by submitting to Expedited Arbitration, the parties to the Purchase Agreement waive the right to bring suit in court concerning disputes under the Purchase Agreement and agree to accept the Arbitrator’s decision as final. There is generally no right to appeal. The right of the parties to be represented by counsel and to submit data, memoranda and similar material in support of their respective positions, and the ability of the parties to obtain documents, witness statements and other discovery may be more limited in Expedited Arbitration than in court proceedings. After hearing the dispute, the Arbitrator shall be obligated to render a determination (the “Award”) within the applicable time period under the ADR Rules for the rendering thereof. The Award shall be final and binding upon the parties. Any motion to confirm or vacate the Award must be filed in a federal or state court located in the City, County and State of New York. The parties shall bear the costs of their own expenses and witness preparation. The parties shall equally share the costs of the JAMS administrative fees, including the Arbitrator’s compensation. At the conclusion of the hearing, the Arbitrator shall make his or her determination and shall award to the prevailing party, if any, the costs and attorneys’ fees reasonably incurred by the prevailing party in connection with the Arbitration. The prevailing party shall be reimbursed for its share of the JAMS administrative expenses.

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

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

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

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

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

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

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

(g) Other Important Provisions:

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

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

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

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

YOU, AS THE PURCHASER OF THIS RESIDENCE, MAY REQUIRE THE RECIPIENT OR CONTRACTOR TO DEPOSIT THE INITIAL ADVANCE MADE BY YOU IN AN ESCROW ACCOUNT. IN LIEU OF SUCH DEPOSIT, THE RECIPIENT OR CONTRACTOR MAY, UPON

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

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

5. If a Purchaser defaults under a Purchase Agreement, time is of the essence with respect to the thirty (30) day time-frame within which the Purchaser must cure the default, as provided in the Purchase Agreement. This means that time limits within which the Purchaser must cure the default will be strictly observed, and extensions will not be granted. See the Purchase Agreement, a copy of which is included in Part II of this Plan.

6. The balance of the purchase price is payable at the Closing, unless the Purchase Agreement provides for earlier payments with respect to special work ordered by a Purchaser. The balance shall be paid by wire transfer or by certified or official bank or cashier's check drawn on a bank which is a member of the New York Clearing House Association to the order of "286 1st St LLC," or to such other party or parties as the Sponsor may designate, and delivered to the Sponsor at the Closing.

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

8. The Sponsor anticipates that the first Closing of a Unit will occur on or about January 1, 2025. Except as otherwise set forth below, if the first Unit Closing does not occur within twelve months following January 1, 2025, Purchasers will be offered the right to rescind their Purchase Agreements. If this Plan is amended to provide for a later projected date for the first Unit closing, Purchasers will be offered the right to rescind their Purchase Agreements if the first Unit closing occurs more than twelve months following such amended, later date. Purchasers should note that even if the first Unit closing occurs on or before January 1, 2025 (or such other date projected as the date of commencement of Condominium operations at the time the Purchase Agreement was entered into) or within the twelve month period thereafter, the Sponsor may schedule the closings of title to other Units significantly later than such projected date. In such case, provided the Sponsor is otherwise in compliance with its obligations under the Plan, the

Purchaser will not be entitled to terminate the Purchase Agreement (unless the Purchase Agreement contains an outside closing date and the Closing to the Unit does not occur by such outside closing date), or to a right of rescission or to make claims against the Sponsor for damages or losses as a result of such delays and will not be excused from paying the full purchase price for the Unit. PROSPECTIVE PURCHASERS SHOULD THEREFORE CONSIDER CAREFULLY THE POSSIBILITY OF SUCH DELAYS AND SUCH RISKS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT.

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

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

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

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

13. Although a Purchaser may obtain financing from a lending institution or any other source, his, her or its obligation to purchase a Unit pursuant to his, her or its Purchase Agreement is not contingent on obtaining financing for such purchase. Any Purchaser who executes a Purchase Agreement and does not obtain financing may lose his or her deposit if he or she is unable to otherwise raise the monies necessary to pay the balance of the purchase price at the closing of title. Neither the Sponsor nor the Selling Agent, if any, makes any representation as to the terms or availability of any mortgage financing. Prospective Purchasers are, therefore, advised to finalize their financing arrangements before signing a Purchase Agreement. However, prospective Purchasers should be aware that even if a loan commitment is obtained, its term may be fixed and it could expire before the Closing Date.

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

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

- o accept the Purchase Agreement and cause to be returned to Purchaser a fully executed counterpart thereof; or
- o reject the Purchase Agreement offer and, within ten (10) days following such rejection, refund the Down Payment tendered.

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

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

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

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

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

- o Purchaser's failure to pay the balance on the Closing date designated by the Sponsor;
- o Purchaser's failure to duly sign, notarize and deliver at the Closing the Power of Attorney to the Board of Managers pursuant to the Purchase Agreement or to complete the New York City Real Property Transfer Tax Return and New York

State Combined Real Estate Transfer Tax Return and Credit Line Mortgage Certificate or to pay the taxes shown as due on said forms;

- o If applicable, Purchaser's failure to duly sign, notarize, deliver or complete at the Closing any forms or returns necessary for the calculation or recording of the portion of the mortgage tax to be computed in accordance with Section 339-ee of the Condominium Act, or to pay such portion to the Sponsor in reimbursement of mortgage tax which the Sponsor previously paid if the Sponsor had previously placed a mortgage on the Property;
- o The failure to pay, perform or observe any of the Purchaser's other obligations under the Purchase Agreement; and
- o The failure of the Purchaser to observe all the terms, covenants and conditions of an Interim Lease, if any.

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

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

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

22. The Purchase Agreement provides that if the Sponsor is unable (as distinguished from unwilling) to deliver to Purchaser title to the Unit in accordance with the provisions of this Agreement, Sponsor will not be obligated to bring any action or proceeding or otherwise incur any cost or expense to render title marketable. If Sponsor notifies Purchaser of its inability to remedy the defect in title, Purchaser shall have the option (i) to take title subject to such title defect (without any abatement in, or credit against, the Total Purchase Price or claim or right of action against Sponsor for damages or otherwise), or (ii) to terminate the Purchase Agreement. If Purchaser elects to terminate, Sponsor shall instruct the Escrow Agent to return to Purchaser, within ten (10) days after receipt of Purchaser's termination notice, all monies deposited

thereunder, with interest earned thereon, if any. Upon making such refund the Purchase Agreement shall be null and void and neither party shall have any further rights, obligations or liabilities with respect to the other thereunder or under the Plan. The foregoing option must be exercised by written notice given by Purchaser to Sponsor no later than ten (10) days after Sponsor's notice of inability to remedy the title defect. If Purchaser shall not give such notices within said ten (10) day period, it shall be conclusively deemed that Purchaser elected the first option above, to acquire title subject to the title defect.

23. The Sponsor may cancel a Purchase Agreement if any governmental bureau, department or subdivision thereto shall impose restrictions on the manufacture, sale, distribution and/or use of material necessary for the Building and such restrictions shall prevent the Sponsor from obtaining such materials from its regular suppliers or from using same in the Unit; or the Sponsor is unable to obtain materials from its usual sources due to strikes, lockouts, war, military operations and requirements, national emergencies, acts of God; or if the installation of public utilities is restricted or curtailed.

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

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

26. The following fees to Sponsor's attorneys will be payable by a Purchaser at the Closing, unless the Closing does not occur because of a default by the Sponsor or the Sponsor's inability to close: \$3,200 for preparation of legal documents and coordinating the Closing; an additional \$300 attendance fee if, at Purchaser's request and Sponsor's consent, the Closing occurs outside of the Sponsor's attorney's office or other office designated by the Sponsor but in the City of New York or \$500 if in Westchester, Nassau or Suffolk Counties, or an amount determined by the Sponsor's attorney if elsewhere; an additional \$300 fee if the Closing is adjourned at the Purchaser's request on less than forty-eight (48) hours notice (nothing herein shall give a Purchaser a right to adjourn a Closing); an additional \$500 if notice of default is issued, unless the Closing does not occur because of a default by the Sponsor or the Sponsor's inability to close; and an additional \$500 fee if the Purchaser assigns his, her or its Purchase Agreement.

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

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

29. The Financial Crimes Enforcement Network ("FinCEN") has issued a Geographic Targeting Order ("GTO") requiring U.S. title insurance companies to identify and report to FinCEN the natural persons behind certain companies purchasing certain residential real property in New York City without lender financing. FinCEN has revised and extended the Order from time to time, which currently remains in effect until April 18, 2024 but may be subject to further extension. For as long as the GTO remains in effect, U.S. title insurance companies must report to FinCEN the personal identity of purchasers in residential real estate transactions occurring on or after November 17, 2018 in which:

- a. The purchaser is a corporation, partnership, limited liability company or other similar business entity, whether formed under the laws of a state, or of the United States, or a foreign jurisdiction, other than a business whose common stock or analogous equity interests are listed on a securities exchange regulated by the Security Exchange Commission ("SEC") or a self-regulated organization registered with the SEC, or an entity solely owned by such a business;
- b. The purchaser buys residential real property located in the Boroughs of Bronx, Brooklyn, Queens, Manhattan and Staten Island;
- c. The total purchase price is for \$300,000 or more;

- d. The purchase is made without a bank loan or other similar form of external financing; and
- e. The purchase is made, at least in part, using currency (including, without limitation, virtual currency) or a cashiers check, certified check, traveler's check, personal check, business check, money order in any form or a funds transfer.

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

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

32. The original building that forms a part of the Property was built prior to 1960. There could be lead-based paint on the walls and ceilings throughout the Building because buildings built prior to 1979 may contain lead-based paint and buildings built prior to 1960 are presumed to contain lead-based paint. The ingestion of lead-based paint poses serious health risks, especially in children. Purchasers are advised to familiarize themselves with NYC Local Law 1 of 2004. Purchasers for investment are advised that there are certain occupancy and turnover requirements contained therein. Purchasers for their own occupancy, particularly those with children, are additionally advised to consult with a professional to determine the existence of, and appropriate remediation for, lead-based paint. The Purchase Agreement provides a

Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards and further provides a Purchaser with sufficient opportunity to conduct a lead-based paint assessment. The Purchaser is required to execute and deliver to Seller the Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards simultaneously with the Purchase Agreement. Furthermore, Part II of this Plan contains a pamphlet entitled “Protecting Your Family from Lead in Your Home.”

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

ASSIGNMENT OF PURCHASE AGREEMENTS

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

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

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

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

EFFECTIVE DATE

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

- o This Plan may be declared effective (i) by personal service of a notice on every Purchaser or (ii) by commencement of service by mail in the manner required by the regulations of the Department of Law stating that the Plan was declared effective on a particular date, the percentage used to declare the Plan effective and a list of the Units being counted to meet the minimum percentage under the terms of the Plan to declare it effective. A Closing may occur without the Sponsor's submitting an amendment to the Department of Law to declare the Plan effective. However, the Sponsor must comply with the regulations of the Department of Law when submitting a post-Closing amendment.
- o This Plan may not be declared effective unless bona fide Purchasers, including investors, have signed Purchase Agreements for at least fifteen percent (15%) of the Residential Units offered under this Plan (i.e., 1 Residential Unit) and until executed Purchase Agreements have been accepted by Sponsor for not less than fifteen percent (15%) of the Residential Units offered under this Plan.
- o The Plan will not be declared effective based on Purchase Agreements:
 - (i) signed by Purchasers who or which have been granted a right of rescission that has not yet expired or been waived; or
 - (ii) if the Purchaser was not afforded at least three (3) business days to review the offering plan and all filed amendments prior to executing a Purchase Agreement; or
 - (iii) with any Purchaser who or which is the Sponsor, the Selling Agent, if any, or the managing agent or is a principal of the Sponsor, the Selling Agent or the managing agent or is related to the Sponsor, the Selling Agent or the managing agent by blood, marriage or adoption or as a business associate, an employee, a shareholder or a limited partner; except that such a Purchaser other than the Sponsor or a principal of the Sponsor may be included if the Sponsor has submitted proof satisfactory to the Department of Law establishing that the Purchaser is a bona fide tenant in occupancy or is a bona fide Purchaser who intends that he or she or one or more of his or her family intend to occupy the Unit.
- o This Plan must be declared effective when Purchase Agreements have been accepted by the Sponsor for eighty percent (80%) or more of the Residential Units offered under this Plan (i.e., three (3) Units).
- o This Plan may be abandoned by the Sponsor, at its sole and unrestricted option, at any time before it is declared effective. This Plan will be abandoned by an

amendment together with form RS-3 filed at the Department of Law. Within five (5) days of acceptance of the amendment for filing, all monies paid by Purchasers shall be refunded to them in full with interest, if any.

- o This Plan may not be abandoned once it has been declared effective for any reason other than:
 - a defect in title which cannot be cured without litigation or cannot be cured for less than one-half of one percent of the total amount of the offering; or
 - substantial damage or destruction of the Building by fire or other casualty which cannot be cured for less than one-half of one percent of the total amount of the offering; or
 - the taking of any material portion of the Property by condemnation or eminent domain.

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

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

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

The validity of the Plan's effectiveness shall not be impaired or affected if one or more Purchasers counted for purposes of declaring the Plan effective do not close title. However, in the event that all Purchase Agreements are rescinded or terminated prior to the date of the first

Unit closing, the Sponsor shall re-declare the Plan effective, regardless of whether the Declaration has been recorded in the Office of the City Register.

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

TERMS OF SALE

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

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

The Sponsor is not obligated to perform any work and is obligated to provide only the equipment, fixtures, and furnishings described in the "Description of Property and Specifications or Building Condition" in Part II of this Plan. If a Purchaser requests that the Sponsor perform other or additional work or provide other or additional equipment, fixtures or furnishings, and Sponsor, in the Sponsor's sole discretion, agrees to perform such work or to provide such equipment, fixtures or furnishings, then Sponsor may require the Purchaser to first deposit with the Escrow Agent the amount Sponsor determines to be the cost of such work or such equipment,

fixtures or furnishings. The Sponsor shall not be bound to perform such work or provide such equipment, fixtures, or furnishings unless the special work and the cost thereof is memorialized in a writing executed by the Sponsor and the Purchaser. In no event shall the presence of any furniture, furnishings, equipment, material or other features in any model apartment imply or represent that any Unit will be other than as described in the "Description of Property and Specifications or Building Condition."

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

Each Purchaser of a Unit shall be given a reasonable opportunity to examine his, her or its Unit prior to Closing and is urged to make a careful inspection of the Unit. At the Closing, each Purchaser shall be required to sign and deliver to Sponsor a Final Inspection Sheet substantially in the form set forth as Exhibit C to the Purchase Agreement in Part II of this Plan wherein the Purchaser acknowledges the condition in which he, she or it has received his, her or its Unit. Under no circumstances shall any item included on a Final Inspection Sheet constitute grounds for a Purchaser to postpone or otherwise delay the date scheduled for Closing.

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

- o The Declaration,
- o The Floor Plans,
- o The By-Laws,
- o The state of facts an accurate survey of the Property would show, provided title to the Unit is not rendered unmarketable,

- o The Power of Attorney as required in the Purchase Agreement, a form of which Power of Attorney is included in Part II of this Plan,
- o Mortgages and UCC financing statements, if any, against any portion of the Property other than the Unit, which are subordinated to the Declaration,
- o Standard printed exceptions contained in the form of title insurance policy then issued by the title insurance company insuring the Purchaser's interest in the Unit,
- o Building restrictions and zoning regulations and ordinances and any amendments thereto now or hereafter adopted by any governmental or quasi-governmental authority having jurisdiction which are not violated by the Building and which do not prevent the use of the Building described in this Plan,
- o Existing violations of building, fire, electrical and similar codes, laws, rules and regulations, subject to the Sponsor's obligation to cure violations as described in the section of this Plan entitled "Rights and Obligations of Sponsor," below,
- o Encroachments of retaining walls, fences, bay windows, fire escapes, stoops, banisters, areas, cellar steps, doors, railings, air conditioners, balconies, drain, vent and other pipes, electrical conduits, lights, trim, foundation, cornices, if any, and similar projections on, over and under the Property and encroachments on to streets, highways and adjoining premises by improvements on the Property, and the rights of governmental authorities to require the removal of any such projections and variations beyond record lines of the Property,
- o Consents by the Sponsor or the owner or any former owner of the Property for the erection of any structure or structures on, under, or above any street or streets on which the Property may abut,
- o Any other covenants, restrictions, easements or agreements of record, if any, which are not violated by the Building or its use described in this Plan,
- o Any state of facts a physical inspection of the Property would disclose,
- o The terms and conditions of this Plan and any amendments thereto,
- o The lien of any unpaid Federal or State or New York City taxes, provided Sponsor, at the Closing, makes such deposit or guarantee as might be reasonably required by the Purchaser's title insurance company to issue to the Purchaser a policy of title insurance insuring against the collection of such taxes out of the Unit,

- o The revocability of the right to maintain street vaults and other areas under or projections over any sidewalk, if any, and the lien of unpaid vault charges (which are to be paid by the Board of Managers),
- o Any easement or right of use created in favor of any public utility company and the right to install, use, maintain, repair and replace wires, lines, facilities, connections, equipment and the like upon, under and across the Property,
- o Service, maintenance, employment, management and license contracts and agreements, if any, described in this Plan,
- o The lien of unpaid water charges and sewer rents, which shall be paid by the Board of Managers,
- o The lien of unpaid Common Charges and real estate taxes, which shall be apportioned as of the Closing,
- o The lien of any unpaid assessments payable in installments, except the Sponsor will pay all such installments due and payable prior to the Closing date, and the Purchaser will be obligated to pay all installments due at or subsequent to the Closing Date (however, the then current installment shall be apportioned at the Closing),
- o Any other matter or encumbrance as to which Cornerstone Land Abstract or any other reputable title insurance company licensed to do business in New York would be willing, in a fee title insurance policy issued by it to the Purchaser, to insure the Purchaser that such matter or encumbrance (a) will not be collected out of the Unit if it is a lien, and (b) will not prevent the use of the Unit for dwelling purposes,
- o Any other declaration or other instrument affecting the Property that the Sponsor deems necessary or appropriate to comply with any Legal Requirement.

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

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

Elements on the date the Declaration is filed and necessary for the operation of the Building and which is the property of the Sponsor unless specifically excepted in this Plan.

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

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

A copy of plans for the Building, approved in accordance with Section 300 of the Multiple Dwelling Law, has been submitted to the Department of Law.

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

UNIT CLOSING COSTS AND ADJUSTMENTS

General

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

Closing Adjustments

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

- o Real estate taxes (including all prepaid real estate taxes), on the basis of the quarter or semi-annual installment (as the case may be) due with respect to the period including the Closing date.
- o Assessments, if any, payable in installments based on the due date of the installments, regardless of when the assessment became a lien.

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

Article V, Section 1 of the By-Laws provide that if at the time of the Closing of the first Unit, Units have not been separately assessed for real estate tax and assessment purposes, Common Expenses shall include real estate taxes and assessments on the Property until the Units are separately assessed. After the Units are separately assessed, the Board of Managers will reimburse Unit Owners for any overpayment of taxes or assessments or assess Unit Owners for any underpayment of taxes or assessments.

- o If water charges and sewer rents are separately assessed against the Unit, such charges shall be apportioned on the basis of the usage per day based on the last meter reading and the number of days between the last meter reading and the Closing date.
- o The estimated Common Charges for each Unit, as shown in “Offering Prices and Related Information, Schedule A,” above, for the month in which title closes.

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

If the assessed valuation of the Units for the tax year in which the first Closing occurs or in any subsequent tax year is reduced and the real estate taxes predicated thereon are reduced or a credit or refund is issued for the benefit of a Purchaser of a Unit as a result of tax certiorari applications or proceedings instituted by the Sponsor, whether by settlement or otherwise in the Sponsor’s sole discretion, the Board of Managers shall, upon request of the Sponsor, reimburse

the Sponsor for the actual cost of any such tax certiorari applications or proceedings (including Sponsor's reasonable attorneys' fees) incurred by the Sponsor that are allocable to the time periods after the date of the first Closing. The Sponsor shall, upon request of the Board of Managers, furnish the Board with receipts or other proof of such costs. The Board of Managers shall assess against every Unit Owner who has received the benefit of such tax reduction, credit or refund, such costs, in proportion to (a) the time period each Unit Owner has been the owner of his, her or its Unit and (b) each Unit Owner's Common Interest.

Closing Costs

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

- o Owner's (Fee) Title Insurance: If a Purchaser obtains fee title insurance, the Purchaser will pay a premium to his, her or its title insurance company. The amount of the premium will depend upon the amount of insurance requested. Each Purchaser is free to obtain title insurance from a title insurance company of his, her or its choice without being subject to penalties for doing so. The Sponsor makes no representation or warranty as to the cost, terms or availability of such title insurance from any particular title insurance company. Example: The premium for Owner's Title Insurance for a Residential Unit with a purchase price of \$2,500,000 would be approximately \$9,501.

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

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

*First \$35,000 or under.

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

- o Recording Fees: Fees for recording the deed covering the Unit and the power of attorney in favor of the Board of Managers and Sponsor and mortgages, if any. Typical recording charges are \$125 for a deed, \$75 for a power of attorney and \$125 for a mortgage.
- o New York State and New York City Transfer Taxes: In New York, the seller of real property is statutorily obligated to pay and responsible for the payment of the New York State Real Estate Transfer Tax and the New York City Real Property Transfer Tax, and the buyer of real property is statutorily obligated to pay the Mansion Tax and Supplemental Tax, if applicable. However, in sales of condominium units by a sponsor, it is customary for buyers to pay these transfer taxes. Purchasers are advised that under this Plan, the Sponsor is imposing on Purchasers Sponsor's statutory obligation to pay these transfer taxes and, pursuant to the Purchase Agreement, Purchasers are obligated to pay these transfer taxes.

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

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

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

Mansion Tax and Supplemental Tax, are added to the purchase price for recalculating the New York City Real Property Transfer Tax, but only the New York City Real Property Tax is added to the purchase price for recalculating the New York State Real Estate Tax and the Mansion and Supplemental Taxes.

In addition to transfer taxes and the Mansion Tax and Supplemental Tax, Purchasers will also be obligated to pay at Closing any new or supplement tax, or any increase to or modification of existing taxes or rates, on the transfer of condominium units enacted after the date of this Plan (any such tax, an “Additional Tax”), regardless of whether such Additional Tax is by law the primary obligation of the seller or purchaser. Sponsor will amend the Plan to disclose the enactment of any Additional Tax. However, Purchasers will be required to pay such Additional Tax at Closing regardless of whether the Plan amendment disclosing the Additional Tax has been accepted for filing by the date on which the Purchase Agreement is fully executed. Notwithstanding the foregoing, if the Department of Law considers the enactment of an Additional Tax resulting in an increase of 25% or more a material revision adversely affecting the rights, obligations or liabilities of then existing Purchasers, the Department of Law may require Sponsor to offer such Purchasers the right to rescind their Purchase Agreements, in which case such Purchasers will be given the right to rescind their Purchase Agreements and be refunded all monies paid thereunder (with interest earned thereon, if any) within thirty (30) days of presentation of the amendment offering such rescission. However, as to a Purchaser who first became an occupant of the Building after this Plan is filed with the Department of Law, such rescission will be conditioned on the cancellation of any Interim Lease and surrender of possession of his, her or its Unit within thirty (30) days after rescission.

Example: For a Residential Unit with a purchase price of \$2,500,000, the New York State transfer tax would be \$10,000 and the New York City transfer tax would be \$35,625. However: (a) the New York City and New York State transfer taxes must be added back into the purchase price to recalculate the New York City transfer tax, (b) the New York City transfer tax only must be added back into the purchase price to recalculate the New York State transfer tax, and the taxes recalculated so that the taxes actually due would be \$10,142.50 for the State and \$36,275.16 for the New York City tax. The Mansion Tax would be \$25,356.25 and the Supplemental Tax would be \$6,339.06.

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

transfer or mansion taxes or other costs which may be payable in connection with the closing of title

- o Mortgages: If a Purchaser obtains a mortgage loan, then he, she or it will be responsible for paying all closing costs and expenses in connection with the loan in amounts determined by the lender. Generally such costs include: points, a fee charged by the lender's attorney, an appraisal fee, mortgage insurance, fees for recording the mortgage, and an origination fee. The Sponsor makes no representation or warranty as to such Closing costs and expenses or as to availability of mortgage financing. In addition the lender is likely to require the Purchaser to obtain title insurance in the lender's favor and pay the premium for the insurance. Example: For a Residential Unit with a purchase price of \$2,500,000, the lender's fees would typically include the following: an origination fee ("points") of between 0% and 2% of the loan (between \$0 and \$40,000 on a \$2,000,000 loan); lender's attorney fees, typically between \$500 and \$1,000; an appraisal fee, typically between \$500 and \$1,000; plus various other administrative fees totaling between \$500 and \$1,000.

The Mortgagee Title Insurance premium for a mortgage in the amount of \$2,000,000 would be approximately \$1,942.

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

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

*First \$35,000 or under.

For mortgages on Units securing a principal debt or obligation of less than \$500,000, the mortgage tax is \$2.05 for each \$100.00 or major fraction thereof of

the principal amount secured. For mortgages on Units securing a principal debt or obligation of \$500,000 or more, the mortgage tax is \$2.175 for each \$100.00 or major fraction thereof of principal amount secured. Example: For a Unit with a mortgage of \$2,000,000, the Mortgage Tax would be \$43,500, of which \$38,500 would be paid by Purchaser and \$5,000 would be paid by Purchaser's lender.

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

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

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

- o Attorney Fees: The fees of the Sponsor's attorney due at Closing are as follows: \$3,200 for preparation of legal documents and for coordinating the Closing; an additional \$300 attendance fee if, at Purchaser's request and Sponsor's consent, the Closing occurs outside of the Sponsor's attorney's office or other office designated by the Sponsor but in the City of New York or \$500 if in Westchester, Nassau or Suffolk Counties, or an amount determined by the Sponsor's attorney if elsewhere; an additional \$300 fee if the Closing is adjourned at the Purchaser's request on less than forty-eight (48) hours notice (nothing herein shall give a Purchaser a right to adjourn a Closing); an additional \$500 fee if notice of default is issued, unless the Closing does not occur because of a default by the Sponsor or the Sponsor's inability to close; and an additional \$500 fee if the Purchaser assigns his, her or its Purchase Agreement.
- o Working Capital Fund Contribution: The Purchaser will be required to pay an amount equal to three month's Common Charges as shown in Schedule A, above, to provide the Condominium with a working capital fund. This amount will not be kept separate from the general funds of the Condominium and will not be refunded. It is not an advance payment of a Unit's monthly Common Charges. During the period in which the Sponsor is in control of the Board of Managers,

these funds will not be used to reduce Common Charges without the permission of a majority of Unit Owners other than the Sponsor.

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

Based on the information above, the closing costs for a Residential Unit with a purchase price of \$2,500,000 and a mortgage of \$2,000,000 would be:

Owner's Title Insurance	\$9,501
Recording fees	\$200
New York City transfer tax	\$36,275
New York State transfer tax	\$10,142
Mansion Tax and Supplemental Tax	\$31,596
Sponsor's attorney's fee	\$3,200
Working Capital contribution	\$3,065
TOTAL	\$93,979
Mortgage related costs	
Origination fee	\$0 – \$40,000
Lender's attorney's fee	\$500 - \$1,000
Appraisal fee	\$500 - \$1,000
Administrative fees	\$500 - \$1,000
Mortgage recording fee	\$125
Mortgage Title Insurance	\$1,942
Mortgage tax	\$38,500
TOTAL MORTGAGE RELATED FEES	\$42,067 - \$83,567
TOTAL CLOSING COSTS	\$136,046 - \$177,546

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

RIGHTS AND OBLIGATIONS OF THE SPONSOR

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

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

- 1 The Sponsor intends to sell the Units offered pursuant to this Plan and will endeavor in good faith to sell Units offered rather than rent. Sponsor reserves the unconditional right to rent the Residential Units offered pursuant to this Plan after consummation of this Plan. Because the Sponsor is not limiting the conditions under which it will rent rather than sell Units, there is no commitment to sell more units than the fifteen percent (15%) necessary to declare the plan effective and owner-occupants may never gain effective control and management of the Condominium. If the Sponsor makes a bulk sale of all or some of its Unsold Units, meaning a sale in bulk to a transferee successor sponsor, then the transferee successor sponsor is bound by Sponsor's representations regarding its commitment to sell, and its reservation of the right to rent, the Units as specified herein. The validity of the Plan's effectiveness shall not be impaired or affected if one or more Purchasers counted for purposes of declaring the Plan effective do not close title. However, in the event that all Purchase Agreements are rescinded or terminated prior to the date of the first Unit closing, the Sponsor shall re-declare the Plan effective, regardless of whether the Declaration has been recorded in the Office of the City Register.
- 2 The Sponsor shall defend any suits or proceedings arising out of Sponsor's acts or omissions and indemnify the Board of Managers and Unit Owners with respect to liability due to the Sponsor's acts or omissions. Therefore, except in the case of claims arising out of the acts, omissions or representations of the Sponsor, the Sponsor has no obligation to defend any suits or proceedings, nor to indemnify the Board of Managers or the Unit Owners, except as otherwise stated in the Plan.
- 3 All representations of the Sponsor under this Offering Plan, all the obligations of the Sponsor under the General Business Law and all obligations of the Sponsor under this Plan which are to be performed after the Closing shall survive delivery of the deed to a Unit.
- 4 Except for costs and expenses to be apportioned as described in the section of this Plan entitled "Closing Costs and Adjustments," above, the Sponsor will pay all costs and expenses incurred prior to the establishment of the Condominium or in connection with the sale of all the Units held or owned by the Sponsor (except for costs and expenses specifically made payable by a Purchaser under this Plan), and will pay all selling expenses including, but not limited to, advertising and printing costs, the Sponsor's architect fees, and the costs of filing this Plan and amendments to this Plan. The Sponsor agrees to pay all Common Charges, assessments and real estate taxes with respect to Unsold Units. The Sponsor represents that it has the financial resources to meet its obligations with respect to

Unsold Units. It will fund its financial obligations to the Condominium from its resources and from the proceeds of the sales or rental of Unsold Units. No bond or other security has been posted to secure the Sponsor's obligations with respect to the aforementioned expenses.

- 5 Subject to the Sponsor's right to abandon this Plan due to damage to the Property, as described in the section of this Plan entitled "Effective Date," above, and unless the risk of loss with respect to a Unit has passed to a Purchaser that has taken possession of a Unit, in the event a Unit is damaged by a casualty or other cause between the date a Purchase Agreement is accepted by the Sponsor and the Closing, the Sponsor will repair the Unit if the cost of the repair is less than or equal to one-half of one percent of the purchase price. If the cost of the repair is more than one-half of one percent of the purchase price, the Sponsor may, but is not obligated to, repair the Unit. The Sponsor shall notify Purchaser in writing of its election to repair or not repair the Unit within fifteen (15) days of the damage to the Unit. The date for the Closing will be extended to give the Sponsor reasonable time to repair the Unit if the Sponsor is obligated to repair the Unit or elects to repair the Unit. If the Sponsor repairs the Unit, then the Purchase Agreement shall remain in full force and effect and the Closing shall occur as specified in a notice from the Sponsor to the Purchaser after the repair is completed. If the cost of the repair is more than one-half of one percent of the purchase price and the Sponsor does not elect to repair the Unit, then the Purchaser may either purchase the Unit with a credit of one-half of one percent of the purchase price or rescind the Purchase Agreement, in either case by giving the Sponsor written notice of the Purchaser's choice within thirty (30) days after the Sponsor gives notice of the Sponsor's election not to repair the Unit. If the Purchaser fails to give notice rescinding the Purchase Agreement within said thirty (30) day period, then the Purchaser will be deemed to have chosen to be bound by the Purchase Agreement and to receive the credit of one-half of one percent of the purchase price. Upon Closing, a Purchaser of a damaged Unit will be responsible for all repairs to the Unit and for complying with all Legal Requirements with respect to the condition of the Unit and repairs.
- 6 The Sponsor agrees to procure fire and casualty insurance pursuant to an agreed amount replacement value policy or in an amount sufficient to avoid co-insurance. No representation is made as to the amount of the premium for any insurance, as set forth in "Budget for First Year of Condominium Operation, Schedule B," or otherwise.
- 7 In the event of dissolution or liquidation of the Sponsor or the transfer of ten or more Units or twenty percent (20%) or more of the total number of Units, 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 this Plan, applicable laws or regulations. In the event of dissolution or liquidation, the principals of the Sponsor shall guarantee the performance of such obligations.

- 8 The Sponsor may abandon this Plan or provide financially responsible entities or individuals who will assume the status and all of the obligations of the Sponsor under this Plan, in either case in accordance with applicable legal requirements. If this Plan is abandoned, all Purchase Agreements will be terminated and all Down Payments will be promptly returned to Purchasers. However, all Purchase Agreements will remain in full force and effect if a financially response successor sponsor is provided.
- 9 The Sponsor intends to complete the Condominium in accordance with the building plans and specifications identified in this Plan. The Sponsor will maintain each Unit, and the fixtures and personalty contained therein up to the transfer of title to the Unit in question. Sponsor-installed equipment and fixtures shall be in working order at the time of transfer of title. Purchaser shall examine the Unit with a representative of Seller or Selling Agent, if any, during ordinary business hours prior to the Closing and will sign and deliver to Seller after said examination a Final Inspection Sheet in the form attached to the Purchase Agreement. Any work remaining to be done within the Unit pursuant to the Plan and/or the Purchase Agreement shall be itemized in reasonable detail on the Final Inspection Sheet. Seller shall complete the items on the Final Inspection Sheet either before or within a reasonable time after the Closing but, in no event other than those beyond Seller's control, later than ninety (90) days after the Closing. If the Seller completes any items on the Final Inspection Sheet prior to the Closing, Purchaser shall re-inspect the Unit on the day preceding the Closing and sign off on all items that the Seller completed within the Unit by said date. Purchaser's failure to inspect the Unit prior to the Closing and to re-inspect, if necessary, on the date preceding the Closing or to complete, sign and deliver the Final Inspection Sheet shall not excuse Purchaser from paying the Balance Due at Closing and shall constitute Purchaser's full and unconditional acceptance of the Unit.

The fact that work on the Unit as detailed on a Final Inspection Sheet remains shall not permit a Purchaser to delay a Closing or to claim credit or to require any escrow or otherwise to fail to fully perform a Purchase Agreement. A Purchaser's sole right shall be to require the Sponsor to complete the incomplete work as provided in the preceding paragraph.

- 10 Construction is a complicated process requiring the coordination of numerous tasks and the balancing of complex mechanical and architectural systems. No assurance can be given with regard to the accuracy of any projected completion dates set forth in this Plan. During the first year of Condominium operation,

construction workers and related personnel may be at the Property from time to time to make adjustments and to perform various tasks related to the completion of construction. Various systems, including, but not limited to, water supply, electricity, air conditioning, heating and ventilation, may need to be shut down temporarily.

- 11 In all events, the Sponsor shall have the right to substitute equipment or materials of Equal or Better quality or design, as recognized by industry standards for the respective equipment or material and subject to applicable Legal Requirements, without having to offer rescission to any Purchaser. The Sponsor shall not change the size or location of Units, Common Elements or other improvements if such changes affect the percentage of Common Interest or adversely affect the value of any Unit to which title has closed or for which a Purchase Agreement has been executed and is in effect, unless all affected Unit Owners consent in writing to such change and all affected Purchasers either consent in writing to such change or are given a right of rescission. In addition, unless the affected Purchaser consents, no material change will be made in Unit size, layout, or percentage of Common Interest if a Purchase Agreement has been executed and accepted by the Sponsor for that Unit and the Purchaser is not in default.
- 12 Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a final certificate of occupancy (“FCO”) covering the entire buildings but with only a temporary certificate of occupancy (“TCO”), and sometimes with several successive TCOs. Certificates of occupancy are generally governed by Section 301 of the New York Multiple Dwelling Law and local building codes and rules. Both TCOs and FCOs are issued by the New York City Department of Buildings (“DOB”). A TCO is intended to indicate that the Property is safe for occupancy, and that it conforms substantially to the DOB approved plans and specifications and to the requirements of all applicable laws, rules and regulations for the uses and occupancies specified in the TCO, but means that not all of the construction or renovation work and/or inspections have been performed, or that not all of the required documents for an FCO have been submitted to DOB. No change of use or occupancy shall be made unless a new certificate of occupancy is issued. All TCOs have an expiration date. A TCO typically expires ninety (90) days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance or sell or refinance the Unit. In New York City, it is common for sponsors to commence unit closings when one, some or all units are covered by a TCO rather than a FCO. The Sponsor anticipates this scenario may occur. Sponsor and its principals will undertake the responsibility for obtaining and extending each TCO received for the Building prior to expiration thereof and ultimately for obtaining a FCO covering the Building within two years from the date of the issuance of the first TCO for the Building. However, the Sponsor and

its principals make no representation or guarantee that DOB will issue the FCO within such two-year periods. Furthermore, because Sponsor and the Condominium's By Laws may permit Unit Owners to undertake renovations to individual Units prior to the procurement of a FCO, such renovations may cause additional delays in the issuance of a FCO, including a delay beyond two (2) years from the date of issuance of the first TCO. NOTWITHSTANDING THE FOREGOING, SPONSOR AND ITS PRINCIPALS ARE OBLIGATED TO PROCURE THE FCO FOR THE BUILDING AND SHALL EXERCISE THEIR BEST EFFORTS TO OBTAIN THE SAME WITHIN SUCH TWO-YEAR PERIOD WHILE KEEPING THE TCO CURRENT. Unit Owners and the Board of Managers shall be obligated to cooperate with and refrain from obstructing the Sponsor in these undertakings. Purchasers are advised to visit the DOB website for further recommendations when purchasing a Unit without an FCO having been issued. A Factsheet on certificates of occupancy is available on the DOB website at: <https://www1.nyc.gov/site/buildings/business/certificate-of-occupancy.page> Additionally, Purchasers are advised that because open building permits for Unit Owner alterations may impact the ability to obtain the FCO, Sponsor or the Board may, in order to obtain the FCO or any other reason, impose temporary restrictions or prohibitions on Unit alterations by Unit Owners. See the section of this Plan entitled "Rights and Obligations of the Sponsor."

- 13 If the first Closing will take place prior to the issuance of an Final Certificate of Occupancy ("FCO"), the Sponsor will maintain all deposits and funds in the Escrow Account described in the section of this Plan entitled "Procedure to Purchase," above, unless the Sponsor's architect certifies that a lesser amount will be reasonably necessary to complete the work needed to obtain the FCO. In such cases, the sum exceeding the amount so certified by the Sponsor's architect may be released from the Escrow Account and paid to the Sponsor. Alternatively, the Sponsor may deposit with the Escrow Agent an unconditional, irrevocable letter of credit, or post a surety bond, or provide other collateral, in all three cases in the amount so certified, acceptable to the Department of Law and disclosed in advance in an amendment to this Plan.
- 14 At the first Unit Closing, Sponsor will deliver, assign, or otherwise grant to the Board, on behalf of all Unit Owners, the right to proceed under any assignable warranties and other assignable undertakings received by Sponsor from contractors, suppliers and/or others in connection with the construction and equipping of the Building, including the assignable warranties and assignable undertakings received by Sponsor relating to appliances, equipment and/or fixtures located in the Units and the Common Elements, except that assignable warranties and assignable undertakings received by Sponsor relating to appliances, equipment or fixtures located in any Unit shall be assigned to the Purchaser on the Closing Date. Sponsor does not make any representation as to

which, if any, of the warranties and other assignable undertakings will continue to remain in force upon the Closing of any particular Unit. Sponsor shall have no liability or responsibility in the event a warrantor is unable, unwilling or for any reason, fails to perform under its warranty.

- 15 The Sponsor agrees to pay for all authorized and proper work involved in the establishment of the Condominium to the extent provided in this Plan, and sale of the Units.
- 16 The Sponsor agrees to keep copies of this Plan, the Exhibits and documents referred to in this Plan on file at its office or at the office of its attorney for six (6) years from the date of the first Closing. The Sponsor agrees to deliver a set of “as-built” plans to the Board of Managers to the extent maintained during the Property’s renovation work described herein.
- 17 No bond or other security has been furnished to secure any of the Sponsor's obligations hereunder.
- 18 The Sponsor agrees to repair damage resulting from exercise of the Sponsor’s rights of access and to exercise such rights so as to limit, to the extent practicable, unnecessary interference with use of the Property by Unit Owners, without, however, incurring overtime for labor or other extraordinary charges.
- 19 During the period that the Sponsor controls the Board, the Sponsor agrees it will enforce its obligations under the Plan and as required by Legal Requirements. All the Sponsor's obligations pertaining to the Common Elements shall be enforceable only by the Board of Managers on behalf of the Unit Owners and not by the individual Unit Owners. However, nothing herein shall prevent an individual Unit Owner from bringing an action in his, her or its own capacity against the Sponsor if the Board of Managers has failed to take reasonable action to enforce such obligations within ninety (90) days after an individual Unit Owner gives the Board of Managers notice of a claim. During the time the designees of the Sponsor control the Board, it is within their sole power to enforce the obligations of the Sponsor pertaining to the Common Elements and, therefore, the Sponsor agrees that during such period it will in its capacity as the Board of Managers, enforce such obligations when required to do so by a resolution duly passed by a majority of the Unit Owners, excluding Sponsor, at a special meeting of the Unit Owners called for such purpose. However, during the period that the Sponsor controls the Board, as a result of such control the Board may not enforce the obligations of the Sponsor under the Plan or as otherwise required by law and, in such case, the Unit Owners may have to undertake at their expense enforcement of such Sponsor’s obligation. During the period that the Sponsor controls the Board, the Sponsor agrees it will enforce such obligations pursuant to a resolution passed by a

majority of the Unit Owners, excluding the Sponsor, at a special meeting called for such purpose.

- 20 Before the first Unit Closing, all liens and mortgages affecting the Property shall be paid and satisfied or each mortgagee shall either: (a) consent to the formation of the Condominium and acknowledge that its lien will be limited to Unsold Units; (b) subordinate the lien of its mortgage to the Declaration; or (c) release its lien on the Unit being conveyed and its interest in the Common Elements.
- 21 In accordance with Section 339-p of the Condominium Act, a registered architect or licensed professional engineer shall certify within reasonable tolerances that the Floor Plans filed with the recording of the Declaration are an accurate copy of portions of the plans of the Building as filed with and approved by the municipal or other governmental subdivision having jurisdiction over the issuance of permits for the construction of buildings.
- 22 The Sponsor has the right to use Unsold Units or common spaces within the Building as a sales office and/or model apartment for so long as Sponsor owns an Unsold Units. It is not expected that this would prevent any Unit Owner from using Common Elements for their intended purposes.
- 23 The Sponsor has the right to change prices set forth in Schedule A of this Offering Plan by filing an amendment to this Plan and subject to the provisions set forth in the Changes in Prices and Units section of this Plan.
- 24 The Sponsor reserves the right to rent or lease Units to Purchasers as described in the section of this Plan entitled "Interim Leases," above, and to rent or lease Unsold Residential Units at any time after consummation of this Plan to anyone it may choose without approval of the Board.
- 25 Sponsor reserves the right to delay and waive the collection of Common Charges from Purchasers for a period of time prior to full occupancy of the Building (the "Waiver Period"). During the Waiver Period, Sponsor shall be solely responsible for the timely payment of, and will timely pay, all expenses to operate the Building based on the actual costs of operating the Building, including, without limitation, insurance premiums and reserve fund payments, instead of on the estimates set forth in Schedule B. Such expenses, however, shall not include individual Unit Owner expenses such as, but not limited to, real estate taxes and utility charges consumed within the Units. Therefore, during the Waiver Period, Schedule B will not be in effect and the level of services to the Building described in the Notes to Schedule B will not be fully in effect. In all instances, however, including during the Waiver Period, Unit Owners will remain responsible for the payment of real estate taxes applicable to and utility charges consumed within their Units,

regardless of whether the Units have been separately assessed. Sponsor will terminate the Waiver Period upon thirty (3) days' prior written notice to Unit Owners, after which the Schedule B and all Building services disclosed in the Notes to Schedule B will be in effect and the collection and payment of Common Charges will commence. Upon commencement of collection of Common Charges, there will not be an assessment for any item in the approved budget for the Condominium. Regardless of the Waiver Period, Sponsor shall remain obligated to update the Condominium's budget as required by the Department of Law's governing regulations. If Sponsor elects to delay and waive the collection of Common Charges Sponsor will disclose the implementation of the Waiver Period in a closing notice to Purchasers and in the post closing amendment to this Plan, and will file a subsequent amendment to the Plan disclosing the expiration of the Waiver Period.

- 26 Part II of this Plan contains a limited warranty of materials and workmanship that will be given to a Purchaser upon the purchase of a Unit. The limited warranty is permitted under the provisions of the Housing Merchant Implied Warranty Law (Article 36-B of the New York General Business Law), and limits the Sponsor's total liability under the warranty to seventy-five percent (75%) of the Unit's purchase price. Regardless of any limitations in the warranty or in this Plan, Sponsor is obligated to construct or renovate the Building in accordance with all applicable codes, filed plans and specifications, and locally accepted building practices for items which are not covered by codes, and any conflict between the disclaimers and Sponsor's obligations to construct the Building in accordance with all applicable codes, filed plans and specifications shall be resolved in favor of the latter.

During the period that the Sponsor controls the Board, the Sponsor agrees it will enforce its obligations under the Plan and as required by Legal Requirements. The obligations of the Sponsor hereunder shall be enforceable by the Board of Managers on behalf of Unit Owners. Except as expressly provided herein to the contrary, the obligations of the Sponsor shall be enforceable by individual Unit Owners only if either (i) the Board fails to take reasonable action to enforce such obligations within ninety (90) days following the giving of notice of a claim by a Unit Owner to the Board or (ii) the applicable statute of limitations with respect to any claim by a Unit Owner which would otherwise be enforceable by the Board will expire during the aforesaid ninety (90) day period (in either of which events the Unit Owner may bring an action in the nature of a derivative action against the Board of Managers). However, with regard to the Sponsor's obligations pertaining to the Common Elements, nothing herein shall prevent an individual Unit Owner from bringing an action in his, her or its own capacity against the Sponsor after the aforesaid ninety (90) day period has expired and the Board of Managers has failed to take reasonable action to enforce such obligations within the aforesaid ninety (90) day period. Purchasers should note that during the period that the Sponsor controls the Board, as a result of such control the Board may not enforce the obligations of the Sponsor under the Plan or as

otherwise required by law and, in such case, the Unit Owners may have to undertake at their expense enforcement of such Sponsor's obligation. During the period that the Sponsor controls the Board, the Sponsor agrees it will enforce such obligations pursuant to a resolution passed by a majority of the Unit Owners, excluding the Sponsor, at a special meeting called for such purpose.

o Sponsor's Rights of Access; Alterations

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

- 1) Right of access in, and to, Units and Common Elements for purposes of construction, repair, refurbishment, correction, alterations, finishing, servicing (including but not limited to garbage collection) and similar work anywhere in the Building or at the Property;
- 2) Right to show vacant or leased Units; and
- 3) Right to create and use utility and other easements created for the benefit of Unit Owners and the Board of Managers.

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

(b) Alterations. The Sponsor (and its successors, assigns, designees, employees, agents and contractors) have the right to alter any Unit or Common Element, subject to the rights of Purchasers under binding Purchase Agreements.

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

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

CONTROL BY THE SPONSOR

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

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

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

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

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

During the period that the Sponsor controls the Board, as a result of such control the Board may not enforce the obligations of the Sponsor under the Plan or as otherwise required by law and, in such case, the Unit Owners may have to undertake at their expense enforcement of such Sponsor's obligation. During the period that the Sponsor controls the Board, the Sponsor agrees that (a) it will enforce such obligations pursuant to a resolution passed by a majority of the Unit Owners, excluding the Sponsor, at a special meeting called for such purpose and (b) that it will not vote on any Board votes with respect to bringing an action against the Sponsor. The obligations of the Sponsor hereunder shall be enforceable by the Board of Managers on behalf of Unit Owners. Except as expressly provided herein to the contrary, the obligations of the Sponsor shall be enforceable by individual Unit Owners only if either (i) the Board fails to take reasonable action to enforce such obligations within ninety (90) days following the giving of notice of a claim by a Unit Owner to the Board or (ii) the applicable statute of limitations with respect to any claim by a Unit Owner which would otherwise be enforceable by the Board will expire during the aforesaid ninety (90) day period (in either of which events the Unit Owner may bring an action in the nature of a derivative action against the Board of Managers). However, with regard to the Sponsor's obligations pertaining to the Common Elements, nothing herein shall prevent an individual Unit Owner from bringing an action in his, her or its own capacity against the Sponsor after the aforesaid ninety (90) day period has expired and the Board of Managers has failed to take reasonable action to enforce such obligations within the aforesaid ninety (90) day period.

BOARD OF MANAGERS

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

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

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

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

The Board of Managers shall elect its officers.

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

The initial Board of Managers will consist of three persons designated from time to time by the Sponsor. The Sponsor anticipates that its first three designees will be Claire Wright and Thomas Panitz, Sponsor's principals, and Graeme Simpson, Ms. Wright's husband.

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

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

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

The By-Laws provide that a Unit Owner may remove a Board member appointed by the Unit Owner with or without cause. The Board of Managers may remove a Board member, including a member appointed by the Sponsor, with cause at a meeting of the Board. Officers, including officers appointed by the Sponsor, may be removed by a vote of the Board with or without cause. In the event of removal, the Unit Owner who appointed the removed member may

appoint another person as Board member. In the event of removal for cause of a Sponsor-appointed member, the Sponsor only shall appoint the new member (provided the new appointment takes place within Sponsor's special right to designate two of the three members). The provision for removal of members of the Board of Managers is contained in Article II, Section 5 of the By-Laws.

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

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

Amending the Declaration and the By-Laws

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

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

RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND THE BOARD OF MANAGERS

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

Compliance with the Terms of the Declaration, the By-Laws and the Rules and Regulations

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

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

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

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

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

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

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

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

Owner. If the Board of Managers does not either produce a purchaser or lessee for the Unit or agree to purchase or lease the Unit on behalf of all other Unit Owners as set forth above within the aforesaid thirty (30) day period, the Unit Owner shall have the right to consummate the sale or lease on the terms submitted to the Board of Managers. The rights of first refusal described above are governed by more specific terms set forth in the By-Laws.

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

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

The restrictions upon the sale and lease of Units set forth in this section and the rights of the Board of Managers with respect thereto shall not apply to the Sponsor or its designee or other owner of Unsold Units, or to acquisition by an institutional mortgagee acquiring title in foreclosure or by deed in lieu of foreclosure; the Sponsor, its designee, an owner of an Unsold Unit and any such mortgagee shall be free to sell or lease without first notifying or obtaining the consent or waiver of the Board of Managers and not subject to any right of first refusal. The Board of Managers shall cooperate in providing appropriate physical access to any Unit being so sold or leased and related Common Elements, as well as all financial information regarding the Condominium and the Unit in question.

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

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

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

Notwithstanding the rights of the Board of Managers described above, any Unit Owner who is a natural person may sell or lease his or her Unit to his or her spouse, domestic partner registered as such with the City of New York, adult child, parent, grandparent, parent-in-law or adult sibling, or may convey his or her Unit by gift, devise by will or have it pass by intestacy

without complying with the restrictions described above, provided, however, that each succeeding Unit Owner shall be bound by, and his, her or its Unit shall be subject to, the restrictions described above and as more particularly set forth in the By-Laws. In addition, any Unit Owner that is not a natural person may sell, lease or convey its Unit to a controlled or related entity or person as more particularly set forth in the By-Laws.

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

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

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

Mortgaging of Units by Unit Owners

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

Common Charges and Assessments

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

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

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

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

Under the provisions of Section 339-z of the Condominium Act, the Board of Managers on behalf of the Unit Owners will have a lien on each Unit for unpaid Common Charges, together with the interest thereon. Such lien will be subordinate only to liens for real estate taxes on the Unit and to any sums unpaid on certain first mortgages of record thereon. Any lien for unpaid Common Charges against a Unit may be filed in the Office of the City Register, Borough of Brooklyn and shall be effective until all sums secured thereby with the interest thereon shall have been fully paid or until six (6) years from the date of filing (unless foreclosure of such lien is started within such six-year period), whichever may be earlier. The By-Laws also impose upon a Unit Owner a responsibility to pay the Condominium's attorney fees incurred in connection with unpaid Common Charges and liens with respect thereto. A lien may be foreclosed by a suit brought in the name of the Board of Managers acting on behalf of the Unit Owners in like manner as the foreclosure of a mortgage on real property and/or an action may be brought by the Board of Managers to recover the unpaid Common Charges without foreclosing the lien. Upon the sale or conveyance of a Unit, unpaid Common Charges shall be paid out of the sales proceeds or by the seller, lessor, or transferor, as the case may be. Any seller, lessor or transferor or purchaser, lessee, or transferee, as the case may be, is entitled to a statement from the Board setting forth the accrued amount of unpaid Common Charges against the Unit as of the date of conveyance and

such amount shall be the limit of liability of the seller, lessor or transferor or purchaser, lessee, or transferee, as the case may be, as well as the limit of the lien subject to which the Unit may be conveyed.

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

Under the provisions of section 339-kk of the Condominium Act, if a non-occupying Unit Owner rents his, her or its Residential Unit to a tenant and then fails to make payments due for Common Charges, assessments or late fees for such Unit within sixty (60) days of the expiration of any grace period after they are due, upon written notice by the Board of Managers to the non-occupying Unit Owner and tenant, all rental payments from the tenant shall be directed to the Board of Managers and made payable to the Condominium until such time as all payments for Common Charges, assessments or late fees are made current, at which time the Board of Managers shall provide written notice to the non-occupying Unit Owner and tenant within three (3) business days. Thereafter, all rental payments shall be directed and made payable to the non-occupying Unit Owner or his, her or its designated agent. A non-occupying Unit Owner who or that disputes the Condominium's claim to rental payments pursuant to section 339-kk of the Condominium Act shall be entitled to present facts supporting his, her or its position at the next scheduled meeting of the Board of Managers, which must be held within thirty (30) days of the date that the Board of Managers receives notice that the non-occupying Unit Owner seeks to dispute such claim. Payment by a tenant to the Condominium made pursuant to section 339-kk of the Condominium Act shall relieve that tenant from the obligation to pay such rent to the non-occupying Unit Owner and shall be an absolute defense in any non-payment proceeding commenced by the non-occupying Unit Owner against the tenant for such rent.

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

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

Repairs

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

Unit 1 shall have as a Limited Common Element a rear yard (the “**Yard**”), as shown on the Floor Plans. The owners of Unit 1 may use the Yard only in compliance with all Legal Requirements. The owners of Unit 1 and their successors and assigns shall be responsible for the maintenance, repair and replacement of any paving, landscaping, fences, enclosures, walls, or other elements of the Yard, other than the Building walls, as required by Legal Requirements. The Board of Managers shall be responsible for maintenance, repair and replacement of the Building's exterior walls and other elements of the Building, except that in all events a Unit Owner shall be responsible for any maintenance, repair and replacement of any portion of the Yard or Building's exterior walls or other elements of the Building, if necessitated by damage caused by the Unit Owner or the Unit Owner's invitees, tenants, employees, agents or contractors. The Board of Managers and its agents, employees and contractors may have access to all areas of the Yard in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take. In the event such Board actions or repairs require removal or disruption of any element of the Yard, it shall be the responsibility of the Board of Managers to replace such element. The owners of Unit 1 may not perform construction in the Yard unless the owners comply with all Legal Requirements and obtain the prior approval of the Board of Managers, such approval not to be unreasonably withheld, delayed or conditioned.

Units 1, 2 and 3 shall each have at least one terrace as a Limited Common Element, as shown on the Floor Plans. The owners of such Units and their successors and assigns shall be responsible for maintenance, repair and replacement of their terrace, including the terrace's surface, but the Board of Managers shall make any structural repairs to the terrace, including the railings, if any, that are required, except that in all events the Unit Owner shall be responsible for any maintenance, repair and replacement of any portion of the terrace if necessitated by damage caused by the Unit Owner or the Unit Owner's invitees, tenants, employees, agents or contractors. The Board of Managers and its agents, employees and contractors may have access to the terrace in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take. In the event such Board repairs or actions require removal or disruption of any elements of the terrace, it shall be the responsibility of the Board of Managers to replace such

elements. The owners of such Unit may not perform construction in their terrace unless the owners comply with all Legal Requirements and obtain the written approval of the Board of Managers.

Unit 1 shall have a deck as a Limited Common Element, as shown on the Floor Plans. The owners of such Unit and their successors and assigns shall be responsible for maintenance, repair and replacement of their deck, including the deck's surface, but the Board of Managers shall make any structural repairs to the deck, including the railings, if any, that are required, except that in all events the Unit Owner shall be responsible for any maintenance, repair and replacement of any portion of the deck if necessitated by damage caused by the Unit Owner or the Unit Owner's invitees, tenants, employees, agents or contractors. The Board of Managers and its agents, employees and contractors may have access to the deck in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take. In the event such Board repairs or actions require removal or disruption of any elements of the deck, it shall be the responsibility of the Board of Managers to replace such elements. The owners of such Unit may not perform construction in their deck unless the owners comply with all Legal Requirements and obtain the written approval of the Board of Managers.

Unit 2 shall have a balcony as a Limited Common Element, as shown on the Floor Plans. The owners of such Unit and their successors and assigns shall be responsible for maintenance, repair and replacement of their balcony, including the balcony's surface, but the Board of Managers shall make any structural repairs to the balcony, including the railings, if any, that are required, except that in all events the Unit Owner shall be responsible for any maintenance, repair and replacement of any portion of the balcony if necessitated by damage caused by the Unit Owner or the Unit Owner's invitees, tenants, employees, agents or contractors. The Board of Managers and its agents, employees and contractors may have access to the balcony in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take. In the event such Board repairs or actions require removal or disruption of any elements of the balcony, it shall be the responsibility of the Board of Managers to replace such elements. The owners of such Unit may not perform construction in their balcony unless the owners comply with all Legal Requirements and obtain the written approval of the Board of Managers.

Units 2 and 3 shall have as a Limited Common Element a storage area, as shown on the Floor Plans. The owners of such Units may use their storage areas only in compliance with all Legal Requirements and shall be responsible for maintenance, repair and replacement of their storage areas. The Board of Managers and its agents, employees and contractors may have access to all storage areas in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take. In the event that any such Board action requires removal or disruption of all or any elements of the storage areas, it shall be the responsibility of the Board of Managers to replace such elements.

Each Residential Unit shall have as a Limited Common Element at least one condenser and one hot water heater (the "**Equipment**"), as shown on the Floor Plans. The Unit Owners

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

Unit 3 shall have as Limited Common Elements the roof skylights, as shown on the Floor Plans. The owners of Unit 3 shall be responsible for the maintenance, repair and replacement of their skylights and associated flashing, curbing and all other elements of their skylights.

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

The Board of Managers shall have the right of access to any Unit and Limited Common Element upon prior reasonable notice of at least 48 hours, except in the case of emergencies, for the purposes of inspecting and making any repairs or replacements to any of the Common Elements or to remedy any condition which would result in damage to any Unit or the Common Elements or which would violate the provisions of any mortgage covering another Unit or for the purpose of complying with, and determining the Unit Owner's compliance with, Legal Requirements. The Board's right of access shall be exercised so as not to unreasonably interfere with the use of the Units, but no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the property of the Condominium or the Units or for the safety of Condominium residents or other persons or required to avoid the suspension of any necessary service to the Condominium.

Work in the nature of decorating, which does not involve any structural alterations or any electrical or plumbing work, may be done without a building permit. Most construction, such as a deck or gazebo, the addition of rooms or interior stairs, electrical work and alterations to plumbing, requires a permit from the Department of Buildings and is subject to the requirements of zoning. Certain roof structures and enclosure of a balcony or terrace, if permitted by the Declaration, the By-Laws and Board of Managers, and which may involve the addition of more

enclosed space than is permitted by zoning or which are obstructions in required yards, cannot be built as-of-right and require a variance from the Board of Standards and Appeals. The application for a variance may be opposed by the Board of Managers, and for this reason, among others, may be denied.

Additions, Alterations and Improvements by Board of Managers

Additions, alterations, or improvements may be made by the Board of Managers without approval of Unit Owners, except that (a) no addition, alteration or improvement costing more than \$5,000 shall be made without the approval of the Sponsor and all other owners of Unsold Units as long as there are any Unsold Units (unless such addition, alteration or improvement is necessary in order to comply with Legal Requirements or is necessary to protect the Property from deterioration), and (b) no additions, alterations or improvements costing more than \$5,000 shall be made unless approved by sixty-six and two-thirds percent (66 2/3%%) in number and in Common Interest of the Unit Owners, including the Sponsor or its designee. The Board of Managers shall proceed with duly authorized additions, alterations or improvements and shall assess each Unit Owner his, her or its proportionate share of the cost as part of the Common Expenses or as a special assessment, or shall pay for the addition, alteration or improvement from reserves accumulated for purposes of same or shall borrow funds to pay therefore as described below. Additions, alterations or improvements costing \$5,000 or less may be made by the Board of Managers without approval of Unit Owners and the cost thereof shall constitute part of the Common Expenses.

Whenever in the judgment of the Board of Managers, in connection with the operation, care, upkeep and maintenance of the Common Elements, money must be borrowed on behalf of the Condominium, no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interests or on the Common Elements without the consent of all of the Unit Owners. The Board of Managers may only borrow money on behalf of the Condominium when required in connection with the payment, collection, and disbursement of funds, including reserves, to provide for major and minor maintenance, repairs, additions, improvements, replacements, working capital, bad debts and unpaid common expenses, depreciation, obsolescence and similar purposes, provided, however, that (i) such debt is incurred no earlier than the fifth anniversary of the first Closing of a Unit and (ii) the incurrence of such debt shall require the consent of majority of all Unit Owners in Common Interest and the Sponsor and any other owner of an Unsold Unit as long as there is an Unsold Unit. If any sum borrowed by the Board of Managers is not repaid by the Board, a Unit Owner who pays to the creditor the proportion of the loan equal to the proportion that the Unit Owner's Common Interest bears to the Common Interest of all Units shall be entitled to a release of any judgment or other lien which the creditor shall have filed or shall have the right to file against the Unit Owner's Unit.

Additions, Alterations and Improvements by Unit Owners

Except as provided below with respect to the Sponsor and Unsold Units, (a) no Unit Owner may make any structural addition, alteration or improvement in his, her or its Unit without

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

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

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

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

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

Insurance

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

The amount of fire insurance to be maintained on the Building until the first meeting of the Board of Managers elected by the Unit Owners will be \$1,800,000.

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

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

The Board of Managers shall also obtain to the extent obtainable for commercially reasonable premiums public liability insurance covering the Condominium and each member of the Board of Managers in such amount as the Board of Managers may deem proper and covering all claims for bodily injury or property damage arising out of any occurrence in the Common Elements or the Units, except that such policy will not cover liability of a Unit Owner arising from occurrences within his, her or its own Unit or due to the acts or omissions of Unit Owners, occupants of Units, or invitees, employees, agents or contractors of Unit Owners; and public liability insurance also shall cover cross-liability claims of one insured against another.

Until the first meeting of the Board of Managers elected by the Unit Owners the public liability insurance will be in a limit of \$2,000,000 in the aggregate or \$1,000,000 per occurrence, covering claims for bodily injury and property damage with respect to any one occurrence. For details regarding initial insurance coverage see the footnote to “Budget for First Year of Condominium Operations, Schedule B,” above.

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

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

Restrictions on Occupancy and Use

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

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

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

As more fully set forth in the Declaration, By-Laws and the Rules and Regulations each Residential Unit shall be used only as a residence and for legally permitted uses accessory to

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

A Unit owned or leased by an individual, corporation, partnership, fiduciary or other entity may be occupied only by said individual, or by a designated officer, director, stockholder or employee of such corporation, or by a designated partner or employee of such partnership or by said fiduciary (including designated officers, directors, stockholders or employees of corporate fiduciaries), or by the beneficiary of said fiduciary, or by a principal or designated employee of such other entity, respectively, or by members of the family or guests of any of the foregoing. Within thirty (30) days after a Unit is acquired by an owner other than an individual, such non-individual owner shall notify the Board of Managers of the name of the officer, director, stockholder, partner, employee, principal, fiduciary, or beneficiary designated by such owner to occupy its Unit. The person so designated may be changed from time to time by the non-individual owner by similar written notice to the Board of Managers. However, all designees must be bona fide officers, directors, stockholders, partners, employees, principals, fiduciaries or beneficiaries of the non-individual owner and, under no circumstances, may more than one family occupy a Unit at one time. Guests are permitted only when Unit Owners (or, in the case of Units owned by corporations, partnerships, fiduciaries or other entities, the designees of such Unit Owners) or a family member is present. All of the foregoing restrictions on occupancy shall not apply to Unsold Units.

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

Self-Help

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

Mechanic's Liens and Judgement Liens

Under the provisions of Section 339-1 of the Condominium Act, no lien of any nature may arise or be created against the Common Elements except with the unanimous consent of all Unit Owners. Liens may arise or be created only against the several Units and their respective Common Interest. A lien for labor performed in, or materials supplied to, a Unit may be filed against the Unit of an Owner who has expressly requested or consented to the same, but in the case of emergency repairs the Owner shall be deemed to have consented thereto. No labor performed in, or materials furnished to, the Common Elements shall be the basis for a lien on the Common Elements, but all Common Charges received and to be received by the Board, and the right to receive such funds, shall constitute trust funds for the purpose of paying the such cost of labor performed or materials furnished at the express request of, or with the consent of, the Board or the managing agent and same shall be expended first for such purpose before expending any part of same for any other purpose.

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

Easements

As specifically described in the Declaration, each Unit shall have, in common with all other Units: (a) an easement to use, maintain, repair, alter and replace all pipes, wires, flues, ducts, vents, cables, conduits, public utility lines, equipment and facilities and other Common Elements located in other Units or elsewhere on the Property and servicing such Unit; and (b) an easement for the continuance of any encroachment by such Unit on any other Unit or on any Common Elements existing, or that may come into existence, as a result of (i) the settling or shifting of the Building; (ii) any alteration or repair to the Common Elements made by, or with the consent of, the Board of Managers; or (iii) any repair or restoration of the Building (or any portion thereof) or of any Unit after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any Unit or the Common Elements, so that any such encroachment may remain so long as the Building shall stand. Each Unit shall be subject to the aforesaid easements in favor of all other Units. In addition, each Unit shall have, and shall be subject to, easements of subjacent support and necessity in favor of such Unit or in favor of other Units and the Common Elements.

The Sponsor reserves the right, for itself and its designees (so long as the Sponsor or its designee owns a Unit), and for the Board of Managers to grant such additional electric, transformer, amplifier, gas, television, telephone, communications, sprinkler, fire protection, fire alarm, security, air conditioning, water, storm drainage, sewer or other utility easements or to relocate any existing utility easements as the Sponsor, any of its designees or the Board shall deem necessary or desirable for the proper operation and maintenance of the Building, or any portion thereof, or for the general health or welfare of the Unit Owners, provided that such additional

utilities or the relocation of existing utilities will not prevent, or unreasonably interfere with, the use of the Units for their permitted purposes. Access to any Unit or to the Common Elements in furtherance of such additional or relocated easements shall be exercised in such a manner as shall not unreasonably interfere with the use of the affected Units for their permitted purposes.

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

Termination

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

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

If withdrawal of the Property from this article is authorized... then the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all the Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to any Unit Owner until there has first been paid off out of his share of such net proceeds all liens on his Unit. Such withdrawal of the Property from this article shall not bar the subsequent submission to the provisions of this article in accordance with the terms of this article.

Amendments of By-Laws

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

Units Acquired or Leased by Board of Managers

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

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

Power of Attorney in Favor of Board of Managers

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

Severance of Ownership Prohibited

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

Unit Owners of Unsold Units

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

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

REAL ESTATE TAXES AND TAXES ON THE CONDOMINIUM

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

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

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

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

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

The opinion of the Sponsor's attorney included in this Plan also describes circumstances under which interest paid by a Unit Owner on his or her mortgage indebtedness may be deductible for income tax purposes. As a result of changes in interest rate on the Unit Owner's mortgage

and allocation of constant debt service payments to interest and principal on the Unit Owner's mortgage, the amount of income tax deductions with respect to mortgage interest paid will vary.

It is estimated that construction of the Building will be substantially completed by January 1, 2025. Upon completion of construction, the estimated taxable assessed value for the Building is \$110,750, with an estimated applicable tax rate of 20.10% for the Residential Units. The Department of Finance of the City of New York will allocate the assessed value among the Units. It is anticipated that the allocation will be based on each Unit's Common Interest but no warranty as to the method of allocation is made to any Purchaser or Unit Owner. Pursuant to Real Property Law Section 581, the assessed value of the Property must be determined without regard for whether the Property is owned on a condominium basis or not. The estimated real estate taxes for the first year of Condominium operations are \$14,722 for the Residential Units. Due to the date in January every year in which New York City conducts assessments and because the real estate tax year commences in July, not January, the estimated real estate taxes shown in Schedule A for the estimated first year of Condominium operations are not based on an assessment of a fully renovated Building. The estimated real estate taxes for the second year of Condominium operations are \$21,632 for the Residential Units.

The Sponsor will not apply for real property tax benefits for the Building or Units, and no representation is made as to the Building's or a Unit's eligibility to receive any such real property tax benefits.

Projected real estate taxes for the property were assigned to the Units based on Common Interests. Real estate taxes for an individual Unit will increase in proportion to any increase in real estate taxes for the Condominium as a whole.

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

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

No tax certiorari proceedings challenging the Property's assessed value are pending. The By-Laws provide that the Board of Managers may act as an agent of each Unit Owner who has given his, her or its written authorization to complain or apply to the Board of Assessment Review of the assessing agency by filing a single complaint on behalf of all such Unit Owners pursuant to Section 512 of the Real Property Tax Law and to commence and prosecute a special proceeding

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

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

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

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

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

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

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

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

Real Estate Tax Projection
for
286 1st Street
Brooklyn, New York

Prepared for:
286 1st Street LLC
698 DeGraw Street
Brooklyn, NY 11217

March 21, 2024

March 21, 2024

286 1st Street LLC
698 DeGraw Street
Brooklyn, NY 11217

Attention: Ms. Claire Wright

Re: 286 1st Street
Brooklyn, New York

I, JEROME MAZURSKY, CERTIFY:

THAT I am a real estate appraiser and have many years of experience in the assessment of real estate for tax purposes both as an Assessor in the Borough of Manhattan and as the Department of Finance's Assistant Commissioner of the Real Property Assessment Division;

THAT I have been retained by the sponsor to estimate for inclusion in an Offering Plan to be submitted to the Attorney General, the assessed valuation of the above-captioned property after completion of the renovation and extension of a 3-story residential building and the establishment of a condominium;

THAT in estimating the assessed valuation of the property, I am aware of the construction costs, rental values and offering prices of the units;

THAT I have consulted with personnel in the Property Division of the Department of Finance regarding the current practice in assessing newly-renovated residential condominiums containing no more than three units. Specifically, discussions centered around appropriate land and building factors and income projections for properties similar to the subject in type and location.

I have discovered the following:

- 1) The subject property is located at 286 1st Street in the Park Slope section of the borough of Brooklyn. According to city records, the property is improved with a 3-story, 3-unit residential building (C0) constructed in 1899. The sponsor is in the process of gut-renovating the existing building, extending it in the rear and adding a partial floor. After completion of construction, the property will be converted into a condominium that will contain three (3) residential units.

The property has 20' frontage on the southerly side of 1st Street and extends 100' in depth. It is regularly-shaped and contains 2,000 square feet of ground area. It is identified on the city's tax records as Block 969 Lot 30.

- 2) Completion of the renovation and construction is scheduled for November 2024. The building will contain the following approximate square foot areas and uses:

<u>FLOOR</u>	<u>AREA</u>	<u>USE</u>
Cellar	1,200	Accessory Area Connected to Unit 1, Storage, Laundry and Mechanical Rooms
1	1,200	1-2BR Duplex Apartment (Unit 1)
2	1,200	1-2BR Apartment (Unit 2)
3	1,200	1-3BR Duplex Apartment (Unit 3)
Penthouse	400	Upper Level of Duplex Apartment

- 3) The property is currently assessed in Tax Class 1. After completion of construction and the establishment of a condominium, the units will be assessed in Tax Class 1C under the classification system adopted by the State Legislature in its revision of the Real Property Tax Law (Section 305, Article 1802, and Section 581, applicable to the assessment of cooperative apartments and condominiums).

Tax Class 1 is composed of properties containing 1-3 primarily residential units. Tax Class 1C consists of primarily residential cooperatives or condominiums with no more than three units that prior to conversion was assessed in Tax Class 1. The City's assessment ratio policy for Tax Classes 1 and 1C is to assess at 6% of market value. Increased values are limited to 6% per year or 20% over a five year period.

The 2023/24 Class 1 and 1C tax rates are \$20.085 per \$100. I estimate the tax rates during and after completion of construction at \$20.10 per \$100.

- 4) The recent history of assessed valuations of 286 1st Street is as follows:

<u>2023/24</u>	<u>Land</u>	<u>Total</u>
Actual:	\$ 6,637	\$39,629
Market Value:	\$552,000	\$3,296,000

<u>2024/25</u>	<u>Land</u>	<u>Total</u>
Actual:	\$ 7,032	\$41,994
Market Value:	\$ 530,000	\$3,165,000

- 5) I estimate the assessed valuation, during and after completion of construction, as follows:

<u>2025/26</u>	<u>Land</u>	<u>Total</u>
Actual:	\$7,032	\$104,500
Market Value:	\$530,000	\$4,165,000

<u>2026/27</u>	<u>Land</u>	<u>Total</u>
Actual:	\$7,032	\$110,750
Market Value:	\$530,000	\$4,165,000

- 6) The estimated tax in the first year of operation will not be based on a full value because the renovation will not be completed by January 5, 2024, the taxable status date (see Footnote 1).

The tax liability based on a partial value during the first year of operation is estimated at **\$ 14,722**. In the second year of operation, I estimate the taxes based on a full value at **\$ 21,632**. The calculations are as follows:

Estimated First Year of Operation

$$\begin{array}{l}
 \frac{1/1/2025 - 6/30/2025}{\$41,994^1 \times .201^2 \times .5^3 = \$ 4,220} \\
 \frac{7/1/2025 - 12/31/2025}{\$104,500^4 \times .201^2 \times .5^3 = 10,502} \\
 \textbf{Total:} \quad \quad \quad \textbf{\$ 14,722}
 \end{array}$$

1. 2024/25 Taxable Assessed Value, before completion
2. Estimated Class 1 and 1C tax Rates
3. Part of year
4. Estimated 2025/26 Taxable Assessed Value, after completion

6) continued

Estimated Second Year of Operation

1/1/26 - 6/30/2026

$$\$104,500^4 \times .201^2 \times .5^3 = \$10,502$$

7/1/2026 - 12/31/2026

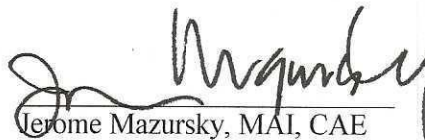
$$\$110,750^5 \times .201^2 \times .5^3 = \underline{11,130}$$

Total: \$21,632

Each unit will be given a separate tax lot number. Individual tax liability may be calculated by apportioning the estimated total tax in accordance with the unit's percentage of common interest as indicated in Schedule A of the Offering Plan.

- 7) This estimate of the assessed valuation has been prepared for inclusion in the Offering Plan, and I consent to its use for this purpose. Although the aforesaid estimate of the Actual Assessed Valuation is a good-faith estimate, it is not possible to estimate same with any degree of certainty. Assessed valuations, when actually made, may be lesser or greater based on our interpretation of the administrative code and the applicable rules and regulations of the City of New York. Although I believe my opinions are well-founded, they are not intended, and should not be construed as warranties as to future assessed valuations of the property under discussion.

In no event will this firm, the Sponsor, the Sponsor's counsel or any other person be liable if the assessed valuation, when actually made, is lesser or greater than that estimated above or if the administrative code and the applicable rules and regulations of the City of New York are changed in the future, or if the facts as represented prove to be untrue.


Jerome Mazursky, MAI, CAE

5. Estimated 2026/27 Taxable Assessed Value

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

May 1, 2024

286 1st St LLC
689 Degraw Street, Apt. 1
Brooklyn, NY 11217

Re: Condominium Offering Plan
286 1st Street Condominium
286 1st Street, Brooklyn, NY 11215

Gentlemen and Ladies:

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

In addition, you have requested us to provide a general description of the federal income tax treatment to 286 1st Street Condominium (the “Condominium”) of assessments payable by unit owners to meet common expenses of the Condominium (“Common Charges”).

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

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

The Plan provides for the establishment of condominium ownership of the land and building and appurtenances thereto, comprising the Condominium, situated at 286 1st Street,

Brooklyn, NY 11215. The Condominium will be comprised of three (3) “Residential Units” and the common elements (“Common Elements”). This opinion addresses the tax consequences that would result from the ownership of a Residential Unit by an individual taxpayer for use as his or her own primary or secondary residence. It does not address the tax consequences of ownership of Residential Units by corporations, other entities or foreign persons.

I. Deductibility of Mortgage Interest and Real Estate Taxes.

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

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

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

(\$375,000 in the case of a married individual filing a separate return). Since the rules and limitations regarding deductibility of home mortgage interest are complex, purchasers are urged to consult their tax advisers regarding the application of such rules to them, as well as regarding the deductibility of interest with respect to their Residential Units for alternative minimum tax purposes (which at present is subject to rules different from those described above for regular tax purposes). In addition, owners of Residential Units should consult their tax advisers regarding potential limitations on the deductibility of points and prepaid interest, if any, on their mortgage loans and on the overall limitation on the allowance of itemized deductions.

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

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

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

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

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

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

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

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

It is our opinion that the Board of Managers will be eligible to elect, on an annual basis, tax-exempt status under Section 528.

In the event that the Condominium does not qualify for, or chooses not to make, the election under Code Section 528, the present state of the law is uncertain as to the proper reporting and tax treatment of the income of the Condominium derived from Unit Owners ("membership income") and others ("nonmembership income") in excess of appropriate deductions and credits. It is possible that the Condominium could be viewed as an agent or conduit for Unit Owners, in which case each Unit Owner would be required to report his or her proportionate share of nonmembership and possibly membership income (and deductions attributable thereto) directly on his or her own tax return. Alternatively, the Internal Revenue Service may take the position that the Condominium should be treated as a separate entity taxable as a corporation. If the Condominium is so treated, it would be subject to tax on its taxable income. In determining its taxable income, the Condominium's deductions attributable to furnishing services to Unit Owners may be limited to its membership income. Certain earnings and profits expended for the benefit of Unit Owners, and possibly rebates, if any, to Unit Owners of excess membership dues, fees or assessments may be treated as dividends to them. In addition, the Condominium would be subject to New York City and New York State franchise taxes.

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

contemplating the purchase of a Unit to consult his or her own tax adviser concerning all such tax matters as well as with respect to the matters discussed in this opinion.

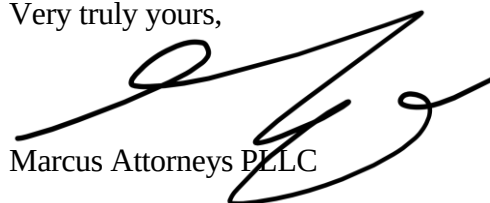
It should be noted that this opinion is based solely on the facts and documents referred to above and is not binding on the Internal Revenue Service, the New York State Department of Taxation and Finance, or the New York City Department of Finance. Moreover, the federal, New York State and New York City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

This opinion is not a guarantee; it is based on existing rules of law applied to the facts and documents referred to above. No assurances can be given that the tax laws upon which counsel base this opinion will not change. In no event will the sponsor, the sponsor's counsel, the board of managers of the condominium, the selling agent, if any, or any other person be liable if there are changes in the facts on which counsel relied in issuing this opinion or if there are changes in the applicable statutes, regulations, decisional law or Internal Revenue Service rulings on which counsel relied which cause the condominium to cease to meet the requirements of Section 528 of the Internal Revenue Code of 1986, as amended or the New York State tax law, as amended and unit owners not to be entitled to income tax deductions (or which cause unit owners not to be or to cease to be entitled to the benefits or the level or duration of benefits described above).

III. Compliance with Real Property Law Section 339-i

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

Very truly yours,

A handwritten signature in black ink, appearing to be a stylized 'M' followed by a flourish, positioned above the firm name.

Marcus Attorneys PLLC

RESERVE FUND

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

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

WORKING CAPITAL FUND AND CLOSING ADJUSTMENTS WITH THE CONDOMINIUM BOARD

Working Capital Fund

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

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

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

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

Closing Adjustments with the Condominium Board

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

- o charges for electricity for the Common Elements;

- o water charges and sewer rents on the basis of the fiscal or calendar year for which assessed;
- o vault charges, if any;
- o any prepaid service contract fees or premiums on transferable insurance policies;
- o any other costs or expenses pertaining to the Property, concerning both a period before and a period after the date of such Closing.

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

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

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

MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

The Building will be self-managed. No manager or management contract is provided for.

The Managing Agent, or if the Building is self-managed, the Board of Managers will perform the following duties, among others:

- (a) cause the Common Elements to be operated and maintained as required by the Board of Managers;
- (b) cause to be hired, paid and supervised, all persons or firms needed for the proper operation and maintenance of the Common Elements;
- (c) take actions to comply with laws, rules and orders applicable to the Common Elements;
- (d) enter into contracts for maintenance services and the purchase of supplies;
- (e) effect insurance coverage required by the Board of Managers;
- (f) cause payment by the Condominium of accounts payable, real estate and other taxes and mortgage debt service applicable to any property owned by the Condominium;
- (g) maintain an operating bank account for the Board of Managers;
- (h) upon request by the Board of Managers, sell and lease Units, lease space in the Building and renew leases;
- (i) supervise the collection of Common Charges and assessments from Unit Owners;
- (j) consider and, when reasonable, attend to complaints of Unit Owners, tenants and subtenants, provided that if the managing agent shall deem any complaint unreasonable it shall so advise the Board of Managers and give reason for its opinion;
- (k) set up and keep in good order the minute books, records and files of the Condominium;
- (l) prepare and file employee reports, forms, etc.;
- (m) cooperate with the accountants and auditors engaged by the Board of Managers in regard to the preparation of all tax returns and annual statements;
- (n) prepare, for consideration of the Board of Managers, proposed annual operating budgets;
- (o) send all notices, reports, etc. to the Board of Managers and Unit Owners;
- (p) supervise the moving in and out of Unit Owners, tenants and subtenants;

- (q) submit monthly statements to the designated officers of the Board of Managers showing collections, disbursements and amounts necessary to reserve or withhold, if any, to meet the obligations of the Board of Managers;
- (r) send to each Unit Owner each year a statement, furnished by the accountants of the Condominium, showing tax data relevant to the Unit Owners;
- (s) make all arrangements necessary for the holding of the meetings of the Unit Owners and the Board of Managers;
- (t) at the direction for the Board of Managers carry out required procedures and give required notifications as set forth in the By-Laws, in connection with exercise of right of first refusal on the proposed sale or lease of Units; and
- (u) generally, do all things reasonably deemed necessary or desirable by the Board of Managers for the proper management of the Property.

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

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

IDENTITY OF THE PARTIES

Sponsor

The Sponsor is 286 1st St LLC, a New York limited liability company with an address at 689 Degraw Street, Apt. 1, Brooklyn, NY 11217. The principals of the Sponsor are Claire Wright and Thomas Panitz, each with a business address at 689 Degraw Street, Apt. 1, Brooklyn, NY 11217.

This is the first condominium conversion project in which both principals have been involved.

Neither the Sponsor nor any principal of the Sponsor has any prior felony conviction. Neither the Sponsor nor any principal nor any person owning or controlling ten (10%) percent or

more of the equity interest of the Sponsor nor any entity in which the principals of the Sponsor were principals has any prior conviction, bankruptcy, injunction or judgement that may be material to this Plan or an offering of securities generally during the fifteen (15) years prior to the submission of this Plan. Except as stated above, neither the Sponsor nor any of its principals has offered for sale any properties as cooperatives, condominiums, planned unit development homes or time shares that were first offered in the five (5) years prior to the date of this Plan.

Attorney for Sponsor

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

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

Selling Agent

The selling agent is Corcoran, 125 Seventh Avenue, Brooklyn, NY 11215. It is an active residential brokerage firm in New York City and frequently represents sponsors of condominium developments.

To the best of the Sponsor's knowledge, after inquiry, neither Selling Agent nor any principal of Selling Agent has any prior felony conviction. To the best of the Sponsor's knowledge, after inquiry, neither Selling Agent nor any principal of Selling Agent has any prior bankruptcy, injunction or judgment that may be material to this Plan or an offering of securities generally during the fifteen (15) years prior to the date of this Plan.

Architect

The Sponsor's certifying architect is Thomas Barry, RA, who has provided architectural services for many years and has acted as architect for several buildings. Neither Mr. Barry nor his firm have any financial interest in the Property, the Sponsor or any other party in interest in the offering described in this Plan, except that he and his firm have been or will be paid a fee for their services.

REPORTS TO UNIT OWNERS

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

- o a financial statement of the Condominium prepared by an certified public accountant by a date specified in the agreement between the Board of Managers and the accountant but not later than six (6) months after the end of the Condominium year; such statement shall be certified while the Sponsor is in control of the Board of Managers.
- o prior written notice of the annual Unit Owner's meeting not less than ten (10) days before the meeting.
- o a copy of the proposed annual budget of the Condominium at least fifteen (15) days prior to the date set for adoption thereof by the Board of Managers; while the Sponsor is in control of the Board of Managers such budget shall be certified in the manner in which the budget included in "Budget for First Year of Condominium Operations, Schedule B," in this Plan, above, is certified.

DOCUMENTS ON FILE

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

GENERAL

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

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

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

The Sponsor reserves the right to revise, from time to time, the terms and conditions upon which Units are to be sold and to otherwise revise this Plan, including revisions affecting the rights, obligations and liabilities of the Sponsor, Purchasers or prospective Purchasers, without obtaining the consent of Purchasers or others. However, the Sponsor may neither unilaterally cancel a Purchase Agreement that has been executed and delivered by the Sponsor, except as therein or herein provided (such as in case of an uncured default), nor unilaterally change the purchase price or the payment terms contained in such a Purchase Agreement. All substantive or material revisions will be contained in a duly filed amendment of this Plan. In the case of material revision adversely affecting the rights, obligations or liabilities of then existing Purchasers or reducing the undertakings or obligations of the Sponsor, such Purchasers will be given the right to rescind their Purchase Agreements and be refunded all monies paid thereunder (with interest earned thereon, if any) within thirty (30) days of presentation of the amendment offering such rescission. However, as to a Purchaser who first became an occupant of the Building after this Plan is filed with the Department of Law, such rescission will be conditioned on the cancellation of any Interim Lease and surrender of possession of his, her or its Unit within thirty (30) days after rescission.

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

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

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

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

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

any of its principals will enter into any such contracts or agreements, or accept any such deposits or advances, prior to the date the Plan is accepted for filing by the Department of Law.

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

RESERVATION OF DEVELOPMENT RIGHTS

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

SPONSOR'S STATEMENT OF SPECIFICATIONS OR BUILDING CONDITION

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

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286 1st Street Condominium

OFFERING PLAN

Part II

Page without text

SECTION A

PURCHASE AGREEMENT

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PURCHASE AGREEMENT

Purchaser(s) Name:

Address:

Telephone:

Social Security No.(s):

Unit No.:

Percentage of Common Interest:

Total Purchase Price:

Down Payment:

Balance Due at Closing:

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

As defined herein, "Plan" includes ___ amendment(s) as of the date of this Agreement.

Statements of Seller and Purchaser

1. Statement of Seller: 286 1st St LLC, with an address of 689 Degraw Street, Apt. 1, Brooklyn, NY 11217 ("Seller" or "Sponsor") has promulgated a Plan (the "Plan") of Condominium Ownership of 286 1st Street Condominium pursuant to which the land with appurtenances and the units (the "Units") located at 286 1st Street, Brooklyn, NY 11215 (the "Property") will be declared to be a condominium under the provisions of Article 9-B of the Real Property Law of the State of New York on the terms and conditions more particularly set forth in the Plan.

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

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

Purchaser has been given an opportunity to examine the architectural plans and specifications for the above-numbered Unit and for the building in which it is located ("the Building").

Purchaser is desirous of purchasing the above-numbered Unit, as designated in the Declaration and on the floor plans filed or to be filed in the Office of the City Register, Borough of Brooklyn, together with an undivided interest in the Common Elements appurtenant thereto (the above-numbered Unit and the undivided interest being hereinafter collectively called the "Unit"). Purchaser hereby adopts, accepts and approves of the Plan (including the proposed Condominium documents contained in Part II of the Plan) and agrees to abide and be bound by the terms and conditions thereof, as well as all amendments to the Plan duly filed by Seller (including amendments involving any changes, modifications or updating of the estimated Common Charges, the estimated real estate taxes to be paid by Purchaser or the "Budget for First Year of Condominium Operation, Schedule B"). Any such amendments shall neither excuse Purchaser from performing Purchaser's obligations hereunder nor entitle Purchaser to any offset of credit against the total Purchase Price and may be made by Seller without Purchaser's consent or approval, except that in certain circumstances described in the Plan Purchaser may have a right to rescind this Agreement upon the filing of certain amendments to the Plan. The Plan is hereby incorporated in this Agreement as if set forth at length. In the event of any inconsistency or conflict between the provisions of this Agreement and those contained in the Plan, the provisions of the Plan shall govern and be binding.

Agreements Between Seller and Purchaser

For good and valuable consideration, receipt of which is hereby acknowledged, Seller and Purchaser mutually agree as follows:

3. Payment for Unit: Seller hereby agrees to sell and Purchaser hereby agrees to purchase the Unit for the Total Purchase Price stated above. The Down Payment stated above has been made on the signing of this Agreement, receipt of which by wire transfer or check subject to collection is acknowledged by Seller. The Balance Due at Closing shall be payable at the Closing of title, as hereinafter provided in Paragraph 4, by wire transfer or by unendorsed certified or cashier's check of Purchaser payable to the order of Seller.

TIME IS OF THE ESSENCE CONCERNING PURCHASER'S OBLIGATIONS. This means the time for payment of the balance of the Purchase Price hereunder is of the essence of this Agreement; Purchaser's failure to pay the balance on the Closing Date shall constitute a default and result in cancellation of this Agreement and such other consequences as are specified in Paragraph 10.

4. Closing of Title: The Closing of title shall take place on no less than thirty (30) days' prior written notice to Purchaser (the "Closing Notice") at such place as Seller may designate, at an hour and on a date (hereinafter called the "Closing Date") to be specified by Seller. Such date shall be no earlier than thirty (30) days after the date on which written notice is given to Purchaser that the Plan has been declared effective (unless Purchaser and Seller shall agree on an earlier Closing Date). The Closing of title may be adjourned to such later date as the parties may agree upon in writing, or as

otherwise set forth in the following paragraph, and such adjourned date shall then be deemed the Closing Date hereunder.

Seller shall be entitled to reasonable adjournments of the Closing of title for any reason.

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

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

Simultaneously with the delivery of the deed, Purchaser shall cause the balance of the purchase price to be paid to Seller, if applicable, by payment to Seller of the proceeds of any mortgage loan obtained by Purchaser, and shall execute and deliver to the mortgagee the note and mortgage and any other documents required by the mortgagee, as well as any documents required by Seller.

5. Power of Attorney to Board of Managers: At the Closing of title and simultaneously with the delivery to Purchaser of the deed conveying the Unit, Purchaser shall execute and acknowledge a power of attorney for each Board of Managers, as applicable to the Unit, in the form prepared by the attorney for Seller and substantially in the form contained in Part II of the Plan. Purchaser agrees to deliver such power of attorney(s) to Seller at the Closing of title.

6. Binding Effect of Declaration, By-Laws, Plan, Rules and Regulations: Purchaser hereby agrees to be bound by the Declaration, the By-Laws, the Rules and Regulations as contained in the Plan, and the Plan, as such documents may be amended from time to time, including, but not limited to, the Condominium's smoking policy set forth in the Rules and Regulations, which states as follows:

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

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

7. Condition of Title: Seller agrees to convey to Purchaser title in fee simple to the Unit free and clear of all liens and encumbrances other than those set forth in the Plan (as well as mortgages, if any, obtained by Purchaser) and as set forth in Exhibit E attached hereto.

The title conveyed by Seller to Purchaser shall be subject only to the liens, encumbrances and title conditions set forth in Exhibit E annexed hereto and made a part hereof. Any lien, encumbrance or condition to which title is not to be subject shall not be an objection to title if: (a) the instrument required to remove it of record is delivered at or prior to the closing of title to the proper party or to Cornerstone Land Abstract (the “Title Company”), together with the recording or filing fee; or (b) Purchaser’s title insurance company will omit or insure Purchaser, at the company’s regular rates and without additional premium, that it will not be collected out of, or enforced against, the Unit; or Purchaser’s title insurance company is unwilling to omit or issue the affirmative insurance described in subsection (b) at its regular rates and without additional premium, and the Title Company would be willing to do so at its regular rates and without additional premium.

Purchaser’s payment of the balance of the Total Purchase Price and acceptance of a deed to the Unit shall constitute Purchaser’s recognition that Seller has satisfactorily performed all its obligations under and stated in the Plan and this Agreement, except those expressly provided to survive the Closing or to be performed after the Closing. However, nothing herein contained shall excuse Seller from performing those obligations (if any) expressly stated herein or in the Plan to be performed subsequent to the Closing of title.

Purchaser shall deliver to Seller, at least fifteen (15) days prior to Closing, a statement of any objections to the state of title to the Unit. Delivery to Seller or Seller’s attorneys of the title report and amendments or updates thereto shall constitute such statement of objections to the Unit’s state of title. In the event that Seller is unable to deliver to Purchaser title to the Unit in accordance with the provisions of this Agreement, Seller will not be obligated to bring any action or proceeding or otherwise incur any cost or expense to render title marketable. If Seller notifies Purchaser of Seller’s inability to remedy the defect in title, Purchaser shall have the option (i) to take title subject to such title defect (without any abatement in, or credit against, the Total Purchase Price or claim or right of action against Seller for damages or otherwise), or (ii) to terminate this Agreement. If Purchaser elects to terminate, Seller shall instruct the Escrow Agent (defined below) to return to Purchaser, within ten (10) days after receipt of Purchaser’s termination notice, all monies deposited hereunder, with interest earned thereon, if any. Upon making such refund this Agreement shall be null and void and neither party shall have any further rights, obligations or liabilities with respect to the other hereunder or under the Plan. The foregoing option must be exercised by written notice given by

Purchaser to Seller no later than ten (10) days after Seller's notice of inability to remedy the title defect. If Purchaser shall not give such notices within said ten (10) day period, it shall be conclusively deemed that Purchaser elected the first option above, to acquire title subject to the title defect.

8. Expenses of Closing and Closing Adjustments: Purchaser will pay the Closing costs and expenses referred to herein or in the Section of the Plan (as same may be amended to date) entitled "Closing Costs and Adjustments," including, if applicable, the amount of any credit for mortgage tax as set forth in said Section. Purchaser shall make the contribution to the working capital of the Condominium referred to in said Section. Real estate taxes and Common Charges and expenses shall be adjusted between Seller and Purchaser as of midnight preceding the Closing Date in accordance with the provisions of the Plan. In the event real estate taxes shall not have been levied against the Unit, then real estate taxes shall be apportioned based on the real estate taxes payable with respect to the Property multiplied by the percentage of Common Interest attributable to the Unit. Purchaser will pay the New York City Real Property Transfer Tax and New York State Real Estate Transfer Tax attributable to the delivery of the deed hereunder, as well as the Mansion Tax and/or Supplemental Tax, if applicable. ANY SUCH EXPENSES OR ADJUSTMENTS PAYABLE TO SELLER IN EXCESS OF \$500 WILL BE PAID BY WIRE TRANSFER, CERTIFIED CHECK OR BANK CHECK.

The "Customs in Respect of the Title Closing" recommended by the Real Estate Board of New York, Inc., as amended to date, shall apply to the adjustments and other matters therein mentioned, except as otherwise provided herein.

Any errors or omissions in computing apportionments at Closing shall be corrected and payment made to the proper party promptly after discovery. This provision shall survive the Closing.

9. Agreement Subject to Mortgages: Purchaser agrees that all terms and provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgage, building loan mortgage or construction loan mortgage heretofore or hereafter made and any advances heretofore or hereafter made thereon and any payments or expenses already made or incurred or which may hereafter be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent thereof without the execution of any further legal documents by Purchaser. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the building loan schedule of payments or accelerated thereunder by virtue of lender's right to make advances before they become due in accordance with the schedule of payments. Notwithstanding anything to the contrary contained in this Paragraph 9, however, on the Closing Date the Unit will not be subject to any such mortgage, building loan mortgage or construction loan mortgage, but may be subject to any mortgage(s) obtained by Purchaser.

10. Default by Purchaser: TIME IS OF THE ESSENCE CONCERNING PURCHASER'S PERFORMING HIS, HER OR ITS RESPECTIVE OBLIGATIONS UNDER THIS AGREEMENT WITHIN THE TIME PERIOD PROVIDED FOR HEREIN. If Purchaser shall (i) fail to pay any portion of the purchase price when due, or (ii) fail to close title on the Closing Date, or (iii) become a tenant of the Unit or the Building and fail to pay rent or otherwise to comply with Purchaser's lease or tenancy obligations, or (iv) fail to perform any of Purchaser's other obligations hereunder, Seller may send notice to Purchaser of Seller's intention to cancel this Agreement if such default shall not

be cured within thirty (30) days thereafter, time being of the essence. Seller's attorney shall impose a fee of \$500 for such notice of default, which will be paid by Purchaser. If within said thirty (30) day period Purchaser shall fail to cure such default, Seller may, at its option, cancel this Agreement by notice to Purchaser. In the event that Seller shall elect so to cancel this Agreement, Seller shall certify to the Escrow Agent that title has not closed because of Purchaser's default and that Seller has elected to cancel this Agreement by reason thereof, and the Escrow Agent shall thereupon pay over to Seller as liquidated damages the Down Payment (plus all sums held by the Escrow Agent with respect to special work in the Unit ordered by Purchaser, which sums, whether paid to the Escrow Agent or paid directly to Seller by Purchaser, Seller may also retain as liquidated damages to the extent of actual costs incurred for such special work) and any interest earned thereon, and upon such payment being made, each of the parties hereto shall be relieved of any further liabilities or obligations hereunder. If the Agreement shall be canceled by Seller pursuant to this Paragraph 10, Seller may sell the Unit to any third party or otherwise exercise its rights as owner of the Unit in any manner it may choose and shall be under no obligation to account to Purchaser for any part of the proceeds of such sale or such exercise of its rights. The Escrow Agent may rely upon the truth and accuracy of the facts contained in Seller's certification and the authority of the person or persons executing the same and shall have no liability as a result of such reliance.

11. Agreement May Not be Assigned; Marketing Representations: Purchaser shall have no right to assign this Agreement without the prior consent in writing of Seller and any purported assignment of this Agreement in violation hereof shall be voidable at the option of Seller. Seller's refusal to consent to an assignment shall not entitle Purchaser to cancel this Agreement or give rise to any claim for damages against Seller. In the event Seller, in its sole discretion, shall consent to an assignment, the same shall be subject to the conditions that (a) Purchaser wishing to assign his, her or its Purchase Agreement has executed the Purchase Agreement and tendered the required Down Payment; (b) the assignment in a form approved by Seller is executed and delivered by the respective assignee no later than thirty (30) days prior to the Closing Date; and (c) the assignee pays Seller's attorney a \$500 fee for legal services in connection with the assignment.

Prior to the Closing, Purchaser shall not offer this Agreement or the Unit for sale or rental, engage any selling agent or broker, list this Agreement or the Unit with any selling agent or broker, link or make reference to or otherwise use any marketing material used by the Seller or its representatives, for the purpose of offering this Agreement or the Unit for sale or rental without the prior, written consent of the Seller. Failure by Purchaser to abide by the restrictions contained in this paragraph shall constitute a default under this Agreement.

12. Notices: Except as otherwise stated herein, any notice to be given hereunder shall be in writing and sent to Purchaser at the address given above, and to Seller at c/o Marcus Attorneys PLLC, Attention: Guillermo Santiago, Esq., 13 Greene Avenue, Brooklyn, New York 11238, santiago@marcusattorneys.com, or such other address as either party may hereafter designate to the other in writing. Notices shall be given by certified mail, return receipt requested, or by overnight delivery or e-mail. The date of mailing shall be deemed to be the date of the giving of notice, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address. Notwithstanding anything to the contrary contained in this Agreement or in the Plan, the attorneys for the parties hereto are authorized to give and receive notices on behalf of the parties without having to copy the parties.

13. No Representation: Except as herein or in the Plan specifically set forth, Purchaser acknowledges that Purchaser has not relied upon any plans or specifications, sales plans, selling brochures, advertisements, representations, warranties or statements of any nature, whether made by Seller, Seller's counsel or anyone acting or purporting to act on behalf of Seller, with respect to any matter, including, without limitation, the description or physical condition of the Building or the Unit, the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the Building services, the estimated Common Charges and Expenses and real estate taxes allocable to the Unit and any abatement thereof or exemption therefrom, or the right to any income tax deduction on account of any real estate taxes and/or mortgage interest paid by Purchaser. Purchaser agrees that Seller shall have no liability or responsibility to Purchaser if the layout or dimensions of the Unit or any part thereof or of the Common Elements as shown on the floor plans or on the architectural plans and specifications for the Building or site plan are not completely accurate or correct provided such layout or dimensions conform substantially to the floor plans and the architectural plans and specifications for the Building and the site as modified or supplemented in accordance with the Plan and that Purchaser will not be relieved from his, her or its obligations hereunder by reason of any minor variation, inaccuracy or error.

14. Recording of Deed and Power of Attorney: At the Closing of title, Purchaser shall also execute the deed thereby accepting and ratifying the provisions of the Condominium Declaration, By-Laws and Residential By-Laws, and Purchaser will deliver the executed deed received from Seller and the executed and acknowledged power of attorney(s) to the representative of the title company, if any, or to Seller for recording in the Office of the City Register, Borough of Brooklyn. Such deed and power of attorney(s) will be substantially in the form set forth in the Plan. Purchaser shall pay the cost of such recording to said representative or Seller, as the case may be, at the Closing of title.

15. Binding Effect: This Agreement shall not be effective or binding on Seller until a counterpart hereof is executed by Seller and delivered to Purchaser. Subject to the provisions hereof, this Purchase Agreement shall bind and inure to the benefit of the parties hereto, their heirs, personal representatives, successors and assigns.

16. Agreement Subject to Plan Becoming Effective; Seller's Right to Cancel: This Purchase Agreement is contingent upon the Plan being declared effective. The Plan may be abandoned by Seller at any time prior to its being declared effective and shall be abandoned and deemed abandoned if it has not been declared effective within the time prescribed in the Plan. If the Plan is abandoned or does not become effective, this Purchase Agreement shall be deemed canceled. If, after the Plan is declared effective, title to the Unit shall not close within the time set forth herein or in the Plan for the Closing, as such time may be extended as provided herein or in the Plan, for any reason other than Purchaser's default, then, Purchaser may elect to terminate this Agreement upon ten (10) days prior notice. If Seller offers to close within said ten (10) day period, then this Agreement shall remain fully binding. If Seller shall fail to tender a deed and otherwise perform within said ten (10) day period this Purchase Agreement shall be canceled at the conclusion of said ten (10) day period. If this Purchase Agreement is canceled pursuant to the provisions of this paragraph, then not later than fifteen (15) days thereafter, Purchaser shall receive a refund in full of all monies paid by Purchaser hereunder, with the interest earned thereon, if any, and upon such repayment, neither party shall have any claim against the other and both shall be released from all obligations hereunder.

In addition to Seller's rights pursuant to Paragraph 10 of this Agreement relating to default by Purchaser, Seller may cancel this Agreement by forwarding its check in the full amount paid by Purchaser, together with a notice to Purchaser for any of the reasons set forth in the Plan, including, prior to the Plan's being declared effective, without limitation, in the event of the occurrence of any of the following: (a) that any governmental bureau, department or subdivision thereto shall impose restrictions on the manufacture, sale, distribution and/or use of material necessary in the construction of improvements to the Building and such restrictions shall prevent Seller from obtaining such materials from its regular suppliers or from using same in the construction and/or completion of the Unit; or (b) that Seller is unable to obtain materials from its usual sources due to strikes, lockouts, war, military operations and requirements, national emergencies, acts of God; or (c) if the installation of public utilities is restricted or curtailed.

17. Monies to be Held in Trust; Payment of Purchase Price; Notice of Closing:

(a) The Down Payment pursuant to this Agreement will be ten percent (10%) of the Total Purchase Price for the Unit, which Down Payment shall be increased by the cost of special work or materials, if any, offered by Seller and ordered by Purchaser as itemized in this Agreement. Seller agrees that Seller and its agents, including any selling agents, shall deliver the Down Payment and any W-8 or W-9 form received by them prior to the Closing to a designated attorney who is a member of or employed by Escrow Agent, within two (2) business days of tender of the Down Payment by Purchaser. All monies received by Seller directly or through its agents (including any selling agents) or employees pursuant to this Agreement will be deposited with Bank of America, in an escrow account entitled "Marcus Attorneys PLLC Escrow Account" at its branch located at 76 Court Street, Brooklyn, NY 11201. Such funds will be held in trust in accordance with the escrow and trust provisions of Section 352(h) and 352-e 2(b) of the New York General Business Law, and regulations, if any, promulgated pursuant to said Section 352-e 2(b). Such funds will be disbursed only upon written instructions of a member of the law firm of Seller's attorney, as set forth in subsection (b), below. Down payments, with accumulated interest, if any, shall remain the property of Purchaser except as provided by law.

(b) All deposits, Down Payments, or advances made by Purchaser prior to Closing of each individual transaction, whether received before or after the date of consummation of the Plan, will be placed, within five (5) business days after receipt of fully executed purchase agreements by the Seller's attorney, in a segregated special escrow account of Marcus Attorneys PLLC, the "Escrow Agent", whose address is 13 Greene Avenue, Brooklyn, New York 11238 and whose telephone number is (718) 643-6555. The signatories on this account authorized to withdraw funds are: Guillermo Santiago, Jed S. Marcus and Philip Lavender. This bank is covered by federal bank deposit insurance to the allowed maximum (\$250,000) per individual deposit. All such deposits made by Purchasers will be aggregated for the purpose of the maximum FDIC insured amount. Purchaser funds held with Bank of America may factor into such \$250,000 insurance limit. Within such five (5) business days, Escrow Agent shall also execute this Agreement. Escrow Agent's execution of this Agreement prior to Sponsor's execution thereof and prior to delivery of a fully executed Agreement to the Purchaser shall not, in any way whatsoever, constitute acceptance of this Agreement by the Sponsor.

Escrow Agent shall maintain the Escrow Account under its direct supervision and control.

A fiduciary relationship shall exist between Escrow Agent and Purchaser, and Escrow Agent acknowledges its fiduciary and statutory obligations pursuant to General Business Law §§ 352-e (2-b) and 352(h). Seller agrees that it shall not interfere with Escrow Agent's performance of its fiduciary duties and statutory obligations as set forth in General Business Law §§ 352-e (2-b) and 352-(h) and the New York State Department of Law's regulations.

The Escrow Account will be an IOLA account and interest will not be credited to any party.

All checks shall be made payable to or endorsed to the order of "Marcus Attorneys PLLC, as Escrow Agent".

Within ten (10) business days after tender of the Down Payment submitted with this Purchase Agreement, the Escrow Agent will notify Purchaser that such funds have been deposited into the escrow account. The notice shall provide the account number and the initial interest rate, if any, to be earned on the Down Payment. If the Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the Down Payment, the Purchaser may cancel the purchase and rescind so long as the right to rescind is exercised within ninety (90) days after tender of the deposit. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 28 Liberty Street, New York, N.Y. 10005. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited and requisite notice was timely mailed to Purchaser in conformity with the Attorney General's regulations.

The Escrow Agent will hold funds in escrow until otherwise directed:

- (i) pursuant to the terms and conditions set forth in this Agreement upon closing of title to the Unit; or
- (ii) in a subsequent writing signed by both Seller and Purchaser; or
- (iii) by a final order or judgment of an arbitrator, as set forth herein. Any dispute regarding the disposition of Deposit funds must be submitted to "Expedited Arbitration". Expedited Arbitration means a binding arbitration proceeding held in New York County administered by JAMS, or if JAMS is no longer providing such service to another private alternative dispute resolution provider selected by Sponsor which is not affiliated with Sponsor (the "ADR Provider") and conducted, to the extent consistent with the Purchase Agreement, in accordance with the then prevailing rules and expedited procedures of the ADR Provider (the "ADR Rules"). Accordingly, by submitting to Expedited Arbitration, the parties to the Purchase Agreement waive the right to bring suit in court concerning disputes under the Purchase Agreement and agree to accept the Arbitrator's decision as final. There is generally no right to appeal. The right of the parties to be represented by counsel and to submit data, memoranda and similar material in support of their respective positions, and the ability of the parties to obtain documents, witness statements and

other discovery may be more limited in Expedited Arbitration than in court proceedings. After hearing the dispute, the Arbitrator shall be obligated to render a determination (the "Award") within the applicable time period under the ADR Rules for the rendering thereof. The Award shall be final and binding upon the parties. Any motion to confirm or vacate the Award must be filed in a federal or state court located in the City, County and State of New York. The parties shall bear the costs of their own expenses and witness preparation. The parties shall equally share the costs of the JAMS administrative fees, including the Arbitrator's compensation. At the conclusion of the hearing, the Arbitrator shall make his or her determination and shall award to the prevailing party, if any, the costs and attorneys' fees reasonably incurred by the prevailing party in connection with the Arbitration. The prevailing party shall be reimbursed for its share of the JAMS administrative expenses..

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

Seller shall not object to the release of the Down Payment to: (a) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an Amendment to the Plan; or (b) all Purchasers after an Amendment abandoning the Plan is accepted for filing by the Department of Law.

Prior to release of the Down Payment, Escrow Agent's fees and disbursements shall neither be paid by Seller from the Down Payment nor deducted from the Down Payment by any financial institution under any circumstance.

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

Escrow Agent may rely upon any paper or document that may be submitted to it in connection with its duties under this Agreement and which is believed by Escrow Agent to be genuine and to have been signed or presented by the proper party or parties and shall have no liability or responsibility with respect to the form, execution or validity thereof.

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

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

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

(c) In the event of an uncured default by Purchaser in his, her or its obligations under this Purchase Agreement, no more than ten percent (10%) of the purchase price (or twenty percent (20%) in the event this Purchase Agreement covers more than one Unit) plus any interest earned thereon, may be retained as liquidated damages. Notwithstanding the above, the actual cost incurred by Seller for any special work, materials, labor, machinery or equipment ordered by Purchaser also may be retained as liquidated damages. Seller agrees not to seek the remedy of specific performance in connection with this Agreement if there has been a default by Purchaser.

(d) The balance of the purchase price will not be payable until Closing of title to the Unit. The balance shall be paid by wire transfer, certified or official bank or cashier's check drawn to the order of Seller or to such other party or parties as the Seller may designate, and delivered to the Seller at the Closing.

(e) Purchaser will be given notice of the declaration of effectiveness of the Plan, at least thirty (30) days prior to the Closing date for his, her or its Unit, which notice will also remind Purchaser of the obligation to pay the balance of the purchase price at that time and will state when Common Charges will be due and payable. The Purchaser may waive this thirty (30) day provision by executing a written waiver.

18. Equipment and Furnishings: Seller will provide Purchaser only with the fixtures, equipment, hardware, appliances and furnishings referred to in the Plan, including the "Description of Property and Specifications or Building Condition," which are included in the purchase price of the Unit. Fixtures, equipment, hardware, appliances, furnishings and decorations in any model unit or sales office not referred to in the Plan are excluded from this sale. Optional items, if any, offered by Seller which Purchaser desires to purchase as "extras," and the cost thereof, are listed in Exhibit B attached hereto. Such costs will be added to the purchase price of the Unit. All sums or deposits paid for the optional items shall be deemed to be part of the Down Payment. Purchaser shall select other

applicable items for the Unit from Seller's samples within five (5) days after request is made thereof by Seller, and if Purchaser fails to do so Seller shall have the right to make the selection for Purchaser.

19. Acceptance of Condition of Unit; Risk of Loss:

(a) Purchaser shall accept title without abatement of, or credit against, the purchase price (or provision for escrow) notwithstanding that construction of minor details of the Unit have not been completed. Purchaser shall be given a reasonable opportunity to examine the Unit prior to Closing and if work remaining to be done pursuant to the Plan or this Purchase Agreement is found to be incomplete by Seller and Purchaser, then such work (and only such work) shall be itemized in reasonable detail on the Final Inspection Sheet in the form attached hereto as Exhibit C. Sponsor shall furnish Purchaser its written undertaking to the items on the Final Inspection Sheet prior to or within a reasonable time following the Closing, subject to delays caused by weather, strikes, lockouts, acts of God, shortages of, or inability to obtain materials, equipment or labor, governmental restrictions, approvals or preemption, damages by fire or the elements or any other cause over which the Sponsor has no control.

(b) Risk of loss for fire or other casualty remains with Seller until the earlier of the following events:

(i) Legal title to the Unit has been conveyed to Purchaser; or

(ii) Purchaser has taken actual possession of the Unit pursuant to a written agreement with Seller.

20. Possession of Unit prior to Closing: It is expressly understood and agreed that Purchaser shall in no event take possession of the Unit prior to the Closing and full compliance by a Purchaser with the terms of this Agreement except pursuant to an Interim Lease, as described in the Plan, and should Purchaser violate this provision, Seller shall have the right to remove him, her or it from the Unit as a squatter and intruder. Upon Purchaser's unauthorized possession, Purchaser shall be deemed in default hereunder at the option of Seller, and if Seller so elects, Seller may cancel this Agreement and all amounts deposited hereunder shall belong to Seller as liquidated damages deemed earned hereunder. It is further understood and agreed that upon Purchaser's taking possession of the Unit, Seller will not be responsible for damage or loss to any property of Purchaser or to the Unit before, on, or after the Closing of title. If, in Seller's sole discretion, Seller shall permit Purchaser to take possession of the Unit prior to the Closing, then and in such event, Purchaser's failure to pay rent or otherwise to comply with Purchaser's lease or tenancy obligations shall be deemed a default by Purchaser under this Agreement.

21. Damage to the Unit: Subject to the Sponsor's right to abandon the Plan due to damage to the Building and for other reasons, as described in the Plan, in the event the Unit is damaged by a casualty or other cause prior to the Closing, the Sponsor will repair the Unit if the cost of the repair is less than or equal to one-half of one percent of the purchase price. If the cost of the repair is more than one-half of one percent of the purchase price, the Sponsor may, but is not obligated to, repair the Unit. The Sponsor shall notify Purchaser in writing of its election to repair or not repair the Unit within fifteen (15) days of the damage to the Unit. The date for the Closing will be extended to give the Sponsor reasonable time to repair the Unit if the Sponsor is obligated to repair the Unit or elects

to repair the Unit. If the Sponsor repairs the Unit, then this Agreement shall remain in full force and effect and the Closing shall occur as specified in a notice from the Sponsor to the Purchaser after the repair is completed. If the cost of the repair is more than one-half of one percent of the purchase price, and the Sponsor does not elect to repair the Unit, then the Purchaser may either purchase the Unit with a credit of one-half of one percent of the purchase price or rescind this Agreement, in either case by giving the Sponsor notice of the Purchaser's choice within thirty (30) days after the Sponsor gives notice of the Sponsor's election not to repair the Unit. If the Purchaser fails to give notice rescinding this Agreement within said thirty (30) day period, then the Purchaser will be deemed to have chosen to be bound by this Agreement and receive the credit described above. A Purchaser of a damaged Unit will be responsible for all repairs to the Unit and for complying with all laws, rules and regulations with respect to the condition of the Unit and repairs. As set forth in the Plan, however, the Sponsor will obtain a certificate of occupancy covering the Unit prior to the Unit's Closing.

22. Definitions: The term "Purchaser" shall be read as "Purchasers" if more than one person or entity are purchasers, in which case their obligations shall be joint and several. The capitalized terms used herein shall have the same meanings as in the Plan.

23. Other Agreements: This Purchase Agreement supersedes any and all understandings and agreements between the parties and constitutes the entire agreement between them and no oral representations or statements shall be considered a part hereof.

24. Amendment of Purchase Agreement: This Purchase Agreement may not be amended, altered, discharged or waived except by agreement in writing signed by the party sought to be charged therewith or by his, her or its duly authorized agent.

25. Brokerage: Purchaser represents and warrants to Seller that Purchaser did not negotiate with any broker for the purchase of the Unit other than the broker(s) identified in Exhibit D hereto (collectively, the "Brokers"), if any. Seller agrees to pay at Closing the commissions earned by the Brokers pursuant to separate agreements. Purchaser agrees that should any claim be made against Seller for commissions by any other broker on account of any acts of Purchaser or of Purchaser's representatives, Purchaser will indemnify and hold Seller free and harmless from any and all liabilities and expenses in connection therewith, including (without limitation) reasonable legal fees and disbursements. The provisions of this Paragraph shall survive the Closing.

26. Governing Law: This Purchase Agreement shall be governed by and construed in accordance with the laws of the State of New York.

27. Jury Waiver: Purchaser hereby waives trial by jury in any action, proceeding, or counterclaim involving any matter arising out of, or connected with, this Purchase Agreement or the relationship of the parties as Purchaser and Seller, or the right of Purchaser to any statutory relief or remedy.

28. Acceptance by Seller: Within fifteen (15) days after delivery to the Seller or Selling Agent, if any, by Purchaser of this Purchase Agreement with the required Down Payment, executed by Purchaser, Seller will either:

(i) accept this Agreement and cause to be returned to Purchaser a fully executed counterpart thereof, or

(ii) reject this Agreement and refund the Down Payment tendered by Purchaser.

29. Survival: The Closing of title to the Unit and the delivery of the deed thereto shall be deemed full compliance with each and every term of this Purchase Agreement, except as to any item expressly stated to survive Closing.

30. Conflict with Plan: Any conflict between the Plan and this Purchase Agreement will be resolved in favor of the Plan, except for conflicts expressly set forth in this Agreement and resulting from negotiations between the parties hereto, which shall govern and be binding.

31. Captions: The captions in this Purchase Agreement are for convenience and reference only and in no way define, limit or describe the scope of this Purchase Agreement or the intent of any provision hereof.

32. Closing Fees to Seller's Counsel: All legal costs, fees and expenses charged by the Purchaser's attorney shall be the sole responsibility of each Purchaser. In addition, Purchaser shall be responsible for payment of the following fees to Sponsor's attorneys, Marcus Attorneys, in connection with the closing of title to Purchaser's Unit: \$3,200 for preparation of legal documents and for coordinating the Closing; an additional \$300 attendance fee if, at Purchaser's request and Sponsor's consent, the Closing occurs outside of the Sponsor's attorney's office or other office designated by the Sponsor but in the City of New York or \$500 if in Westchester, Nassau or Suffolk Counties, or an amount determined by the Sponsor's attorney if elsewhere; an additional \$300 fee if the Closing is adjourned at the Purchaser's request on less than forty-eight (48) hours notice (nothing herein shall give a Purchaser a right to adjourn a Closing); an additional \$500 fee if notice of default is issued, unless the Closing does not occur because of a default by the Sponsor or the Sponsor's inability to close; and an additional \$500 fee if the Purchaser assigns his, her or its Purchase Agreement.

33. Transfer Tax Return: At Closing, Seller and Purchaser shall each duly complete and sign before a Notary Public the transfer tax return required to be filed by the state and any local government and any affidavits and certificates required in connection with the recording of the deed. The transfer tax return shall be delivered at Closing to the representative of Purchaser's title insurance company (or, if none, to Seller's attorney) for filing with the proper governmental officer.

34. Contract Not Subject to Loan: This Agreement is not contingent upon the Purchaser obtaining a loan commitment. If the Purchaser does not obtain financing to purchase the Unit, the Purchaser may lose the Down Payment if it is unable to otherwise raise sufficient funds to pay for the Balance Due at Closing. Purchaser, therefore, is advised to finalize its financing arrangements before signing this Purchase Agreement. In the event the Purchaser obtains financing, he, she or it shall pay the Mortgage Tax applicable to any mortgage given by Purchaser and shall sign, acknowledge, notarize, deliver or complete at the Closing any forms or returns necessary for the calculation or recording of the portion of the Mortgage Tax to be computed in accordance with Section 339-ee of the Condominium Act, and shall pay such portion to the Sponsor in reimbursement of the

Mortgage Tax which the Sponsor previously paid if the Sponsor had previously placed a mortgage on the Property. Purchaser shall give Seller a copy of any loan commitment promptly after Purchaser's receipt.

35. W-8 or W-9 Forms. Purchaser shall execute and deliver to Seller a completed W-8 or W-9 Internal Revenue Service form, as applicable, in the form attached hereto as Exhibit A.

36. Further Assurances: Either party shall execute, acknowledge and deliver to the other party such instruments and take such other actions, in addition to the instruments and actions specifically provided for herein, as such other party may reasonably request in order to effectuate the provisions of this Agreement and the transactions contemplated herein or to confirm or perfect any right to be created or transferred hereunder or by any such transaction.

37. Severability: If any provision of this Agreement or the Plan is invalid or unenforceable as against any person or entity or under certain circumstances, the remainder of this Agreement or the Plan and the applicability of such provision to other persons, entities or circumstances shall not be affected thereby. Each provision of this Agreement or the Plan, except as otherwise herein or therein provided, shall be valid and enforced to the fullest extent permitted by law.

38. Strict Compliance: Any failure by Seller to insist upon strict performance by Purchaser of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, irrespective of the number of violations or breaches that may occur, and Seller, notwithstanding any such failure, shall have the right thereafter to insist upon strict performance by Purchaser of any and all of the provisions of this Agreement to be performed by Purchaser.

39. No Lien: No lien or encumbrance shall arise against the Property or the Unit as a result of this Agreement or any monies deposited hereunder. This Agreement shall not be recorded.

40. Waiver of Diplomatic or Sovereign Immunity. (a) Purchaser hereby waives any and all immunity from suit or other actions or proceedings and agrees that, should Seller or any of its successors or assigns bring any suit, action or proceeding in New York or any other jurisdiction to enforce any obligation or liability of Purchaser arising, directly or indirectly, out of or relating to this Agreement, no immunity from such suit, action or proceeding will be claimed by or on behalf of Purchaser. (b) If Purchaser is a foreign government, a resident representative of a foreign government or such other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity), such Purchaser shall hereby be deemed to have designated and hereby designates C.T. Corporation System, having its offices, at the date hereof, at 111 Eighth Avenue, New York, New York 10011 as its duly authorized and lawful agent to receive process for and on behalf of Purchaser in any state or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with this Agreement. (c) If Purchaser is a foreign mission, as such term is defined under the Foreign Missions Act, 22 U.S.C. 4305, Purchaser shall notify the United States Department of State prior to purchasing a Unit and provide a copy of such notice to Seller. Seller shall not be bound under this Agreement unless and until the earlier to occur of: (i) a notification of approval is received from the

Department of State; or (ii) sixty (60) days after Purchaser's notice is received by the Department of State.

41. Purchaser's Certification of Intent. Purchaser hereby certifies to Seller that Purchaser intends to use the Unit as follows (please check one box):

- ☐ Purchaser intends to use and occupy the Unit as Purchaser's principal residence (that is, to use same as Purchaser's residence for a majority of each calendar year).
- ☐ Purchaser intends to use and reside in the Unit as Purchaser's secondary residence (that is, to occupy same as Purchaser's residence for less than a majority of the year).
- ☐ Purchaser is purchasing the Unit as an investment property and does not intend to occupy the Unit as principal or secondary residence.

42. Lead Paint Warning and Disclosure Statement: (a) The Environmental Protection Agency and the Department of Housing and Urban Development have promulgated Federal regulations under 24 CFR Part 35, 40 CFR Part 745 and 42 USC 485d (the "Federal Regulations") regarding the disclosure of lead-based paint and/or lead-based paint hazards to prospective Purchasers of Units. The Federal Regulations permit Purchaser a 10-day period to conduct a risk assessment or inspection of the Unit and Building's Common Areas for the presence of lead-based paint and/or lead-based paint hazards (the "Inspection"). In accordance with the Federal Regulations, attached as Exhibit F to this Agreement is a Disclosure of Information on Lead Based Paint and Lead Based Paint Hazards (the "Disclosure Exhibit") to be completed and signed by Seller and Purchaser simultaneously with execution and delivery of this Agreement. Set forth in Part II of the Plan is a pamphlet entitled "Protecting Your Family from Lead in Your Home."

(b) Pursuant to the Disclosure Exhibit and the Federal Regulations, Purchaser must either conduct the Inspection in accordance with the terms of this Section 43 or waive the right to conduct the Inspection. If Purchaser waives the right to conduct the Inspection, then this Agreement shall remain in full force and effect without any Inspection contingency. If Purchaser elects to conduct the Inspection, the same shall be performed in accordance with the following terms and conditions:

- (i) Purchaser and Purchaser's consultant ("Inspector") must conduct the Inspection within ten (10) calendar days of the date of this Agreement (the "Inspection Period"), failing which Purchaser will be deemed to have waived the right to conduct the Inspection and this Agreement shall remain in full force and effect without any Inspection contingency;
- (ii) Seller shall give Purchaser and the Inspector reasonable access to the Unit and the Building's Common Areas at a mutually convenient time and date within the Inspection Period between 9 a.m. and 5 p.m.;
- (iii) The Inspection shall be performed in a reasonable manner so as not to disturb or interfere with the use, operation, security or occupancy of the Unit

or the Building. Purchaser hereby indemnifies and holds Seller harmless from, and agrees to be liable for any damages to the Unit or any portion of the Building, injuries and all claims and lawsuits caused by the Purchaser or the Consultant during or from the Inspection;

- (iv) During the Inspection, no probing, penetration or disturbance of any painted or covered surface shall be permitted without Seller's prior approval;
- (v) Within the Inspection Period, Purchaser or Consultant must deliver to Seller a full, accurate copy of the Inspection report, stating if any areas of the Unit or Building were found to contain lead-based paint or hazards and, if applicable, listing all areas in which lead-based paint or hazards were found. If Purchaser or the Inspector fails to deliver the Inspection report to Seller within the Inspection Period, or if the Inspection reveals that no areas of the Unit or Building were found to contain lead-based paint or hazards, then this Agreement shall remain in full force and effect without any Inspection contingency. If Purchaser or the Inspector delivers the Inspection report to Seller within the Inspection Period and the Inspection reveals that areas with lead-based paint or hazards were found, then the following terms shall apply:
 - a. Within five (5) business days following delivery of the Inspection report to Seller, Seller will notify Purchaser of its election to correct prior to the Closing or to not correct the lead-based paint or hazards identified in the Inspection report ("Seller's Election Notice"). Seller has no obligation to correct any hazards identified in the Inspection report.
 - b. If Seller elects to correct the hazards identified in the Inspection report prior to the Closing, then such obligation shall be part of this Agreement and this Agreement shall remain in full force and effect, and Seller shall provide Purchaser at or before the Closing with a certification from the Inspector or Seller's risk assessor or inspector that the condition has been remedied.
 - c. If Seller does not elect to correct the hazards identified in the Inspection report, then Purchaser must choose to either purchase the Unit in its "as is" condition, without any credits against or reductions to the Purchase Price, or terminate this Agreement, in either case by giving written notice to Seller of Purchaser's choice within five (5) business days following deliver to Purchaser of Seller's Election Notice. If Purchaser elects to purchase the Unit in its "as is" condition, or if Purchaser fails to timely give notice terminating this Agreement in strict compliance with the terms of this paragraph, then this Agreement shall remain in full force and effect without any Inspection contingency. If Purchaser terminates this Agreement in strict compliance with the terms of this paragraph, then the Down Payment (and any interest earned thereon) shall be returned to Purchaser within five (5) days following such termination.

43. Mold Prevention. Purchasers are advised that the prevention of the growth of mold in a Unit is the responsibility of each Unit Owner. Unit Owners will need to take actions to prevent conditions that cause mold or mildew, and it is the responsibility of each Unit Owner to ensure that he/she has taken the necessary precautions to prevent mold from becoming a problem in such Unit Owner's Unit. Seller will not be liable for and Purchaser hereby waives any claim for any actual, special, incidental or consequential damages based on any legal theory whatsoever, including, but not limited to, strict liability, breach of express or implied warranty, negligence or any other legal theory with respect to the presence and/or existence of mold, mildew and/or microscopic spores unless caused by the gross negligence or willful misconduct of Seller. The provisions of this paragraph shall survive the Closing.

44. Purchaser Representation. Purchaser is not now, nor shall at any time prior to or at the Closing, be a Person with whom a United States citizen, entity organized under the laws of the United States or its territories or entity having its principal place of business within the United States or any of its territories (collectively, a "U.S. Person"), is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by the Office of Foreign Assets Control, Department of the Treasury ("OFAC") or otherwise. Neither Purchaser nor any Person who owns an interest in Purchaser, is now nor shall be at any time prior to or at the Closing of Title, be a Person with whom a U.S. Person, including a "financial institution" as defined in 31 U.S.C. 5312 (a)(z), as periodically amended, (i) is prohibited from transacting business; or (ii) with whom U.S. Persons may only, subject to the imposition of significant fines and/or penalties, transact business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by OFAC or otherwise.

45. Rider(s). This Agreement is continued on the Rider(s) annexed hereto and made a part hereof. If there is any conflict between the terms of the main body of this Agreement and the terms of the Rider(s), the terms of the Rider(s) shall in all events prevail.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, the parties have executed this Agreement this ____ day of _____, 202__.

Purchaser: _____

Purchaser: _____

Accepted:

286 1st St LLC

By: _____

Name:

Title:

Escrow Agent (as to Section 17 only):

Marcus Attorneys PLLC

By: _____

Name:

Title:

EXHIBIT A

FORMS W-8 AND W-9

EXHIBIT B

PURCHASE AGREEMENT
OPTIONAL EXTRAS

Re: Unit # _____

Date: _____

I request that you supply and install the following optional extras:

Purchaser's Signature

Purchaser's Signature

Accepted:

286 1st St LLC

By: _____

EXHIBIT C
FINAL INSPECTION SHEET

Unit: _____

Date of Inspection: _____

Time of Inspection: _____

Present: _____

Defects or Flaws:

Purchaser(s) hereby state that he, she or it accept the Unit “as is” with the exception of the above listed items and that upon reasonable completion of the above listed items the Seller shall have no further obligations to the Purchaser(s) hereunder. Seller shall complete the above listed items as promptly as reasonably possible.

Purchaser:_____

Seller: 286 1st St LLC

By: _____

Purchaser:_____

EXHIBIT D

BROKER

Name of Broker: _____

Address of Broker: _____

Telephone Number of Broker: _____

Name of Co-Broker: _____

Address of Co-Broker: _____

Telephone Number of Co-Broker: _____

EXHIBIT E

Permitted Exceptions to Title

- o The Declaration,
- o The Floor Plans,
- o The By-Laws,
- o The state of facts an accurate survey of the Property would show, provided title is not rendered unmarketable,
- o The Power of Attorney as required in the Purchase Agreement, a form of which Power of Attorney is included in Part II of the Plan,
- o Mortgages and UCC financing statements, if any, against the Property, or portions thereof other than the Unit (and its undivided interest in the Common Elements) which are subordinated to the Declaration,
- o Standard printed exceptions contained in the form of title insurance policy then issued by the title insurance company insuring the Purchaser's interest in the Unit,
- o Building restrictions and zoning regulations and ordinances and any amendments thereto now or hereafter adopted by any governmental or quasi-governmental authority having jurisdiction which are not violated by the Buildings and which do not prevent the use of the Buildings described in the Plan,
- o Existing violations against the Property (other than the Unit) of building, fire, electrical and similar codes, laws, rules and regulations, subject to the Sponsor's obligation to cure violations as described in the section of the Plan entitled "Rights and Obligations of Sponsor," or which are the obligation of the Board of Managers or another Unit Owner to correct
- o Encroachments of retaining walls, fences, bay windows, fire escapes, stoops, banisters, areas, cellar steps, doors, railings, air conditioners, balconies, drain, vent and other pipes, electrical conduits, lights, trim, foundation, cornices, if any, and similar projections on, over and under the Property and encroachments on to streets, highways and adjoining premises by improvements on the Property, and the rights of governmental authorities to require the removal of any such projections and variations beyond record lines of the Property,
- o Consents by the Sponsor or the owner or any former owner of the Property for the erection of any structure or structures on, under, or above any street or streets on which the Property may abut,

- o Any other covenants, restrictions, easements or agreements of record, if any, which are not violated by the Buildings or their use described in the Plan,
- o Any state of facts a physical inspection of the Property would disclose,
- o The terms and conditions of this Plan and any amendments thereto,
- o The revocability of the right to maintain street vaults and other areas under or projections over any sidewalk, if any, and the lien of unpaid vault charges (which are to be paid by the Board of Managers),
- o Any easement or right of use created in favor of any public utility company and the right to install, use, maintain, repair and replace wires, lines, facilities, connections, equipment and the like upon, under and across the Property,
- o Service, maintenance, employment, management and license contracts and agreements, if any, described in the Plan,
- o The lien of unpaid water charges and sewer rents, which shall be paid by the Board of Managers,
- o The lien of unpaid Common Charges and real estate taxes, which shall be apportioned as of the Closing,
- o The lien of any unpaid assessments payable in installments, except the Sponsor will pay all such installments due and payable prior to the Closing date, and the Purchaser will be obligated to pay all installments due at or subsequent to the Closing Date (however, the then current installment shall be apportioned at the Closing),
- o Any other matter or encumbrance as to which the Title Company or any other reputable title insurance company licensed to do business in New York would be willing, in a fee title insurance policy issued by it to the Purchaser, to insure the Purchaser that such matter or encumbrance (a) will not be collected out of the Unit if it is a lien, and (b) will not prevent the use of the Unit for dwelling purposes,
- o Any other declaration or other instrument affecting the Property that the Sponsor deems necessary or appropriate to comply with any Legal Requirement.

EXHIBIT F

Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards

Lead Warning Statement

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligent quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and to notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Seller's Disclosure (initial)

- _____ (a) Presence of lead-based paint and/or lead-based paint hazards (check one below):
- ☐ Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).
- _____
- _____
- ☒ Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.
- _____ (b) Records and reports available to the seller (check one below):
- ☐ Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below).
- _____
- _____
- ☒ Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing, although the premises were built prior to 1978.

Purchaser's Acknowledgment (initial)

- _____ (c) Purchaser has received copies of all information listed above.
- _____ (d) Purchaser has received the pamphlet Protect Your Family from Lead in Your Home.
- _____ (e) Purchaser has (check one below):
- ☐ Received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or
- ☐ Waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

Agent's Acknowledgments (initial)

- _____ (f) Agent has informed the seller of the seller's obligations under 42 U.S.C. 4852(d) and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information provided by the signatory is true and accurate.

286 1st St LLC

By: _____	Date _____	Seller _____	Date _____
Agent _____	Date _____	Agent _____	Date _____
Purchaser _____	Date _____	Purchaser _____	Date _____
Purchaser _____	Date _____	Purchaser _____	Date _____

SECTION B

POWER OF ATTORNEY

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UNIT OWNER'S POWER OF ATTORNEY

All terms used in this Unit Owner's Power of Attorney that are used (a) in the Declaration establishing a Plan for condominium ownership of the premises known both as 286 1st Street Condominium and by the street number 286 1st Street, Brooklyn, NY 11215 (the "Condominium") under Article 9-B of the Real Property Law of the State of New York, dated _____ and recorded in the Office of the City Register, Borough of Brooklyn on _____ as CRFN _____ (hereinafter referred to as the "Declaration"), or (b) in the By-Laws of the Condominium and the By-Laws of the residential portion of the Condominium (hereinafter referred to together as the "By-Laws") attached to, and recorded together with, the Declaration shall have the same meanings in this Unit Owner's Power of Attorney as in the Declaration or the By-Laws.

The undersigned _____, with an address at _____, the owner of the Condominium Unit (hereinafter referred to as the "Undersigned's Unit") designated and described as Unit No. _____ in the Declaration and also designated as Tax Lot _____ in Block _____ of the Borough of Brooklyn on the Tax Map of the City of New York, (does) (do)* hereby irrevocably nominate, constitute and appoint the persons who may from time to time constitute the Board of Managers (the "Board"), true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with the power of substitution, in their own names, as members of the Board or in the name of their designee (corporate or otherwise), on behalf of (me) (us)* and all Unit Owners, in accordance with the Unit Owners' respective Common Interest, subject to the provisions of the By-Laws and the Declaration then in effect, (1) (a) to acquire or lease any Unit, together with the Appurtenant Interests in connection with any Right of First Refusal, (b) to acquire any Unit, together with its Appurtenant Interests, whose Owner elects to abandon or surrender the same pursuant to the terms of the By-Laws, (c) to acquire any Unit, together with its Appurtenant Interests, that becomes the subject of a foreclosure or other similar sale, on such terms and (with respect to any transfer pursuant to the terms of subdivision (a) or (c) of this Paragraph) at such price or at such rental, as the case may be, as said attorneys-in-fact shall deem proper, and (2) thereafter to convey, sell, lease, mortgage or otherwise deal with (but not vote the interest appurtenant to) any such Unit so acquired by them, or to sublease any Unit so leased by them, on such terms as said attorneys-in-fact may determine, granting to said attorneys-in-fact the power to do all things in respect to any such Unit that the undersigned could do if the undersigned were personally present and (3) to execute, acknowledge and deliver any (a) consent, covenant, restriction, easement, application, certification, declaration or other instrument affecting the Condominium and the Property necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution, guideline or requirement of the City or State of New York or of the federal government or any public department, agency or authority thereof, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Property or any use thereof permitted pursuant to the Declaration or the By-Laws, or (b) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Condominium or the Common Elements that the Board deems necessary or appropriate.

The acts of majority of such persons constituting the Board shall constitute the acts of said attorneys-in-fact.

The undersigned (does) (do)* hereby irrevocably nominate, constitute, and appoint 286 1st St LLC (hereinafter referred to as the "Sponsor"), as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, (1) to amend from time to time said Declaration, By-Laws and the Rules and Regulations, or any of said documents, when such amendment (a) shall be required to reflect any changes in Unsold Units and/or re-apportionment of the Common Interest of the affected Unsold Units resulting therefrom made by the Sponsor or its designee in accordance with the Declaration or (b) shall be required by (i) any governmental agency having regulatory jurisdiction over the Condominium, or (ii) any title insurance company selected by the Sponsor to insure title to any Unit, provided, however, that any amendment made pursuant to the terms of subdivision (a) or (b) of this Paragraph shall not (x) change the Common Interest of the Undersigned's Unit, (y) require material physical modification to the Undersigned's Unit or (z) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by a bank, savings bank, insurance company, government agency, investment bank with a net worth in excess of \$100,000,000, or a mortgage company affiliated with any of the foregoing covering the Undersigned's Unit unless the undersigned (in the event described in subdivision (x) or (y) of this Paragraph) or the holder of such mortgage (in the event described in subdivision (z) of this Paragraph) shall consent thereto in writing and (2) to execute, acknowledge and deliver (a) any consent, covenant, restriction, easement, application, certification, declaration or other instrument affecting the Condominium and the Property that the Sponsor deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution, guideline or requirement of the City or State of New York or of the federal government or any public department, agency or authority thereof, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Unsold Units or any use thereof permitted pursuant to the Declaration or the By-Laws, or (b) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Unsold Units or any of them, as shall be permitted by the Declaration and the By-Laws. The terms, covenants and conditions contained in, and the powers granted pursuant to, this Paragraph shall remain in full force and effect until such time as the Sponsor or its designees shall cease to own any of the Units in the Condominium.

IN WITNESS WHEREOF, the undersigned (has) (have) executed the Unit Owner's Power of Attorney as of the _____ day of _____, 202__.

STATE OF NEW YORK)
)ss.:
COUNTY OF)

On the day of , 201___, before me, the undersigned personally appeared
 , personally known to me or proved to me on the basis of satisfactory
evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and
acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by
his/her/their signature(s) on the instrument, the individual(s), or the person on behalf of which the
individual(s) acted, executed the instrument.

Notary Public

STATE OF NEW YORK)
)ss.:
COUNTY OF)

On the day of , 201___, before me, the undersigned personally appeared
 , personally known to me or proved to me on the basis of satisfactory
evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and
acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by
his/her/their signature(s) on the instrument, the individual(s), or the person on behalf of which the
individual(s) acted, executed the instrument.

Notary Public

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SECTION C

FORM OF UNIT DEED

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UNIT DEED

THIS INDENTURE, made the _____ day of _____, 202__, between 286 1st St LLC having an address at 689 Degraw Street, Apt. 1, Brooklyn, NY 11217 ("Grantor"), and _____, having an address at _____ ("Grantee"),

W I T N E S S E T H :

That the Grantor, in consideration of Ten Dollars (\$10.00) and other valuable consideration paid by the Grantee, receipt of which is hereby acknowledged, does hereby grant and release unto the grantee, the heirs or successors and assigns of the Grantee, forever:

The Unit known as Unit No. _____ (hereinafter called "the Unit") in the building (hereinafter referred to as the "Building") known as 286 1st Street Condominium, 286 1st Street, Brooklyn, NY 11215, referred to in the declaration establishing 286 1st Street Condominium (which Building together with the land hereinafter described is hereinafter called the "Condominium Property"), made by the Grantor under the Article 9-B of the Real Property Law of the State of New York), dated _____, recorded in the Office of the City Register, Borough of Brooklyn on _____ as CRFN _____ and designated as Tax Lot ____ in Block ____ of the Borough of Brooklyn on the Tax Map of the City of New York.

The land area (the "Land") of the Condominium Property is described on Schedule A attached hereto and made a part hereof.

TOGETHER with the benefits, rights, privileges, easements and subject to the burdens, covenants, restrictions, by-laws, rules, regulations and easements all set forth in the Declaration and documents attached thereto and recorded therewith as the same may be amended from time-to-time;

TOGETHER with the appurtenant interests as described in the Declaration and by-laws of the Condominium and the by-laws of the residential portion of the Condominium (together the "By-Laws") as the same may be amended from time-to-time;

TOGETHER with an undivided _____% interest appurtenant to the Unit in the Common Elements of the Condominium Property (hereinafter called the "Common Elements");

TOGETHER with an easement for the continuance of all encroachments by the Unit on any adjoining Units or Common Elements or Limited Common Elements now existing as a result of construction of the Building or which may come into existence hereafter as a result of settling or shifting of the Building, or as a result of repair or restoration of the Building, the Common Elements or the Unit after damage or destruction by fire or other casualty, or after a taking in condemnation or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements, so that any such encroachments may remain, so long as the Building shall stand;

TOGETHER with an easement in common with the owners of other Units to use any pipes, wires, ducts, cables, conduits, utility lines, equipment and facilities, flues and other Common Elements located in any of the other Units or elsewhere on the Condominium Property, and serving the Unit;

TOGETHER with the appurtenances and all the estate and rights of the Grantor in and to the Unit;

TOGETHER with a right of way through the Common Elements to the public streets;

TOGETHER with the right, if any, of the use of the Limited Common Elements as is set forth in the Declaration and subject to the rights of other Unit Owners to use the Limited Common Elements appurtenant to their Units, if any, as set forth in the Declaration, as the same may be amended from time-to-time;

TOGETHER with the easements created by the Declaration, which are incorporated herein by references as though fully set forth herein, as the same may be amended from time-to-time;

TOGETHER with and SUBJECT to all easements of necessity in favor of the Unit or in favor of other Units or the Common Elements;

SUBJECT to: (1) any state of facts an accurate survey would show; and (2) any other covenants, restrictions, easements, liens, agreements, documents and instruments that Grantor or the Board of Managers of the Condominium (the "Board of Managers") may record against the Condominium Property for the construction of improvements and the use, maintenance and operation thereof;

SUBJECT also to easements in favor of adjoining Units and in favor of the Common Elements and Limited Common Elements for the continuance of all encroachments of such Units or Common Elements or Limited Common Elements on the Unit now existing as a result of construction of the Building, or which may come into existence hereafter as a result of settling or shifting of the Building, or as a result of repair or restoration of the Building or any Unit or the Common Elements or Limited Common Elements after damage or destruction by fire or other casualty or after a taking in condemnation or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements, so that any such encroachments may remain so long as the Building shall stand;

SUBJECT also to an easement in favor of the owners of other Units and the Board of Managers to use, maintain, repair, remove, replace and relocate the pipes, wires, ducts, conduits, cables, utility lines, equipment and facilities, flues and other Common Elements now or hereafter located in the Unit or elsewhere on or in the Condominium Property and serving such other Units;

SUBJECT also to the terms, conditions, covenants and provisions of the Declaration and of the By-Laws, as the same may be amended from time-to-time, which terms, conditions, covenants and provisions shall run with the land and shall bind any person having at any time any interest or estate in the Unit as though such provisions were recited herein;

SUBJECT also to the Power of Attorney(s) from Grantee to the Board of Managers relating, among other things, to disposition of Units acquired or leased by the Board of Managers;

SUBJECT also to the rights reserved in the Declaration, as the same may be amended from time-to-time, to establish, grant and create additional utility easements in, under and through the Condominium Property including the Unit, to relocate existing utility easements in any portion of the Condominium Property including the Unit and to dedicate any or all of such easements and/or facilities or equipment therein to any governmental body, public benefit corporation or utility company;

SUBJECT also to easements for ingress and egress for construction, installation, operation and maintenance of municipal service facilities and utilities;

SUBJECT also to rights of owners of other Units and the Board of Managers through the Common Elements to the public streets;

TO HAVE AND TO HOLD the same unto the Grantee, and the heirs or successors and assigns of the Grantee forever.

The use for which the Unit is intended is that permitted by the By-Laws and the Declaration, as the same may be amended from time-to-time.

The Grantor covenants that it has not done or suffered anything whereby said premises have been encumbered in any way, except as aforesaid.

The Grantor, in compliance with Section 13 of the Lien Law, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the improvement before using any part of the same for any other purpose.

The Grantee accepts and ratifies the provisions of the Declaration and the By-Laws and the Rules and Regulations of the Condominium recorded simultaneously with and as part of the Declaration and agrees to comply with all the terms and provisions thereof as the same may be amended from time to time.

This conveyance is made in the regular course of business actually conducted by the Grantor herein.

The terms "Grantor" and "Grantee" shall be read as "Grantors" and "Grantees" whenever the sense of this deed so requires.

The term "Board of Managers" shall mean the Board of Managers.

IN WITNESS WHEREOF, the Grantor and the Grantee have duly executed this deed the day and year first above written.

286 1st St LLC

By: _____

Grantee:

Grantee:

STATE OF NEW YORK)
)ss.:
COUNTY OF)

On the day of , 201___, before me, the undersigned personally appeared
 , personally known to me or proved to me on the basis of satisfactory
evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and
acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by
his/her/their signature(s) on the instrument, the individual(s), or the person on behalf of which the
individual(s) acted, executed the instrument.

Notary Public

STATE OF NEW YORK)
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COUNTY OF)

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individual(s) acted, executed the instrument.

Notary Public

SCHEDULE A
286 1st Street
Brooklyn, NY 11215

The Unit known as Unit No. _____ in the building known as and by the street number 286 1st Street, Brooklyn, NY 11215, designated and described as Unit No. in _____ the _____ Declaration establishing a plan for condominium ownership of said building and the land on which it is erected made by 286 1st St LLC under the Condominium Act of the State of New York (Article 9-B of the Real Property Law of the State of New York) dated _____ recorded in the office of the Register of the City of New York in the County of Kings on _____ as CRFN _____ and designated as Tax Lot No. _____ in Block ____ of the Borough of Brooklyn on the Tax Map of the Real Property Assessment Department of the City of New York and on the Floor Plans for the Building filed in the office of the Register of the City of New York, County of Kings on _____ as Condominium Plan No. _____.

TOGETHER with an undivided _____% interest in the Common Elements.

THE Land on which the Building lies is described as follows:

SECTION D

**DESCRIPTION OF PROPERTY AND SPECIFICATIONS
OR BUILDING CONDITION**

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ARCHITECT'S REPORT

Re 286 1st Street Condominium
286 1st Street Brooklyn, NY 11215

PREPARED BY:

Thomas Barry, R.A.
68 Jay Street, Suite 908
Brooklyn NY 11201
Phone No: 917-523-1964
July 22, 2024

SECTION 20.7: DESCRIPTION OF PROPERTY AND SPECIFICATIONS

(a) LOCATION AND USE OF PROPERTY

- (1)** Address: 286 1st Street Brooklyn, NY 11215
It is estimated that this building was completed in 1899.
- (2)** Block and lot number:
The building is located on Block No.: 969, Lot No.: 30
- (3)** Zoning:
The site is located in an R6B zoning district as shown on NYC zoning map #16C.
The building conforms to all R6B requirements for bulk and use.

The building complies with Quality Housing requirements: ZR 28-23 Planting Areas, and is exempt from the following Quality Housing requirements due to having less than nine dwelling units: ZR 28-11 Elevated Ground Floor Units, ZR 28-12 Refuse Storage & Disposal, ZR 28-13 Laundry Facilities, ZR 28-21 Recreational space, ZR 28-30 Safety and Security

- (4)** Permissible Use:
The R6B Zone permits Residential use as of right. The proposed use is a three unit dwelling. The multiple dwelling classification will be Hereafter Erected Multiple Dwelling.

(b) STATUS OF CONSTRUCTION

(1) Year built:

The building is a proposed vertical and horizontal extension to the existing building and is currently under renovation.

The building expansion and conversion has been filed and approved under the requirements of the 1968 NYC Building Code.

The estimated date of substantial completion is November 2024.

(2) Class of construction:

The existing construction is classified as Type III Non-Fireproof per the Prior to 1968 New York City Building Code. The proposed construction class per the alteration will be Class II-B, protected wood joists, per the 1968 New York City Building Code. The required fire-ratings of each building element are as follows, per table 3-4 of the 1968 New York City Building Code.

Exterior walls with an exterior separation of:	3'-0" or less	Bearing	2 hours
		Non-bearing	2 hours
	More than 3'-0" but less than 15'-0"	Bearing	2 hours
		Non-bearing	2 hours
	15'-0" or more but less than 30'-0"	Bearing	2 hours
		Non-bearing	2 hours
	30'-0" or more	Bearing	1 ½ hours
Non-bearing		0 hours	
Interior bearing walls and bearing partitions	1 hour		
Enclosure of vertical exits, exist passageways, hoistways, and shafts	2 hours		
Fire divisions and fire separations	2 hours		
Columns, girders, trusses (other than roof trusses) and framing	Supporting one floor		1 hour
	Supporting more than one floor		1 hour
Structural members supporting a wall	Same as required fire resistance of wall supported, but not less than rating required for member by the class of construction.		
Floor construction including beams	1 hour		
Roof construction including beams, trusses and framing, including arches, domes, shells, cable supported roofs and roof decks	15'-0" or less in height above floor to lowest member		¾ hours
	15'-0" to 20'-0" in height above floor to lowest member		¾ hours
	20'-0" or more in height above floor to lowest member		¾ hours

- (3) Certificate of Occupancy:
Prior to the first Condominium Unit closing, Sponsor will obtain either a Temporary Certificate of Occupancy for the Condominium Units to be closed or a Final Certificate of Occupancy covering the Building and all Units. If a Temporary Certificate of Occupancy is obtained, Sponsor will continue to extend the same until a Final Certificate of Occupancy is issued unless prevented from doing so by violations that are the responsibility of the Condominium's Board of Managers or the Unit Owners and that are noted or issued for any reason not having to do with the Sponsor, in which case the Sponsor shall extend the Temporary Certificate of Occupancy or obtain the Final Certificate of Occupancy, as the case may be, within a commercially reasonable time after all such violations are cured and cleared by the party responsible for doing so.
- (4) Permit numbers and description of work done:
The building is being constructed as per plans which were filed with and approved by Brooklyn Office of the New York City Department of Buildings under application number B00830412. The proposed alteration of the building includes a horizontal extension at the rear of the building on the cellar, first, second, and third floors and a vertical addition of a new penthouse level and roof terrace.

(c) SITE

- (1) Size:
The site is located on the south side of 1st Street between 4th Avenue and 5th Avenue, Brooklyn. Based on the information contained in surveys prepared by the licensed surveyor, City Mapping, Inc. dated December 03, 2022, the site has a frontage of 20.0' along 1st Street and a depth of 100'. The lot area is 2,000 square feet.
- The proposed building will have a cellar, three stories and a penthouse. The cellar, first, second, and third floors will be approximately 1,200 square feet each. The penthouse will be approximately 400 square feet. The total gross floor area will be approximately 5,200 square feet.
- (2) Number of buildings and use:
The Building will be a single building developed for residential use. The Building will have three residential units.
- (3) Streets owned or maintained by the project:
There are no streets owned or maintained by the property. They are the property and responsibility of the City of New York. The condominium is required to keep the sidewalk directly in front of the property clean of debris, trash and snow. The following sub sections will not be applicable to this Report:

- (3.i)** Paving (material and condition);
 - (3.ii)** Curbing (material and condition);
 - (3.iii)** Catch Basins (location and condition);
 - (3.iv)** Street lighting (material, type, location and condition);
 - (3.v)** Conformity with municipal codes.
- (4)** Drives, sidewalks and ramps:
 - (4.i)** Paving:

The existing concrete sidewalk is in sound condition and will be retained. The sidewalk providing access to the Building shall be free of tripping hazards and ponding. The condominium will be responsible for maintaining the sidewalk.
 - (4.ii)** Curbing:

The existing concrete sidewalk curb at 1st Street is in sound condition and will be retained.
 - (4.iii)** Catch Basins drainage:

The street is presently pitched to drain through existing cast iron catch basins into the New York City storm water drainage system. There will be no catch basins on the property.
 - (4.iv)** Street lighting:

There is no street lighting in front of the property
 - (4.v)** Conformity with municipal codes:

All paving and drainage devices will conform to the standards of the New York City Department of Buildings and the New York City Building Code and will be subject to approval and inspection by the New York City Department of Buildings.

(d) UTILITIES

- (i)** Domestic Water is provided by the City of New York and Department of Environmental Protection from mains under the street. Water consumption for the building is supplied via a combination sprinkler and domestic water service. The service pipe is 2" and passes through a 2" double check valve with a 2" common charge meter. The condominium is responsible for maintenance, repair and replacement of water meters and service pipes to the building. See section (j)(1), Water Supply.

(ii) Sewer service is provided and maintained by the City of New York. The condominium is responsible for maintenance, repair and replacement of the sewer line from the main to the building. The house sewer is not visible but is assumed to be working well. Water and sewer will be measured by one meter and the costs thereof will be a common expense.

(iii) There is no natural gas within the building. The existing line is being capped and abandoned.

(iv) Electricity is provided and maintained by Consolidated Edison, a regulated public utility. The panel is rated at 400 amps. Each residential owner shall be separately metered and pay actual usage charges directly to Cod Edison on the basis of approved Utility Electric rates then in effect. The electrical meters are located in the utility room in the cellar. There is a separate electric meter for the common areas.

(v) Telephone and internet lines to a service connection at or near the premises are provided and maintained by the Verizon Company, a regulated public utility, or alternate telephone and internet providers. Services to and usage by each individual unit owner are separately monitored and billed. Junction boxes provide telephone service to individual units. Such wiring and equipment shall be maintained by the condominium. The telephone wiring and equipment within each unit shall be the responsibility of each Individual unit owner or user. Maintenance and installation of the wiring and equipment from the service connection to the individual unit and within the individual unit may be contracted by the Individual unit owner to a variety of vendors. Other equipment and wiring may be installed at the expense of individual user.

(vi) Sanitary waste will be carried from the building to the New York City Sewer System through an existing 4" combined sanitary and sewer connection. Storm water will be carried from the building into a new minimum size 44.46 cubic feet drywell at the rear of the building.

(e) SUB-SOIL CONDITIONS

The soil at the bottom of the footings is Class 3b soil, as per a subsurface Test Boring which was performed by Tony C. Onyeagoro of Building Consulting Engineering. The soil has an allowable bearing capacity of approximately 3 tons per square foot as per the New York City Building Code. The ground water table was detected at 16 feet below grade.

- (1)** There is evidence of previous settlement in the existing building, which was corrected by underpinning in the existing cellar of all foundation walls, completed in 2007.
- (2)** There is no evidence of moisture, seepage or groundwater infiltration to the existing portions of the cellar that will remain.
- (3)** The existing storm/waste combined sewer connection was maintained, and a drywell was provided to manage additional storm water related to the building addition with all new storm piping throughout the building.
- (4)** The Building is not in a flood hazard district.

- (5) There are no environmental site issues present.

(f) LANDSCAPING AND ENCLOSURES

- (1) Grass Cover: None.
- (2) Plantings: There is a new planting area in the front yard with planting beds on the ground level or raised beds for grass, groundcover, shrubs, trees or other living plant material, in compliance with Quality Housing requirements.
- (3) Trees: There are three existing trees at the rear of the site.
- (4) Fencing: There will be a new six foot tall wood fence surrounding the rear yard of the building.
- (5) Gates: There is an existing 42" cast iron fence and gate in sound condition at the front of the building separating the front yard to the street. A portion of the front fence, gate, and stoop extend beyond the property line. The encroaching elements are existing to remain, and the degree of encroachment will not be increased.
- (6) Garden walls: There will be no garden walls on the site.
- (7) Retaining walls: There will a new 36" tall concrete block retaining wall separating the rear yard from the rear terrace.
- (8) Display pools and fountains: There will be no display pools or fountains on the site.

(g) BUILDING SIZE

- (1) The approximate height of the Building, from the mean curb elevation at the street frontage to the high point of the penthouse roof will be 47'-0"
- (2) There will be no crawl spaces within the building.

- (3) There will be one cellar level below the first floor level of the building. The floor to ceiling height at the cellar level will be approximately 8'-1".
- (4) The building will consist of a cellar, three (3) stories and a penthouse. The approximate gross square footages of each floor are as follows:
- | | |
|-----------------|-------------------------------|
| Cellar Floor | approximately = 1,200 sq. ft. |
| First Floor | approximately = 1,200 sq. ft. |
| Second Floor | approximately = 1,200 sq. ft. |
| Third Floor | approximately = 1,200 sq. ft. |
| Penthouse Floor | approximately = 400 sq. ft. |
- (5) There will be a utility room located on the cellar floor level towards the front (north side) of the building containing electrical meters, water service and meters and RPZ.
- (6) There are no proposed parapets.

(h) STRUCTURAL SYSTEM

The existing structure of the Building is comprised of masonry exterior load bearing walls and foundations that are in sound condition, with wood joist floors. The existing masonry foundations are underpinned with 10" tall cast concrete which is also in sound condition. New footings and foundation walls will be of reinforced cast in place concrete, sheet waterproofing, and 2" XPS continuous insulation.

The existing wood joists are in sound condition and shall be reused, with additional steel beams and cold formed steel joists, and wood joist sistering added as required. The typical floor/ceiling assembly between units has a fire-rating of 2 hours and follows UL G575, with 8" wood joists with plywood deck, 5mm soundmat, finished floor, (2) layers gypsum wall board ceiling, and 6" mineral wool SAFB. The typical floor/ceiling assembly within units has a fire-rating of 1 hour and follows UL L524, with 8" wood joists with plywood deck, 5mm soundmat, finished floor, (1) layer gypsum wall board ceiling, and 6" mineral wool SAFB. All floors have an approximate IIC rating of 56.

The new rear extension of the building will be reinforced, solid grouted concrete block bearing walls with cold formed steel joist floors. There will be a new slab on throughout the entire cellar that sits atop a vapor barrier. At the rear extension of the building, the slab on grade will sit atop a vapor barrier, 3" XPS continuous insulation, and a 6" gravel bed. The new slab on grade will have interior finishes as described later in this report.

The penthouse addition will be framed with new steel framing and cold formed steel floor joists. The floor deck above both existing wood joists and new steel joists will be ¾" APA rated structural plywood.

The structural plans have been prepared by a New York State licensed, Professional Engineer and filed with and approved by the New York City Department of Buildings.

(1) Exterior of buildings:

(1.i) Walls:

The existing exterior wall on the north side of the building is a masonry load-bearing wall in sound condition and is to remain; its existing exterior finish will remain in place, being be repointed and repaired as necessary. The existing party walls on the east and west sides of the building are masonry load bearing walls in sound condition and will remain in place; they will be repointed and repaired as necessary, and do not have an exterior finish. The interior finish of existing north wall will be 1 ½" metal furring with open cell spray foam insulation and painted gypsum wall board. The interior finish of east and west party walls are existing masonry with 1 ½" metal furring and painted gypsum wall board, and they have a 2 hour fire-rating.

The new exterior walls on the east, west, and south sides of the building at the cellar, first, second, and third floors shall be load-bearing fully grouted and reinforced concrete block walls, with exterior liquid applied waterproofing, 3" continuous EPS insulation, and stucco finish. Lintels at the new concrete block walls at window and door openings shall be of steel. Interior finish of new CMU exterior walls will have 2 ½" metal furring with open cell spray foam insulation and painted gypsum wall board.

New exterior walls at the penthouse addition will be steel framed with non load bearing 4" cold formed steel stud non-bearing infill, and 4" batt insulation in the cavity. The exterior finish of these walls will be stucco on 3" continuous EPS insulation, continuous sheet waterproofing, 5/8" densglass. Interior finish will be painted gypsum wall board or tile.

(1.ii) Windows:

Windows on the north and south façade will be triple pane clad wood casement windows manufactured by Andersen. Interior window sills, jambs, and heads will typically be solid wood, painted. On the north façade, existing lintels and exterior sills are in good condition and will remain. On the south façade, new steel lintels have been installed in masonry openings, and exterior sills will have flashing pans with drip edges. The windows provided by Andersen shall have a limited warranty of 20 years for glass, ten years for hardware, and 20 years for exterior finish. The interior finish of the aluminum clad wood windows will be painted pine. All windows shall be fully taped and

flushed and shall have sill pans with back dams. The operable windows will have screens.

Unit 2 terrace door system will be black aluminum accordion terrace door.

There are no lot line windows. All windows provide legally required light and air for the interior of the building.

(1.iii) Landmark status: None.

(1.iv) Exterior elements:

The existing cornice is in sound condition and will be patched and repainted.

(2) Parapets and copings:

There will be no parapet walls. Roof curbs shall be capped with an aluminum metal coping which shall be anchored to the building structure. All exterior metals, including fasteners, shall be corrosion resistant.

(3) Chimneys and caps: There will be no chimneys.

(4) Balconies and terraces:

There will be one terrace at the rear of Unit 1 at the cellar level. There will be one deck at the rear of Unit 1 at the first floor. There will be one roof terrace at the rear of Unit 2 at the second floor. There will be one balcony at the rear of Unit 3 at the third floor. There will be two roof terraces, one at the front and one at the rear of Unit 3 at the penthouse level.

(i) Deck finish: The cellar level rear terrace surface will be $\frac{3}{4}$ " porcelain tiles set in $1\frac{1}{2}$ " mortar bed over a four inch thick concrete slab on grade. The deck of the first floor rear deck will be 1" thick galvanized steel bar grating. The roof terrace of the second floor rear will be $\frac{3}{4}$ " stone tile thinset over a Schluter Ditra decoupling membrane. The third floor rear balcony deck will be 1" thick galvanized steel bar grating. The deck of the penthouse level roof terraces will be $\frac{3}{4}$ " porcelain tiles set on pedestals

(ii) Balustrades:

Balustrades at the first floor rear deck, second floor rear roof terrace, and third floor rear balcony will be 4" concrete block, 2'-9" tall with stucco finish, and painted steel bar stock, with a total height of 42"

(iii) Railings:

Railings at the first floor rear deck, second floor rear roof terrace, third floor rear balcony, and front and rear roof terraces at the penthouse level will 4" concrete block, 2'-9" tall with stucco finish, and painted steel bar stock, with a total height of 42". Railings at the stair from the 1st floor deck to rear yard will be painted steel bar stock.

(iv) Copings:

The coping at the terrace edges shall be made of aluminum and anchored back to the CMU / metal framed walls.

(v) Soffits:

The soffit above the second floor roof terrace will be painted exterior grade gypsum board sheathing.

(vi) Doors to balconies and terraces:

The doors to the cellar level rear terrace, first floor rear deck, second floor rear roof terrace, third floor rear balcony, and penthouse level front and rear roof terraces will be triple pane clad wood doors manufactured by Andersen. The interior finish of all terrace, balcony, and deck doors shall be painted pine with a black exterior clad finish. All terrace doors shall be equipped with an entry type lockset. All doors shall be triple glazed insulated.

(vii) Drainage

The rear cellar level terrace will be drained with two four inch area drains. The first floor rear deck and third floor rear balcony will be open steel grating with no drainage required. The second floor rear roof terrace will have a 3" roof drain. The penthouse level front and rear roof terraces will each have two 4" roof drains.

(5) Exterior entrances

There is one exterior entrance from First Street accessing the residential units of the building, one exterior cellar door from First Street accessing the cellar utility room, one exterior cellar door from First Street accessing the storage for Unit 2, and one cellar door from First Street accessing the Common Hall which accesses the storage for Unit 3 and the accessory cellar space for Unit 1.

(1.i)

(5.i) Exterior doors and frames:

The exterior first floor entry door will be a custom aluminum door with glass lites and an entry latch with an electronic release.

The exterior doors at the cellar level will be opaque insulated steel doors with storefront mortise latchsets keyed at the exterior, by LIF Industries.

(5.ii) Vestibule doors and frames:

A vestibule is located immediately inside the entry on First Street. The vestibule door will be a solid wood door with glass lites and an entry latch.

(5.iii) Exterior stairs: There is an existing exterior masonry stoop in sound condition that will remain at the first floor entry at First Street, and will be cosmetically repaired as needed. There is an existing exterior stair of concrete construction, in sound condition, from the exterior grade to the cellar level at the First Street front entrance, no repairs are necessary.

(1.ii) Railings: There is an existing 23.75" cast iron railing on the First Street entry stoop to the first floor that is in sound condition and will have cosmetic repairs. There will be a new steel 36" handrail and 42" guardrail on the existing stair at the cellar entry on First Street.

(1.iii)

(1.iv)

(5.iv) Mailboxes:

U.S.P.S. approved type mailboxes will be provided for each residential unit within the vestibule at the building entrance on First Street.

(5.v) Lighting:

There will be one surface mounted LED light fixture in the soffit of the first floor entry on First Street. There will be one ceiling mounted LED light fixture on the soffit of the cellar level entry on First Street. The Sponsor reserves the right to provide light fixtures by a different manufacturer which are equal to or better than noted above.

The requirements shall be in compliance with New York City Housing Maintenance Code and Multiple Dwelling Laws. All light fixtures shall be installed by New York State Licensed electricians and shall comply with the New York City Electrical Code.

- (6)** Service entrances:
There will be no separate service entrance to the building therefore the following sub sections will not be applicable to this Report:

(6.i) Doors;

(6.ii) Gates;

(6.iii) Exterior stairs;

(6.iv) Railings.

- (7)** Roof and roof structures:

(7.i) Types:

There will be flat roof areas located above the third floor level and above the penthouse level. Six foot wide FDNY access will be provided on the north and south sides of the roof of the 3rd floor level and at the penthouse roof with connecting iron rung ladders between each level. Fire department access and roof layout are in compliance with New York City Fire Code.

(7.i.a) Material:

The roof areas shall consist of a Firestone SBS roof membrane on rigid insulation and exterior grade plywood subflooring over steel joist framing. The roof membrane on terraces will be sloped towards a roof drain for positive drainage.

(7.i.b) Insulation:

Batt insulation, with a minimum R value of 38, will be provided at the underside of the roofs in the space between the metal joists. Rigid insulation at the roof will be a tapered Firestone ISO 95+ GL Polyisocyanurate insulation and shall have a minimum R value of 12.

(7.i.c) Surface Finish:

The limited common element roof terrace material will be ¾" thick 24" x 24" porcelain tiles on a pedestal system, appropriate for daily foot traffic. The roof membrane on terraces will be sloped towards a roof drain for positive drainage.

(1.iv.a) Bond or guarantee:

A ten year warranty shall be issued by the roofing membrane manufacturer. All repair or replacement costs covered under the guarantee shall be borne by the roofing membrane manufacturer. The Commencement date of the warranty shall begin at installation. The installation of roof pavers does not void the

manufacturer's roof warranty. The warranty covers materials and labor.

(7.i.d) Flashing materials including counter flashing:

Continuous flexible membrane flashing will be provided at the perimeter of roofs. Galvanized steel counter flashing will be provided at the perimeters.

(7.ii) Drains:

(a) There will be one 4" J.R. Smith 1310 cast iron roof drains and one J.R. Smith 1310-WD cast iron overflow drain on each of the roof surfaces. There are no gutters, leaders or scuppers.

(b) A 4" cast iron storm water leader will run between the roof drains and the combined house trap.

(7.iii) Skylights:

There will be three skylights on the penthouse roof, two at 2'-6 $\frac{3}{4}$ " x 2'-6 $\frac{3}{4}$ " and one at 4'-6 $\frac{3}{4}$ " x 2'-10 $\frac{1}{4}$ ", that are limited common elements appurtenant to Unit 3. Skylights will be curb mounted Velux or similar fixed skylights with an aluminum frame and insulated glass.

The insulating glass within Velux unit skylights have a 20 year warranty against developing a material obstruction or vision as a result of dust or film formation on the inter glass surface caused by a failure of the hermetic seal (except when failure of hermetic seal is due to breakage of cracking in the glass surface). The Velux glass unit skylights and flashings distributed by Velux have a 10 year warranty to be free from defects in material and workmanship. Velux curb mounted skylights and related flashings installation have a 10 year no leak warranty. Labor costs are covered for work related to the replacement of covered products. VELUX laminated glass unit skylights in double and triple panes will not crack or break because of hail. This Limited Warranty is applicable only if Velux: (a) is able to verify that the laminated glass pane on any Velux unit skylight subject to this limited warranty is cracked or broken as a result of hail, and (b) receives confirmation of the occurrence of hail from the National Weather Service for the appropriate location of original installation.

(7.iv) Bulkheads:

There will be no bulkhead. The common egress stair will terminate at the 3rd floor and shall have roof access via an iron rung ladder and with a venting glazed roof scuttle hatch manufactured by Fakro.

(7.v) Metal work at roof levels

(7.v.a) Exterior, metal stairs:

There will be no exterior stairs at the roof area.

(7.v.b) Vertical ladders, including gooseneck:

There will be two ladders providing access to the roof of the penthouse level from the roof of the third floor. One ladder will be on the north side of the penthouse level, one ladder will be on the south side of the penthouse level.

(7.v.c) Railings:

The penthouse level roof terraces will have a 42" tall painted steel railing with 2" x ½" horizontal top and middle rails and ½" x 1" vertical pickets at 4" on center.

(7.v.d) Hatches to roof:

There will be one venting glazed roof scuttle hatch, 56" x 44" by Fakro, metal clad PVC frame.

(7.v.e) Other: There will be no other structures at the roof areas.

(7.vi) Rooftop facilities:

The open roof terrace areas at the roof above the third floor level will be limited common elements for the Unit located at the penthouse level and shall be in compliance with Zoning and Building Code as indicated in the DOB approved drawings. FDNY rooftop access is provided in accordance with 2022 NYC FC 504.4. Both the front and rear roof terraces will be on the certificate of occupancy and therefore are exempt from sustainable roofing zone per Building Bulletin 2019-10 C.5. Maximum occupancy of the rear terrace is 2 occupants. Maximum occupancy of the front terrace is 1 occupant. System, warranty, and finish of roof terraces is described in 20.7(h)(7)(i)(c) and 20.7(h)(7)(i)(d) of this document.

(8) Fire escapes:

There will be no fire escapes in the building

(9) Yard and courts:

The building has one rear yard which will be a limited common element for Unit 1. The rear yard is accessible from the first floor and cellar floor of Unit 1. The front yard is described in section (f)

(7.vii) Paving: The terrace area of the rear yard will be paved with ¾" thick porcelain tiles on a 1 ½" mortar bed on a 4" concrete slab on grade. The upper area of the rear yard will be graded and have grass.

(7.viii) Drainage:

The terrace area of the rear yard will have two 4" cast iron area drains connected to the drywell in the rear yard.

(7.ix) Railings:

There will be a painted steel handrail at the steps from the upper area of the rear yard to the lower terrace area.

(7.x) Stairs: There will be masonry steps with bluestone paving between the upper portion of the rear yard to the lower paved terrace area of the rear yard.

(7.xi) Fencing: There will be a 6' tall pressure treated wood fence at the rear yard on the east, west, and south faces.

(7.xii) Walls: There will be no walls in the rear yard.

(10) Interior stairs:

(i) Number and type:

There will be one set of common egress stairs from the first floor to the third floor level of the building.

Unit one will have one accessory flight of stairs between the cellar level and first floor level.

Unit three will have one flight of internal egress stairs between the third floor and the penthouse level.

(1.ii) Enclosure:

The enclosure of the interior common egress stairs leading from the first floor to the third floor will be constructed of steel studs with two layers of 5/8" type x gypsum wallboards on each side for a total 2-hour fire rated assembly.

The interior stairs within the units providing accessory use shall be open stairs which will be finished with gypsum wallboards at the wall areas adjacent to the stairs.

(1.iii) Stair construction:

The interior common egress stairs leading from the cellar to the penthouse level shall be constructed of wood stringers, treads and risers.

The interior stairs within the units providing accessory use shall be of wood construction.

(1.iv) Stringers:

The stringers at the interior common egress stairs leading from the cellar to the penthouse level shall be constructed of wood. The stringers at the interior stairs within the units providing accessory use shall be of wood construction.

(1.v) Treads:

The treads at the interior common egress stairs leading from the first floor to the third floor will be wood.

The treads at the interior stairs within the units will be wood.

(1.vi) Risers:

The risers at the interior common egress stairs leading from the first floor to the third floor will be wood. The risers at the unit 3 internal egress stair will be wood, the risers at the unit 1 accessory stair will be open, maximum 4".

(1.vii) Guard rails:

The guard rails at the interior common egress stairs leading from the first floor to the third floor will be of steel construction.

The guard rails at the interior stairs within Unit 1 will be of metal construction.

The guard rails at the interior stairs within Unit 3 will be of wood construction.

All guard rails will have a minimum height of three feet and six inches (3'-6"). The maximum spacing between the vertical members of the railings shall be maximum four inches (4") as required by the New York City Building Code.

(1.viii) Balustrade:

The balustrades at the interior common egress stairs leading from the first floor to the third floor will be of steel construction.

The balustrade at the interior stairs within Unit 1 will be of metal construction.

The balustrade at the interior stairs within Unit 3 will be of metal construction. All balustrades at stairs will have a minimum height of two feet and ten inches (2'-10"). The maximum spacing between the vertical members of the railings shall be maximum four inches (4") as required by the New York City Building Code.

(11) Interior doors and frames:

(11.i) Unit entrance and interior doors and frames:

All unit entrance doors are located on the stair hall. The stair hall unit entrance doors and frames will be steel painted 90 minute fire rated self-closing. The stair hall unit entry doors shall be equipped with a manual, entry mortise type lockset manufactured by Emtek, model # 3545 with a matte black finish.

Interior doors and frames within the units shall be painted solid core with matte black, or satin nickel finish hardware.

(11.ii) Corridor doors and frames:

All interior corridor doors are described in 11(i).

(11.iii) Stair hall doors and frames:

All unit entrance stair hall doors are described in 11(i).

(11.iv) Roof doors, cellar doors and frames:

There will be no roof door from the common egress stair.

(12) Elevators:

There will be no elevators in the building. The following subsections will not be applicable to this report:

(12.i) Number;

(12.ii) Manufacturer, age & capacity;

(12.iii) Type of operation;

(12.iv) Automatic (type of controls);

(12.v) Floors served;

(12.vi) Type (hydraulic; gearless);

(12.vii) Doors (sliding, swinging, manual, automatic);

(12.viii) Location of machine rooms;

(12.ix) DC motor (manufacturer);

(12.x) AC motor-generator set (manufacturer);

(12.xi) Other.

(13) Elevator Cabs:

There will be no elevator cabs in the building. The following sub sections will not be applicable to this Report:

(13.i) Kind (manufacturer);

(13.ii) Floor (material);

- (13.iii) Walls (material);
- (13.iv) Ceiling (material);
- (13.v) Lighting;
- (13.vi) Alarm, safety system.

(i) AUXILIARY FACILITIES

(1) Laundry rooms:

- (1.i) Location and number of rooms:
There will be one laundry closet/room provided within each residential unit of each building with hookups for an electric washer and dryer. The clothes washer and dryer in Unit 1 will be side by side. The clothes washers and dryers in Unit 2 and Unit 3 will be stacked.
- (1.ii) Clothes washers:
The clothes washers within each unit shall be model #WFW5605MW, manufactured by Whirlpool or similar.
- (1.iii) Clothes dryers:
The clothes dryers within each unit shall be model #WED5605MW, manufactured by Whirlpool or similar.
- (1.iv) Room ventilation:
There will be no mechanical exhaust ventilation provided for the laundry closet/rooms. Laundry closet/room doors do not have louvers for ventilation; doors shall remain open during washer and/or dryer operation.

Dryer ventilation:

The installed clothes dryers shall be vented models with four inch ventilation to the roof.

(2) Refuse disposal

- (2.i) Incinerators:
There will be no incinerators in the building.

(2.ii) Compactors:

There will be no compactors in the building.

(2.iii) Approvals by authority having jurisdiction:

Garbage will be removed by the New York City Department of Sanitation.

(2.iv) Initial storage location:

Refuse disposal will be the responsibility of each individual unit's occupant. There will be garbage cans for temporary storage provided in the front yard of the building. Each unit's occupants will collect their own garbage and carry it to the garbage cans to be stored. The garbage cans will then be placed curbside not earlier than on the night prior to the collection dates listed below. The New York City Sanitation Department will then collect the garbage on days designated for garbage removal.

(2.v) Pick-up schedule:

Garbage and recycling refuse will be picked up by the New York City Department of Sanitation and the pickup times are outlined on the Department's website. The schedule for garbage removal at the location is Monday and Thursday. The schedule for recycling removal at the location is Thursday

(3) Storage

(3.i) Storage rooms for Unit 1, Unit 2, and Unit 3 will be in the cellar. Unit 1's storage room is located in their accessory space. The storage room for Unit 2 is separated from adjacent spaces with 2 hour fire rated partitions, and is accessed through a FPSC 90 minute rated exterior door. The storage room for Unit 3 is separated from adjacent spaces with 2 hour fire rated partitions, and is accessed from the common hall through a FPSC 90 minute fire rated door.

(j) PLUMBING AND DRAINAGE

(1) Water supply:

Water will be supplied to the units through connections to the building, from the New York City DEP water distribution system. There will be a 2" ductile iron combined water service from First Street. The main shut off will be located near the POE in the mechanical room at the cellar level. This room will be accessible by any maintenance personnel. Each residential unit is to be supplied with cold water from a minimum ½" copper piping. Each residential unit will have its own electric hot water heater and storage tank, located in the cellar. Hot and cold water piping shall be insulated with minimum R2 insulation value throughout as per NYCECC 403.4 with a ¾" thickness.

- (1.i) Backflow preventer: The combined water service entry will be protected by a double check valve. It is located on the cellar floor near the POE of the combined water service. These plans have been approved by NYC DEP and passed required submersion calculations given the building's square footage. The sprinkler system will be provided with a 2" check valve with automatic ball drip.

The building will have sufficient pressure from the City Water main for domestic plumbing fixtures. Hot water heaters will be provided with a recirculating pump on the hot water line.

(2) Fire protection system:

(2.i) Standpipes:

The Building is not required to have a standpipe based on occupancy, building height and square footage.

(2.ii) Hose racks, hoses and nozzles:

There will be no hose racks, hoses and nozzles in the Building.

(2.iii) Sprinkler heads:

Sprinkler heads will be installed in the common building stairs and corridors on floors 1 through 3, and the common cellar spaces only, per the requirements of New York City Building Code section [C26-603.2] 27-366

The building is being designed utilizing NFPA 13 standards and guidelines. Sprinkler schedule calls for a variety of different manufacturers (Viking, Reliable). Final selections to be determined during submitted shop drawings by sprinkler sub-contractor adhering to specifications called out in drawings.

(2.iv) Siamese connection:

Fire department connection for sprinkler system only and located at front façade from sidewalk. The size shall be a 3" single outlet NYC Approved Fire Department Connection utilizing FDNY threads. The height shall be a minimum of 18" above floor and a maximum of 36".

(3) Water storage tank(s) and enclosures:

There will be no water storage tanks in the building. The following sections will not be applicable to this Report:

(3.i) Number, type, location;

(3.ii) Material;

- (3.iii) Access to tank;
 - (3.iv) Capacity;
 - (3.v) Capacity.
- (4) Water pressure:
The hydrant flow test data on 5/31/23 showed 50 PSI static pressure and 28 PSI residual pressure at 500 GPM flowing from north First Street at 1st hydrant west of Fifth Avenue.
- (5) Sanitary sewage system:
 - (5.i) Sewage piping (materials):
Sewer piping material shall be no-hub schedule 40 cast iron throughout. Heavy duty couplings to be used on underground piping.
 - (5.ii) Sewage pump:
There is no sewage ejector pump.
 - (5.iii) Sewage disposal:
The sanitary waste will discharge to the NYC sewer system via cast iron sewer pipes located in the building, which will lead to a house trap located towards the front of the building on First Street. The piping throughout will be by gravity and the invert out is at 30.87' (cellar elevation is 32.29').
- (6) Permits required:
A permit for the installation of plumbing fixtures shall be obtained from the DOB prior to the installation of all plumbing work within the building and on the site. A site connection permit is not required since the existing site connection will be utilized.
- (7) Storm drainage system:
 - (7.i) Catch basins:
There will be no catch basins in the building.
 - (7.ii) Yard and roof drains:
There will be internal vertical drain pipes located at the roof areas, and roof terraces. The roof drains will be connected to the building's storm drainage system. Area drains will be located in the rear yard areas. Secondary roof drainage (emergency overflow) type drains will be included at each primary roof drain location as required by 2014 NYC BC 1503.4. Storm water will be carried from the building into a new minimum size 44.46

cubic feet drywell at the rear of the building.

- (7.iii) Piping:
All storm piping shall be no-hub cast iron. Heavy duty couplings to be used on underground piping.
- (7.iv) Ejector or sump pumps:
No ejector or sump pumps are required or provided.

(k) HEATING

Domestic hot water will be provided for each unit by individual electric water heaters located in the cellar. Units will be Bradford White model number M-II-50T6DS or similar.

(1) Heating and Distribution of

- i. Domestic hot water heating: Bradford White model number M-II-50T6DS or similar per apartment with 10 KW and 50 gallon capacity per apartment. The Annual Fuel Utilization Efficiency (AFUE) for this model of hot water heater is 0.9. Each water heater comes with a 6 year tank warranty and six year parts warranty by the manufacturer and has a 21 GPH recovery efficiency. All hot water piping shall be insulated as per table C403.11.3 of the NYC Energy Conservation Code with a minimum conductivity of 0.27 – 0.30 BTU-in/(h-ft²-F)b.
- ii. Space heating: heating of each residential unit shall be provided by ducted Variable Refrigerant Flow (VRF) HVAC systems. Heating of each unit shall be achieved by concealed ducted air handler units. The HVAC system is controlled using a Wired thermostat to regulate temperature. The ducts will be insulated with 1” of foil-faced batt insulation.

The heating efficiency of the specified units is as follows:

<u>Model #</u>	<u>Manufacturer</u>	<u>Floors Served</u>	<u>Capacity</u>	<u>Heating COP (HSPF)</u>	
ARUN060GSS4	LG	Cellar, 1 st Floor	64 MBH	1	10.9
ARUM036GSS5	LG	2 nd Floor	42 MBH	1	12.0
ARUM048GSS5	LG	3 rd Floor, Penthouse	54 MBH	1	12.0

- iii. There will be a 750 watt electric heater in the common mechanical room, model CZ1012T by QMARK or similar.

- (1) Number of boilers and description: Not applicable. Building will not have a boiler system for heating.
- (2) Manufacturer and age of burners: Not applicable.
- (3) Type of controls: Not applicable.
- (4) Radiators, piping, insulation, valves, pumps: Not applicable.

- (5) Fuel: Not applicable.
- (6) Location of oil tank: Not applicable.
- (7) Capacity of oil tank: Not applicable.

(l) GAS SUPPLY

There will be no gas within the building, it will be electric only. The following sections will not be applicable to this Report:

- (1) Type;
- (2) Meters;
- (3) Piping.

(m) AIR CONDITIONING

The cooling systems shall be designed to provide sufficient cooling and heating to maintain inside conditions of 78 degrees F and 50% RH when the outside conditions are 88 degrees F dry bulb and 72 degrees wet bulb and 68 degrees F when outside conditions are 11 degrees F (in accordance with ASHRAE, 2021 Fundamentals Handbook, Climatic Design information, Table 1B, for New York City, JFK Airport). Indoor design temperatures will be in accordance with the New York City Energy Conservation Construction Code. All exterior metals, including fasteners shall be corrosion resistant.

- (1) Type of system:
Cooling of each residential unit shall be provided by ducted Variable Refrigerant Flow (VRF) HVAC systems. Cooling of each unit shall be achieved by concealed ducted air handler units. The HVAC system is controlled using a Wired thermostat to regulate temperature. The ducts will be insulated with 1" of foil-faced batt insulation.
- (2) Central system:
There will be no central system.
- (3) Cooling towers or condensers:
There will be one condenser for each residential unit for a total of three condenser units. Condensers will be roof mounted on the penthouse roof. The condensing units mounting will utilize vibration isolators and will be designed to comply with the acceptable noise levels as per Section 27-770 of the NYC Building code. All mounting brackets shall be primed and receive two coats of paint and all rooftop piping shall be insulated using a minimum of 1" thick Armaflex brand insulation. All exterior metals, including fasteners, shall be corrosion resistant.

The HVAC units come with a ten year manufacturer's extended warranty. Warranty coverage begins on the date of installation. Condensing units will be subject to inspection and signoff by

the special inspector prior to final sign off being issued.

The Condenser units shall be:

<u>Model #</u>	<u>Manufacturer</u>	<u>Floors Serviced</u>	<u>Capacity</u>	<u># of Units</u>	<u>Efficiency (SEER)</u>
ARUN060GSS4	LG	Cellar, 1 st Floor	60 MBH	1	18.9
ARUM036GSS5	LG	2 nd Floor	36 MBH	1	23.0
ARUM048GSS5	LG	3 rd Floor, Penthouse	48 MBH	1	23.3

- (4) Individual units covered by the offer:

There will be no air conditioning sleeves provided. Heating and cooling of each unit shall be achieved by the ceiling concealed air handling heat pump units. Unit efficiency is defined by the condenser unit. Location, capacity, model number shall be:

<u>Model #</u>	<u>Manufacturer</u>	<u>Floors Serviced</u>	<u>Capacity</u>	<u># of Units</u>
ARNU243M1A4	LG	Cellar	24 MBH	1
ARNU183M1A4	LG	1st Floor	18 MBH	1
ARNU123M1A4	LG	1 st Floor	12 MBH	1
ARNU123M1A4	LG	2nd Floor,	12 MBH	1
ARNU243M1A4	LG	2nd Floor,	24 MBH	1
ARNU123M1A4	LG	3 rd Floor	12 MBH	1
ARNU243M1A4	LG	3 rd Floor	24 MBH	1
ARNU183M1A4	LG	Penthouse	18 MBH	1

(n) VENTILATION

The spaces that require mechanical ventilation within the units are the interior bathrooms and kitchenettes. These spaces within the residential units shall be equipped with vertical ducts with a fan, which terminates to the outside. The minimum rate of exhaust ventilation shall be 50 cfm for bathrooms and 100 cfm for kitchenettes as required by the NYC building code. Exhaust ventilation has an HVI sound rating of 1.2 sones. Exhaust equipment shall be NYC MEA or BSA approved. Building plans have been reviewed for ventilation requirements and compliance to all NYC building Code by the NYC DOB.

(o) ELECTRICAL SYSTEM

- (1) Service from main switchgear:

The electrical service to the building will be bought in from the manhole in the street of the Edison Company. The service supplied the building, shall be 400 amps, 120/208v, single phase,

2 wire. The electrical service will be transported throughout the building via, new insulated three wire cables.

- (2) Service from individual units:
Service size to Residential Units shall be at 120/208v, 150 amps, single phase service.
The electrical service will be transported throughout the apartment via, new insulated # 1/0 AWG THHN wire cable.
- (3) Compartment switchgear:
The sectional meter boards supplying power to the meter-bank will be located in the electrical room at the cellar level towards the front of the building.
- (4) Unit service:
Each residential unit will be equipped with 150-amp circuit breaker. The electrical system will be adequate to handle modern usage and appliances such as air conditioner, dishwasher and electric ovens etc.
Arc-Fault Circuit Interrupter receptacles and Ground fault circuit interrupter receptacles will be provided. Tamper resistant receptacles will be provided throughout to meet code.
Weatherproof receptacles will be provided on the exterior areas.
- (5) Outages: there are no provisions provided for electricity supply during outages.
- (6) Adequacy:
 - (6.i) Service:
Each apartment will have 42 poles panel circuit breakers to serve appliances, dishwasher, ovens, air conditioners, outdoor condensers.
 - (6.ii) Lighting and fixtures:
There are multiple LED recessed lighting fixtures provided in each bedroom, living room, kitchen and bathrooms within each residential unit. There are also LED recessed lighting fixtures provided in hallways, cellar storage and back of house areas. Lighting fixtures and electrical outlets will be installed by a licensed electrician and shall be in compliance with the N.Y. City Electrical Code and the N.Y. City Building Code.
 - (6.iii) Convenience outlets, appliance outlets:
There will be convenience outlets and appliances outlets provided in each bedroom, living room, kitchen, bathroom, toilet room etc. within each unit. Tamper-resistant receptacles will be provided in the following areas to meet code. Kitchens, family room, dining room, living room, bedrooms, bathrooms and hallways. Convenience outlets and appliances outlets will be installed by a licensed electrician and shall be in compliance

with the N.Y. City Electrical Code and the N.Y. City Building Code.

(p) INTERCOMMUNICATION AND/OR DOOR SIGNAL SYSTEMS, SECURITY CLOSED CIRCUIT TV

Each unit will be equipped with an intercom at the entrance, which will permit voice contact between the inside of the unit and the building entrance. The video/audio intercom at the main entrance shall be model # 02407-001 and within each unit shall be model #02087-001, manufactured by 2N or similar. The building will be wired for Verizon FIOS. Each unit's owner will be responsible for securing their own cable service provider at their own cost.

The Sponsor reserves the right to provide equipment which is equal to or better than noted above.

(q) PUBLIC AREA LIGHTING

Public hallway, stairway and cellar lighting shall be provided by ceiling mounted fixtures producing adequate illumination.

Public area lighting shall be in compliance with the New York Housing Maintenance Code and Multiple Dwelling Laws.

All lighting fixtures shall be installed by a New York State licensed Electrician and shall comply with New York City Electrical Code.

Public area lighting shall be:

<u>Location</u>	<u>Manufacturer</u>	<u>Model Number</u>
Public hallway	Nemo or similar	M3873LED
Public stairway	Nemo or similar	M3873LED
Cellar utility & refuse room	Nemo or similar	M3816LED

(r) GARAGES AND PARKING AREAS

There will be no garages or parking areas in or at the exterior of the building. The following sections will not be applicable to this Report:

- (1) Location of garages:
- (2) Location of parking areas:
- (3) Surfaces:
- (4) Parking:
- (5) Garage ventilation:
- (6) Garage fire protection:
- (7)** Drainage:

(s) SWIMMING POOL(S)

There will be no swimming pools in or at the exterior of the building. The following sections will not be

applicable to this Report:

- (1) Type (concrete, material composition) and location;
- (2) Size (length, width, depth, capacity);
- (3) Enclosure (material including roof);
- (4) Pumping and filter systems;
- (5) Water heating equipment;
- (6) Structural support system (roof location).

(t) TENNIS COURTS, PLAYGROUNDS AND RECREATIONAL FACILITIES

There will be no tennis courts, playgrounds or recreational facilities in or at the exterior of the building. The following sections will not be applicable to this Report:

- (1) Tennis courts:
 - (1.i) Type (clay, macadam, turf);
 - (1.ii) Number and size;
 - (1.iii) Lighting (number and type);
 - (1.iv) Fencing and enclosure;
- (2) Playgrounds (size and location);
- (3) Other recreational facilities.

(u) PERMITS AND CERTIFICATES

All required permits and sign-offs are required and Certificate of Occupancy are to be obtained by the Sponsor.

The following permits will be obtained by the Sponsor:

<u>PERMIT TYPE</u>	<u>AGENCY</u>
Demolition	Department of Buildings
General Construction	Department of Buildings
Plumbing	Department of Buildings
Electrical	Department of Buildings
Mechanical	Department of Buildings
Sprinkler	Department of Buildings
Structural	Department of Buildings
Fence	Department of Buildings
Foundation	Department of Buildings

Permits issued by the New York City, Department of Buildings are valid for a minimum of one year from the date of issue or on the expiration date of the contractor's insurance policy whichever comes first. All work types for permits issued by the Department of Buildings are subject to inspection and signoff by the Department of Buildings prior to the issuance of a Certificate of Occupancy.

Site connection permits will be valid for two years from the date of issue.

All permits issued by the New York City Department of Transportation expire on December 31st of each year and are required to be renewed.

The following is a list of all recurring inspection to be done after the building is in operation:

- Sprinkler inspection – to be conducted annually
- Backflow Valve inspection – to be conducted annually
- As per NFPA 80 – 5.2 Inspections: Fire door assemblies shall be inspected and tested not less than annually, and a written record of the inspection shall be signed and kept for inspection by the AHJ.

(v) VIOLATIONS

Per the Department of Buildings BIS database, there is (1) open ECB violation. Any violations which may be incurred during the construction work will be remedied prior to the issuance of the Certificate of Occupancy and closing.

(w) UNIT INFORMATION

The building will have a total of three (3) residential units. The residential units will be located at the first through penthouse levels. Unit 1 will occupy part of the cellar level floor (accessory use only; not for living, sleeping, or cooking, and may not be rented independently), and will be used in conjunction with the first floor level. Unit 2 will occupy the second floor. Unit 3 will occupy the third floor and penthouse level. The ground floor of Unit 1 is designed as an ADA Type 'B' adaptable unit per the NYC building code. All features within the apartment are compliant, including doors, kitchen, and bathrooms.

Unit 1 will consist of:

Two (2) bedrooms, two (2) full bathrooms, one (1) half bathroom, living/dining room, kitchenette, laundry room, storage room, and cellar accessory space (not for living, sleeping, or cooking, and may not be rented independently). It will also contain a deck and a rear yard and rear terrace as limited common elements.

Unit 2 will consist of:

Two (2) bedrooms, two (2) full bathrooms, living / dining room, kitchen, laundry room. It will also contain a storage room at the cellar and a roof terrace as limited common elements.

Unit 3 will consist of:

Three (3) bedrooms, two (2) full bathrooms, living / dining room, kitchen, laundry room. It will also contain a storage room at the cellar, a balcony and two roof terraces as limited common elements.

The cellar utility room containing water and electric meters will occupy a portion of the cellar level on the north side with a 2 hour rated enclosure. The room is accessible by all units via the common exterior stair at the north face of the building and by unit 1 via its accessory space.

UNIT SIZES

The dimensions indicated are approximate and are measured as follows: (a) horizontally approximately to the outside face of the exterior walls of the building and approximately to the unit side of the walls and partitions (dividing the units from corridors, stairs and mechanical spaces) and (b) vertically from the top of the floor slab below (located under the finished flooring materials) to the underside of the ceiling above. Dimensions shall be to the centerline when a partition divides two units. Common elements located within a Unit shall not be considered part of the Unit.

The approximate square footages for each unit are as follows:

<u>Unit 1</u>	Cellar Floor	=	942.09
	First Floor	=	<u>1074.95</u>
	Total		2017.04
<u>Unit 2</u>	Second Floor	=	1085.68
<u>Unit 3</u>	Third Floor	=	1119.19
	Penthouse Floor	=	<u>400.00</u>
	Total		1519.19

UNIT CEILING HEIGHTS

<u>Unit 1</u>	Cellar Floor	8'-1" typical
	First Floor	9'-8" typical
<u>Unit 2</u>	Second Floor	9'-5" typical
<u>Unit 3</u>	Third Floor	9'-6" typical
	Penthouse Floor	10'-6" typical

UNIT FINISHES

The units will be finished as described herein. However, Sponsor reserves the right, in its sole discretion, to replace any or all materials, fixtures, appliances and other items specified in this report with those of similar quality.

The finished floor of the living / dining rooms, kitchens, bedrooms, hallways and accessory spaces on the first floor through penthouse floors shall be a hardwood finished floor of $\frac{3}{4}$ " thick, 6" wide hardwood, 5 mm soundmat, and $\frac{3}{4}$ " plywood subflooring. The Sponsor reserves the right to provide hardwood flooring of a different species or grade which is equal to or better than noted above. Thereafter unit owners may finish carpeting or another material of their own choice at their own expense.

The walls and ceilings of residential units shall be gypsum wallboard. When finished, the walls and

ceilings shall be primed and painted or plastered. Thereafter, the unit owners may decorate by finishing with paint, wallpaper, paneling, etc. of their own choice at their own expense.

Full bathrooms shall be equipped with a washbasin, medicine cabinet, water closet and a shower or combination bathtub/shower. Half bathrooms shall be equipped with a washbasin and water closet. Bathrooms shall have ceramic tile floors. Ceramic tile will surround all bathtub / shower walls.

When completed, the following interior finishes will be installed:

<u>Location</u>	<u>Floors</u>	<u>Walls</u>	<u>Ceilings</u>
Living Room	WDF	GWB/PT1	GWB/PT1
Dining Room	WDF	GWB/PT1	GWB/PT1
Kitchen	WDF	GWB/PT1	GWB/PT1
Bedroom	WDF	GWB/PT1	GWB/PT1
Bathroom	CT2	CT1/CT2/GWB/PT1	GWB/PT2
Laundry Room	WDF/CT2	GWB/PT1	GWB/PT1
Cellar Accessory	WDF	GWB/PT1	GWB/PT1

Abbreviations:

CT1 Ceramic tile, 2"x10"

CT2 Porcelain tile, 24"x48"

CT3 Porcelain tile, 24"x24"

GWB Gypsum wallboard

PT1 Paint: Benjamin Moore
Color: Decorators White
Finish: Satin

PT2 Paint: Benjamin Moore
Color: Decorators White
Finish: High Gloss

WDF Wood flooring, ¾"thick, 6" wide hardwood, polyurethane finish, 5 mm soundmat, ¾"
plywood subfloor

(1) **BATHROOM FIXTURE SCHEDULE**

Bathroom fixtures shall be as follows or similar:

Unit 1 – Cellar Half Bath

Toilet	Duravit, 2577090092, wall-mounted, elongated, dual flush, white, soft close lid 0021690000, (with Geberit 115882111 carrier and Sigma20 push-plate)
Sink Basin	(1) Nameeks, Tecla CAN01011, wall mounted sink with overflow, white
Sink Faucet	(1) Phylrich, 120-16-015, single hole, wall mounted, satin nickel

Unit 1 – First Level Full Bath (1)

Toilet	Duravit, 2577090092, wall-mounted, elongated, dual flush, white, soft close lid 0021690000, (with Geberit 115882111 carrier and Sigma20 push-plate)
Sink Basin	(1) Kohler, K-8189, undermount bathroom sink with overflow, white
Sink Faucet	(1) Phylrich, 120-12-004, wall mounted, satin brass
Medicine Cabinet	(1) Kohler, K-35570-BGL, 20" wide, brushed gold
Shower System	Phylrich, showerhead K831-004, thermostatic valve 4-013-004, hand shower K6711-004, hand shower mount 3-534-004, satin brass

Unit 1 – First Level Full Bath (2)

Toilet	Duravit, 2577090092, wall-mounted, elongated, dual flush, white, soft close lid 0021690000, (with Geberit 115882111 carrier and Sigma20 push-plate)
Sink Basin	(1) Kohler, K-8189-0, undermount bathroom sink with overflow, white
Sink Faucet	(1) Phylrich, 230-06-015, single hole deck mounted, satin nickel
Medicine Cabinet	(1) Kohler, K-99002-BGL, 20" wide, frameless
Shower System	Phylrich, showerhead K837-015, thermostatic valve 4-013-015, satin nickel
Bathtub Spout	Phylrich D1130X3-015, satin nickel
Bathtub	Duravit, 700332000000090 drop in bathtub, white

Unit 2 – Second Level Full Bath (1)

Toilet	Duravit, 2577090092, wall-mounted, elongated, dual flush, white, soft close lid 0021690000, (with Geberit 115882111 carrier and Sigma20 push-plate)
Sink Basin	(1) Kohler, K-2214-0, undermount bathroom sink with overflow, white
Sink Faucet	(1) Phylrich, 120-12-004, wall mounted, satin brass
Medicine Cabinet	(1) Kohler, K-35570-BGL, 20" wide, brushed gold
Shower System	Phylrich, showerhead K831-004, thermostatic valve 4-013-004, hand shower K6711-004, hand shower mount 3-534-004, satin brass

Unit 2 – Second Level Full Bath (2)

Toilet	Duravit, 2577090092, wall-mounted, elongated, dual flush, white, soft close lid 0021690000, (with Geberit 115882111 carrier and Sigma20 push-plate)
Sink Basin	Kohler, K-8189-0, undermount bathroom sink with overflow, white
Sink Faucet	(1) Phylrich, 120-16-015, single hole, wall mounted, satin nickel
Medicine Cabinet	(1) Kohler, K-99002-BGL, 20" wide, frameless
Shower System	Phylrich, showerhead K837-015, thermostatic valve 4-013-015, satin nickel

Bathtub Spout	Phylrich D1130X3-015, satin nickel
Bathtub	Duravit, 700332000000090 drop in bathtub, white

Unit 3 – Third Level Full Bath (1)

Toilet	Duravit, 2577090092, wall-mounted, elongated, dual flush, white, soft close lid 0021690000, (with Geberit 115882111 carrier and Sigma20 push-plate)
Sink Basin	Kohler, K-8189-0, undermount bathroom sink with overflow, white
Sink Faucet	(1) Phylrich, 120-16-015, single hole, wall mounted, satin nickel
Medicine Cabinet	(1) Kohler, K-99002-BGL, 20" wide, frameless
Shower System	Phylrich, showerhead K837-015, thermostatic valve 4-013-015, satin nickel
Bathtub Spout	Phylrich D1130X3-015, satin nickel
Bathtub	Duravit, 700332000000090 drop in bathtub, white

Unit 3 – Penthouse Level Full Bath (2)

Toilet	Duravit, 2577090092, wall-mounted, elongated, dual flush, white, soft close lid 0021690000, (with Geberit 115882111 carrier and Sigma20 push-plate)
Sink Basin	(2) Kohler, K-8189, undermount bathroom sink with overflow, white
Sink Faucet	(2) Phylrich, 120-12-004, wall mounted, satin brass
Medicine Cabinet	(2) Kohler, K-35570-BGL, 20" wide, brushed gold
Shower System	(1) Phylrich, showerhead K831-004, thermostatic valve 4-013-004, hand shower K6711-004, hand shower mount 3-534-004, satin brass

(2) **KITCHEN EQUIPMENT SCHEDULE**

The kitchen areas will generally be provided with the following fixtures, appliances and equipment or similar

- (2.i) Painted wood wall and base cabinets and drawers; 1 ¼" quartz countertops.
- (2.ii) One (1) stainless steel sink, model #EFRU311610TFCas manufactured by Elkay, with faucet, model #32665DC3, by Grohe.
- (2.iii) One (1) induction cooktop, model #NIT5060UC as manufactured by Bosch.
- (2.iv) One (1) electric oven, model #HBL5351UC as manufactured by Bosch.
- (2.v) One (1) ducted ventilation hood, model #HUI30253UC as manufactured by Bosch.
- (2.vi) One (1) refrigerator/freezer, model #B30IB905SP as manufactured by Bosch.
- (2.vii) One (1) dishwasher, model #SGV78C53UC as manufactured by Bosch.

Note:

Additional kitchen appliances and fixtures will be the responsibility of the unit owners.

The sponsor reserves the right to provide fixtures by different manufacturers, which are equal to or better than noted above.

(3) LAUNDRY ROOM/CLOSET EQUIPMENT SCHEDULE

The laundry rooms will generally be provided with the following fixtures and appliances:

- (i) One (1) washing machine, model #WFW5605MW as manufactured by Whirlpool or similar.
- (ii) One (1) dryer, model #WED5605MW as manufactured by Whirlpool or similar.

Note:

The sponsor reserves the right to provide fixtures by different manufacturers, which are equal to or better than noted above.

(x) FINISH SCHEDULE (SPACES OTHER THAN UNITS)

<u>Location</u>	<u>Floors</u>	<u>Walls</u>	<u>Ceilings</u>
Cellar Mech. Room	CT3	MAS/GWB	GWB/PT2
Entry Vestibule	CT3	GWB	GWB/PT1
Common Hallways	WDF	GWB/PT1	GWB/PT1

Note:

CT3 Porcelain tile, 24"x24"

MAS Masonry Foundation

PT1 Paint: Benjamin Moore
Color: Decorators White
Finish: Satin

PT2 Paint: Benjamin Moore
Color: Decorators White
Finish: High Gloss

WDF Wood flooring, ¾"thick, 6" wide hardwood, polyurethane finish, 1/8" soundmat, ¾" plywood subfloor

(y) SAFETY AND WARNING DEVICES

There will be a hardwired, combined smoke and carbon monoxide detector provided in each residential unit at a maximum distance of fifteen feet from any bedroom door within the unit and also within each bedroom of the unit as required by the New York City Building Code. The combined smoke and carbon monoxide detectors come equipped with a battery backup. Each Unit owner shall be responsible to keep and maintain the detectors in good repair and to replace any detectors which have been removed, found missing or rendered inoperable. Sponsor makes no representation Unit Owners will comply with the foregoing obligations. The smoke and carbon monoxide detectors and sprinklers are the fire and smoke safety devices required by the New York City Building Code. All required safety devices shall be installed and are subject to inspection by the New York City Department of Buildings. There is no fire alarm system provided.

(z) ADDITIONAL INFORMATION REQUIRED

- (1) Site Plan: See plans herewith submitted
- (2) Area Map: The condominium is located in a highly urban area and therefore an area map is not required.
- (3) Floor plan for each line or type of unit drawn to scale, indicating room dimensions and unit boundaries: See plans herewith submitted
- (4) Floor to ceiling heights of units: see section (w) herein
- (5) Approximate total area of each unit: see section (w) herein
- (6) Master floor plan: see plans herewith submitted

(aa) ASSIGNMENT OF WARRANTIES

At the first Unit Closing, the Sponsor shall, without any representation or warranty by, or recourse against, the Sponsor, assign to the Board of Managers any assignable manufacturers' warranties with respect to the Sponsor-installed equipment in or serving the Building. At the Closing of a Unit, the Sponsor shall, without any representation or warranty by, or recourse against, the Sponsor, assign to the Purchaser any assignable manufacturers' warranties with respect to the equipment and appliances in the Unit. Upon transfer of control of the Board of Managers from the Sponsor to the Unit Owners, the Sponsor shall also provide the Board with copies of any manuals in Sponsor's possession for the operation and maintenance of the Building's equipment and systems, as well as any Building's "as-built" drawings maintained during construction.

(bb) FURTHER DEVELOPMENT

No further development is proposed.

(cc) ASBESTOS

Asbestos testing was performed throughout the building by a certified asbestos investigator. Samples were collected from materials suspected of containing asbestos from the following locations: cellar bathroom wall tile glue, 1st floor window caulking, 2nd floor window caulking, 1st floor to 2nd floor staircase vinyl floor tiles, 1st floor to 2nd floor staircase linoleum flooring, 2nd floor staircase linoleum flooring, 2nd floor kitchen under sink coating, 3rd floor kitchen under sink coating, 3rd floor kitchen under sink coating, 2nd floor vinyl floor tiles, 2nd floor bathroom wall tile glue, 3rd floor bathroom wall tile glue,

roof built-up asphalt, and roof flashing. There are no remaining materials to be tested, and it is not thought that any remaining materials contain asbestos.

For areas that had Asbestos containing materials, a full asbestos abatement has been performed prior to renovation work. See attached ACP-21 forms. Abatement of asbestos containing material was performed on the roof level where 48 square feet of tar at the east and west chimneys was abated, and at the 1st floor where 40 square feet of floor tile containing asbestos was abated.

(dd) The sponsor has no reports regarding the presence of lead-based paint or lead-based paint hazards. There are no violations related to lead-based paint affecting the Property. As of the date of this report. The original building was built prior to 1932. To the best of Sponsor's knowledge, belief and information, there could be lead-based paint because buildings built prior to 1979 may contain lead-based paint and buildings built prior to 1960 are presumed to contain lead-based paint. The ingestion of lead-based paint poses serious health risks, especially in children. Purchasers are advised to familiarize themselves with NYC Local Law 1 of 2004, a copy of which is included in the offering plan. Purchasers, particularly those with children, are additionally advised to consult with a professional to determine the existence of, and appropriate remediation for, lead-based paint.

I hereby affirm that the above description of the property and specifications are an unbiased professional opinion arrived at without inducements of any kind.

Thomas Barry, RA



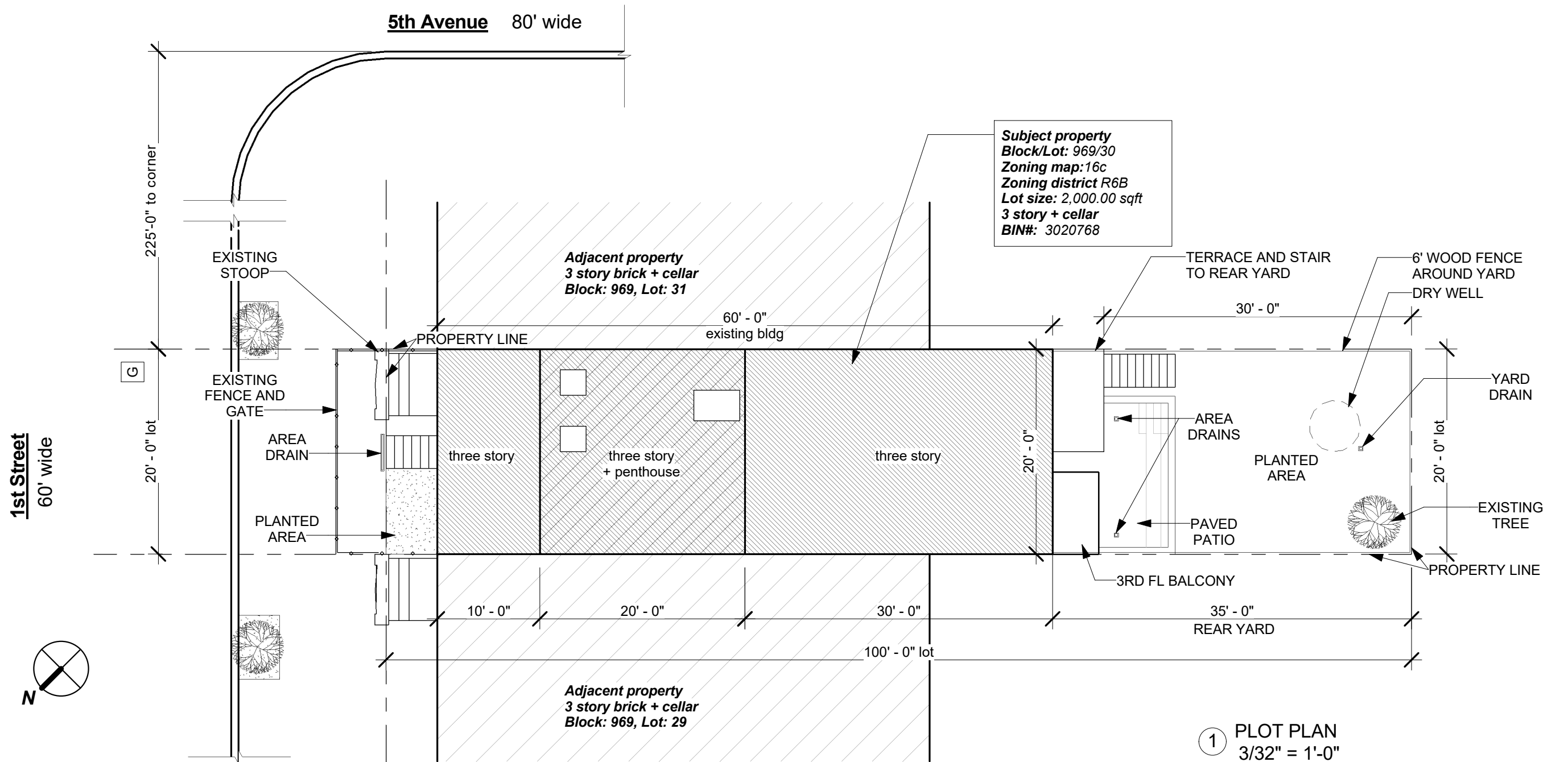
End of Report

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SECTION E

FLOOR PLANS

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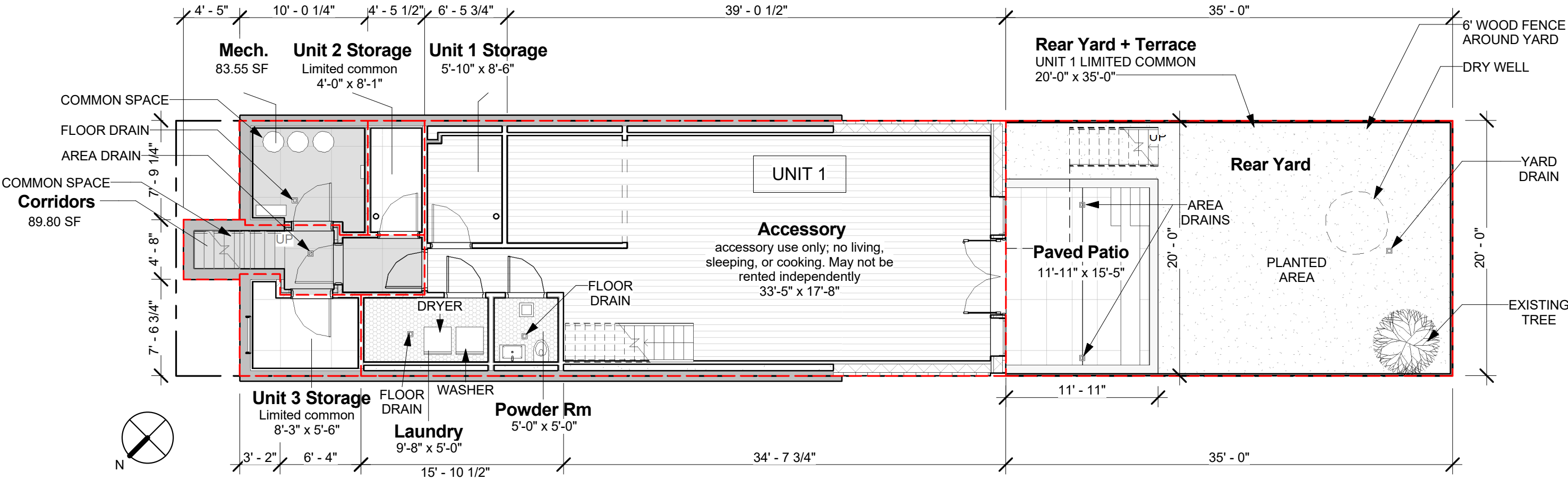


PLOT PLAN

OP-1

07/22/2024

① PLOT PLAN
3/32" = 1'-0"

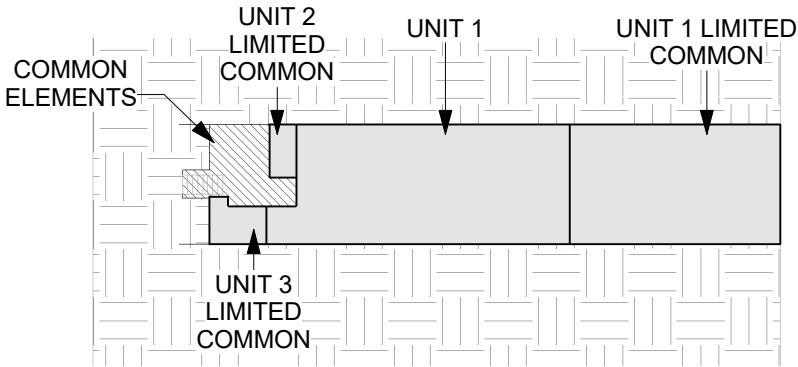


2 CELLAR OFFERING PLAN
1/8" = 1'-0"

UNIT 1	
UNIT 1	942.09 SF
TOTAL	942.09 SF
UNIT 2	
UNIT 2	0 SF
TOTAL	0 SF
UNIT 3	
UNIT 3	0 SF
TOTAL	0 SF

UNIT 1		
UNIT 1 LIMITED COMMON	REAR YARD	516.00 SF
UNIT 1 LIMITED COMMON	TERRACE	184.00 SF
TOTAL		700.00 SF
UNIT 2		
UNIT 2 LIMITED COMMON		39.52 SF
TOTAL		39.52 SF
UNIT 3		
UNIT 3 LIMITED COMMON		65.36 SF
TOTAL		65.36 SF

COMMON ELEMENTS	
MECHANICAL	83.55 SF
CORRIDORS	89.80 SF
TOTAL	173.35 SF

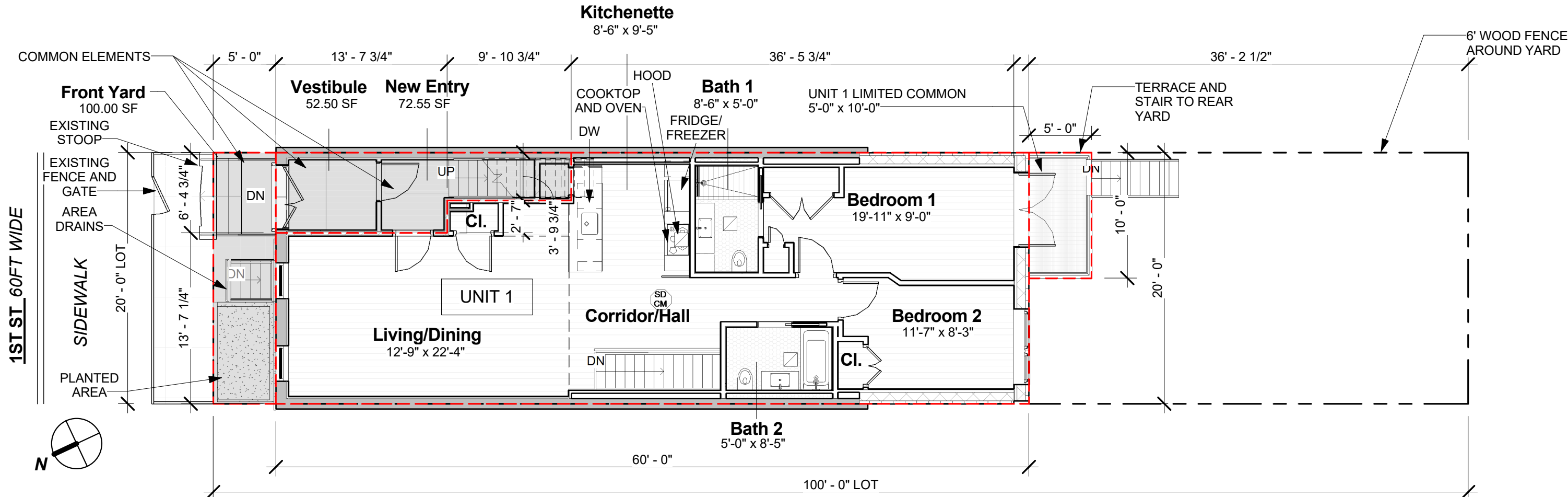


1 KEY PLAN CELLAR
1/32" = 1'-0"

CELLAR PLAN

OP-2

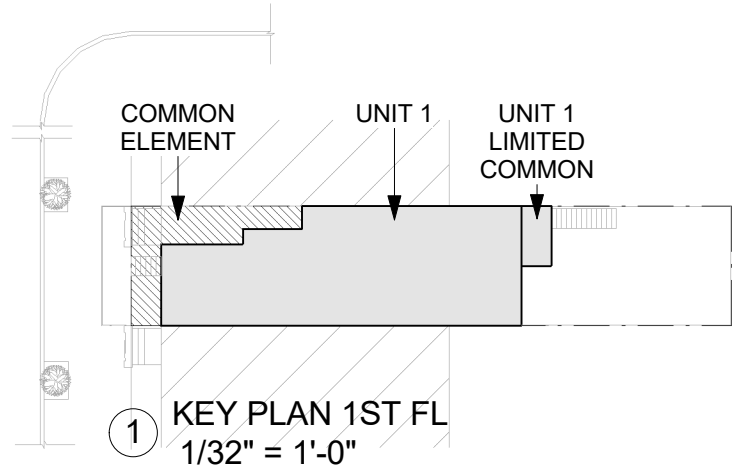
07/22/2024



UNIT 1		UNIT 1	
UNIT 1	1074.95 SF	UNIT 1 LIMITED COMMON	50.00 SF
TOTAL	1074.95 SF	TOTAL	50.00 SF
UNIT 2		UNIT 2	
UNIT 2	0 SF	UNIT 2 LIMITED COMMON	0 SF
TOTAL	0 SF	TOTAL	0 SF
UNIT 3		UNIT 3	
UNIT 3	0 SF	UNIT 3 LIMITED COMMON	0 SF
TOTAL	0 SF	TOTAL	0 SF

COMMON ELEMENTS	
VESTIBULE	52.50 SF
NEW ENTRY	72.55 SF
FRONT YARD	100.00 SF
TOTAL	225.05 SF

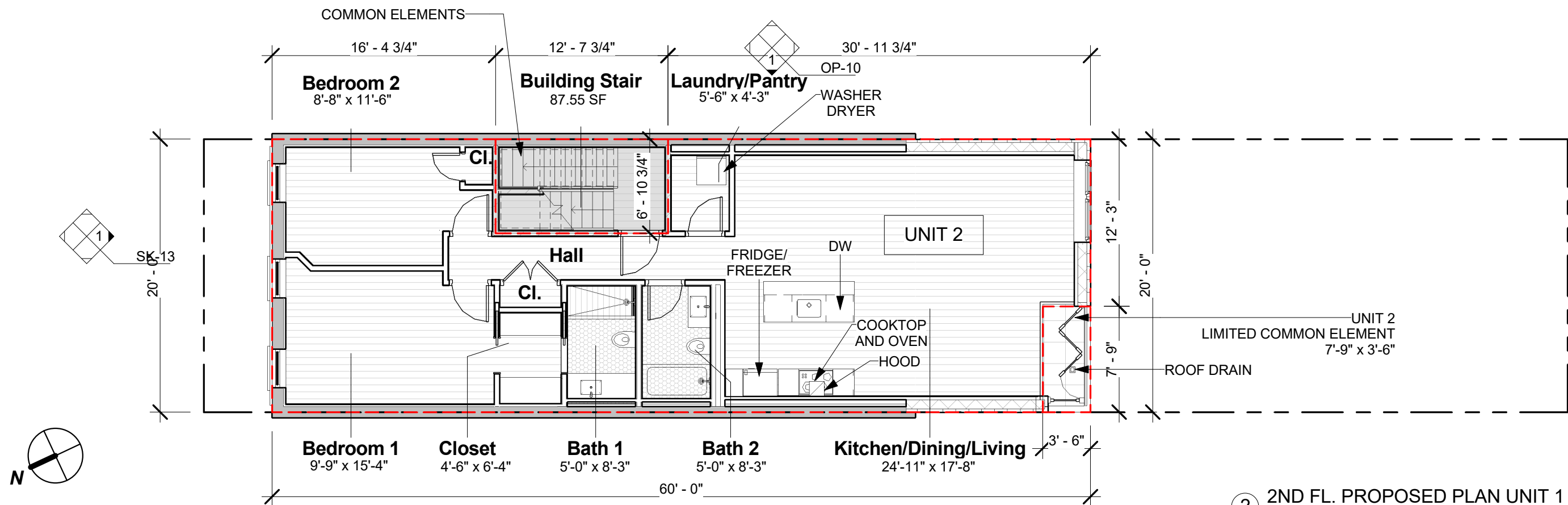
2 1ST FL. OFFERING PLAN
1/8" = 1'-0"



1ST FLOOR PLAN UNIT 1

OP-3

07/22/2024



2 2ND FL. PROPOSED PLAN UNIT 1
1/8" = 1'-0"

UNIT 1

UNIT 1	0 SF
TOTAL	0 SF

UNIT 1

UNIT 1 LIMITED COMMON	0 SF
TOTAL	0 SF

COMMON ELEMENTS

STAIR	87.55 SF
TOTAL	87.55 SF

UNIT 2

UNIT 2	1085.68 SF
TOTAL	1085.68 SF

UNIT 2

UNIT 2 LIMITED COMMON	27.13 SF
TOTAL	27.13 SF

UNIT 3

UNIT 3	0 SF
TOTAL	0 SF

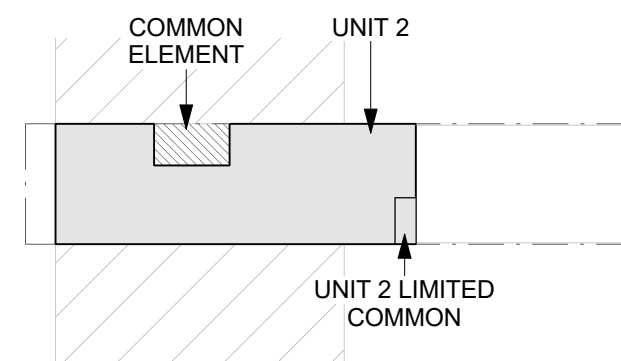
UNIT 3

UNIT 3 LIMITED COMMON	0 SF
TOTAL	0 SF

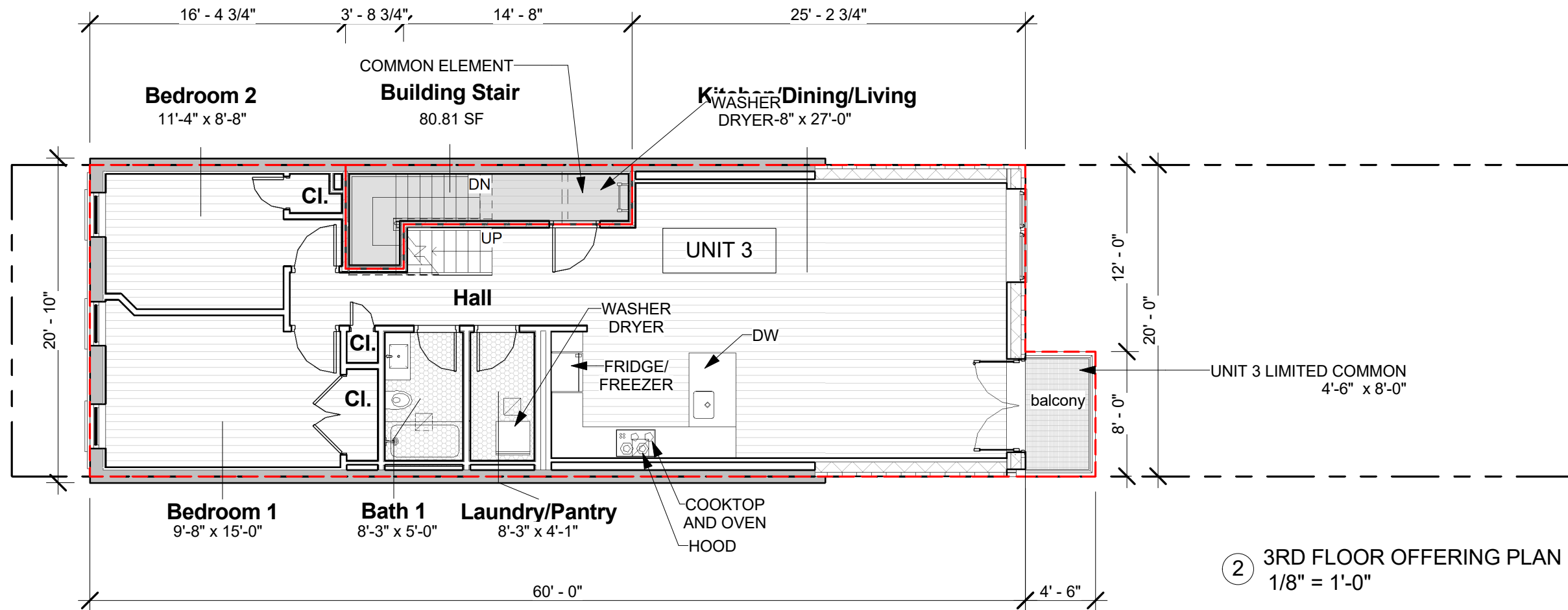
2ND FLOOR PLAN

OP-4

07/22/2024



1 KEY PLAN 2ND FL
1/32" = 1'-0"



2 3RD FLOOR OFFERING PLAN
1/8" = 1'-0"

UNIT 1

UNIT 1	0 SF
TOTAL	0 SF

UNIT 2

UNIT 2	0 SF
TOTAL	0 SF

UNIT 3

UNIT 3	1119.19 SF
TOTAL	1119.19 SF

UNIT 1

UNIT 1 LIMITED COMMON	0 SF
TOTAL	0 SF

UNIT 2

UNIT 2 LIMITED COMMON	0 SF
TOTAL	0 SF

UNIT 3

UNIT 3 LIMITED COMMON	36.00 SF
TOTAL	0 SF

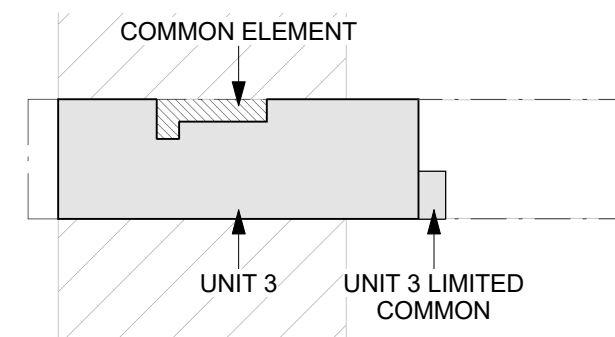
COMMON ELEMENTS

STAIR	80.81 SF
TOTAL	80.81 SF

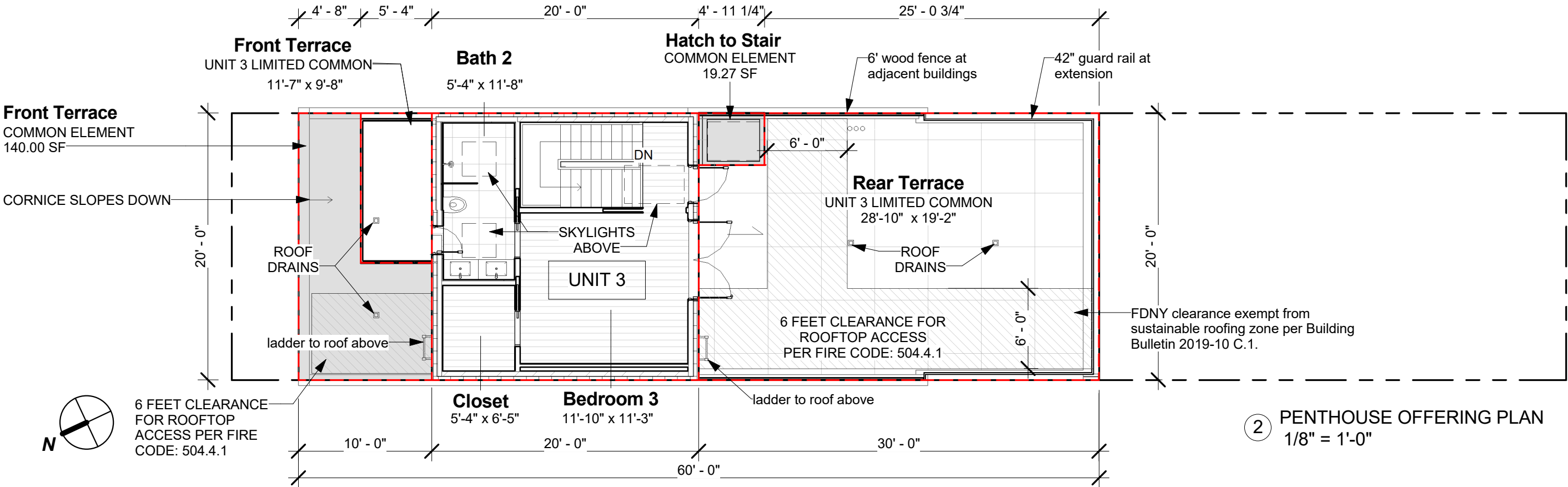
3RD FLOOR PLAN

OP-5

07/22/2024



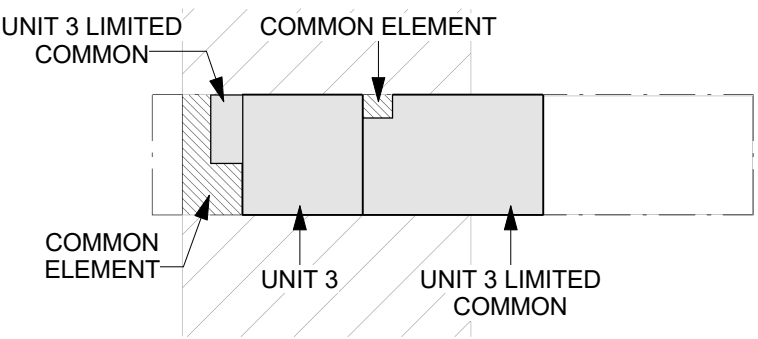
1 KEY PLAN 3RD FL
1/32" = 1'-0"



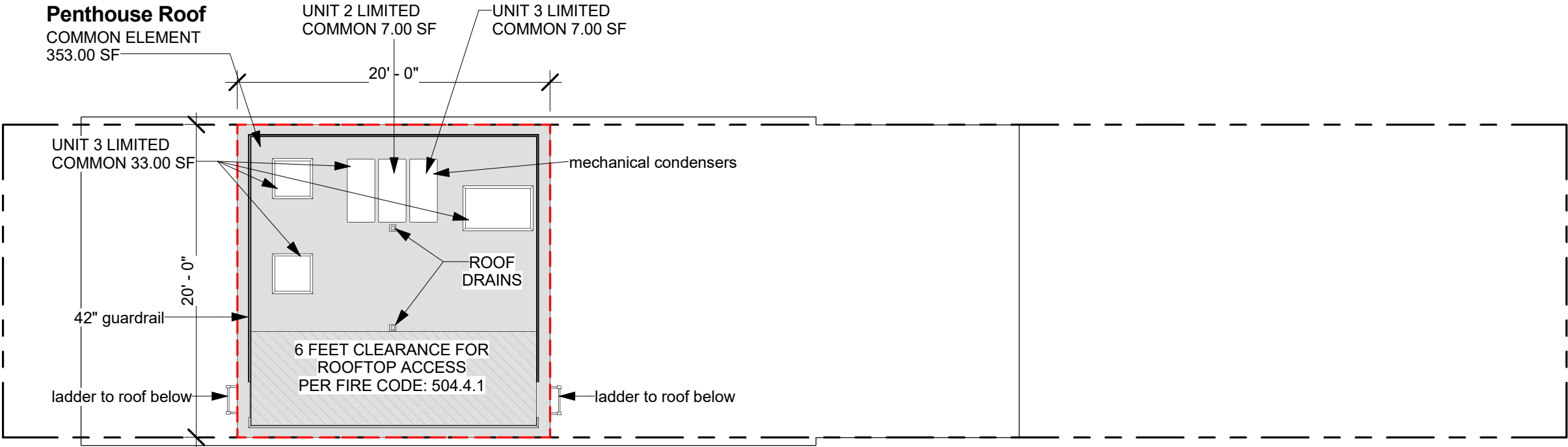
② PENTHOUSE OFFERING PLAN
1/8" = 1'-0"

UNIT 1		UNIT 1		COMMON ELEMENTS	
UNIT 1	0 SF	UNIT 1 LIMITED COMMON	0 SF	HATCH TO STAIR	19.27 SF
TOTAL	0 SF	TOTAL	0 SF	FRONT TERRACE	140.24 SF
UNIT 2		UNIT 2		TOTAL	
UNIT 2	0 SF	UNIT 2 LIMITED COMMON	0 SF	159.51 SF	
TOTAL	0 SF	TOTAL	0 SF		
UNIT 3		UNIT 3			
UNIT 3	400.00 SF	UNIT 3 LIMITED COMMON	REAR TERRACE 580.73 SF		
TOTAL	400.00 SF	UNIT 3 LIMITED COMMON	FRONT TERRACE 59.76 SF		
		TOTAL	640.49 SF		

PENTHOUSE PLAN
OP-6
07/22/24



① KEY PLAN PENTHOUSE
1/32" = 1'-0"



② PENTHOUSE ROOF OFFERING PLAN
1/8" = 1'-0"



UNIT 1	
UNIT 1	0 SF
TOTAL	0 SF

UNIT 2	
UNIT 2	0 SF
TOTAL	0 SF

UNIT 3	
UNIT 3	0 SF
TOTAL	0 SF

UNIT 1	
UNIT 1 LIMITED COMMON	7.00 SF
TOTAL	7.00 SF

UNIT 2	
UNIT 2 LIMITED COMMON	7.00 SF
TOTAL	7.00 SF

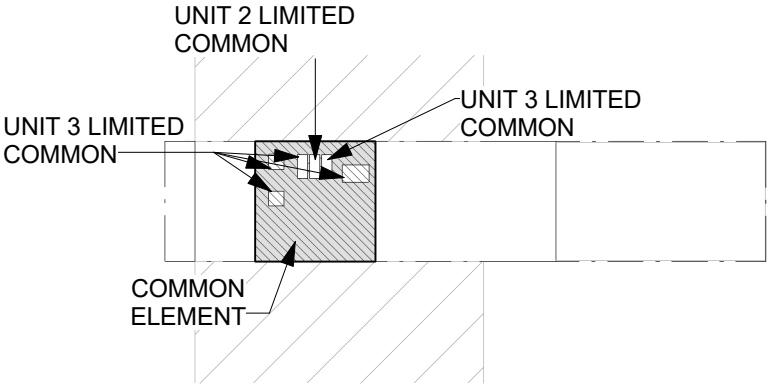
UNIT 3	
UNIT 3 LIMITED COMMON	33.00 SF
TOTAL	33.00 SF

COMMON ELEMENTS	
PENTHOUSE ROOF	353.00 SF
TOTAL	353.00 SF

ROOF PLAN

OP-7

07/22/2024



① KEY PLAN PENTHOUSE ROOF
1/32" = 1'-0"

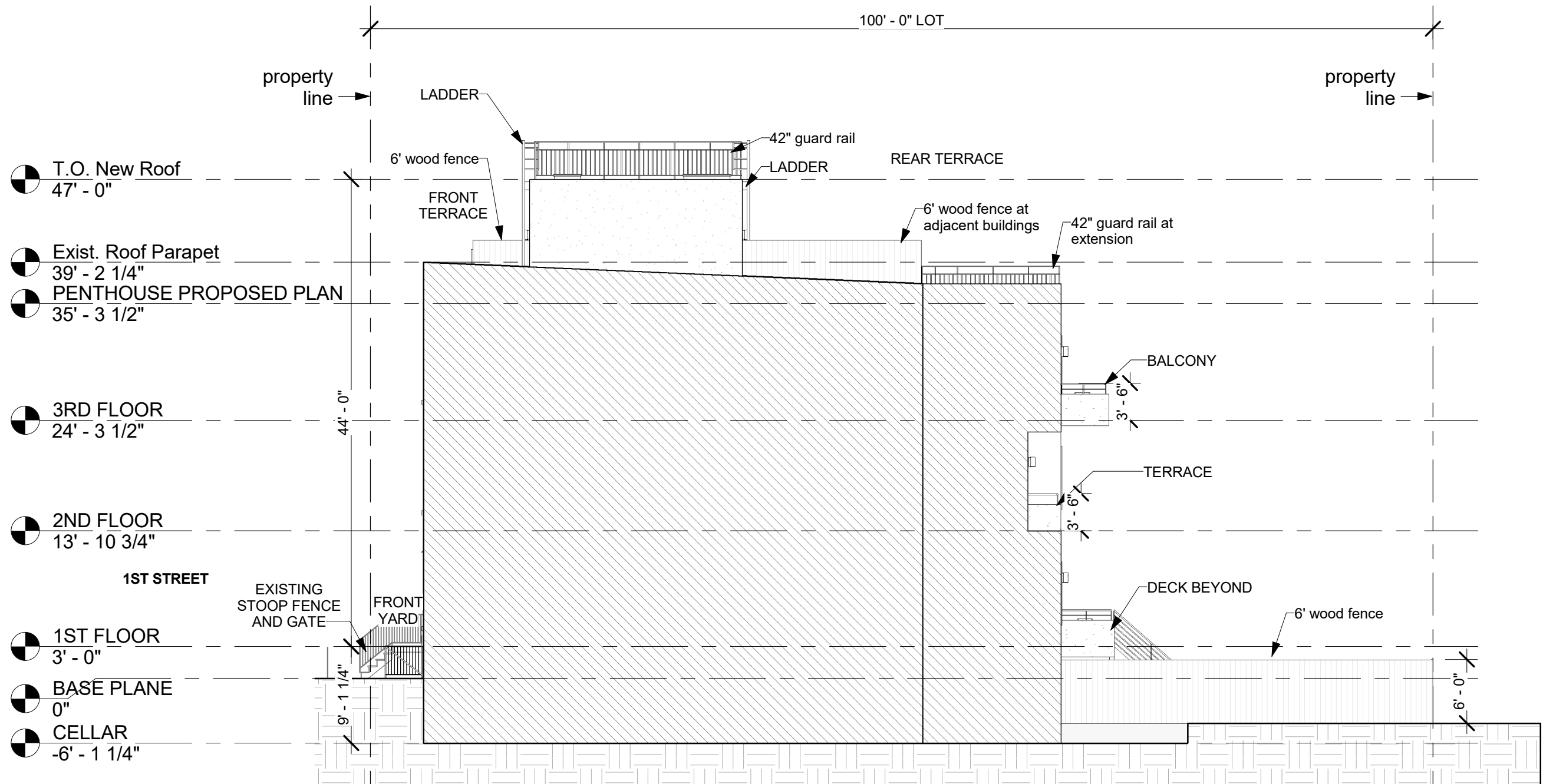


ELEVATIONS

OP-8

07/22/2024

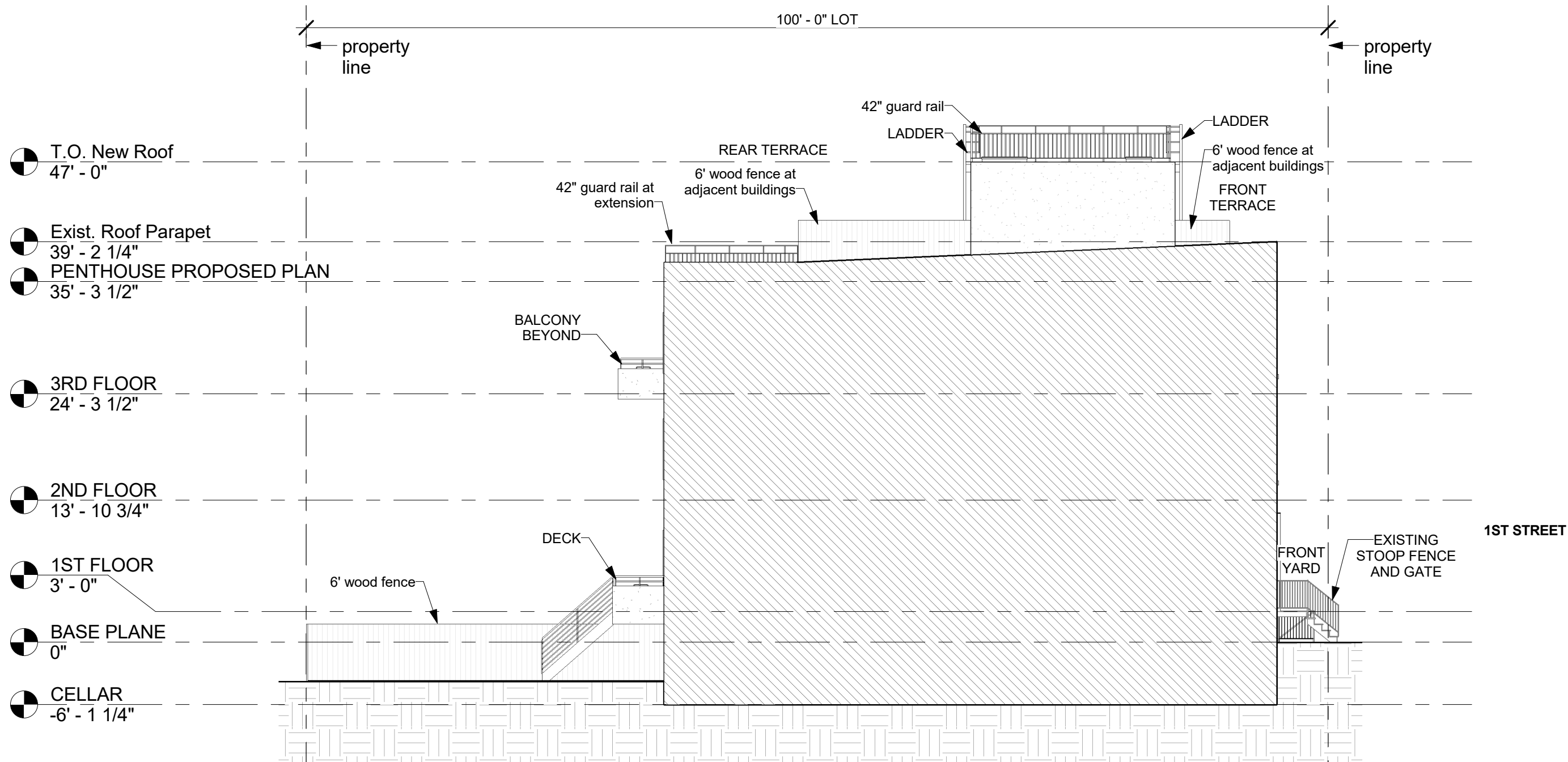
① REAR AND FRONT ELEVATIONS
1/8" = 1'-0"



WEST ELEVATION

OP-9

07/22/2024

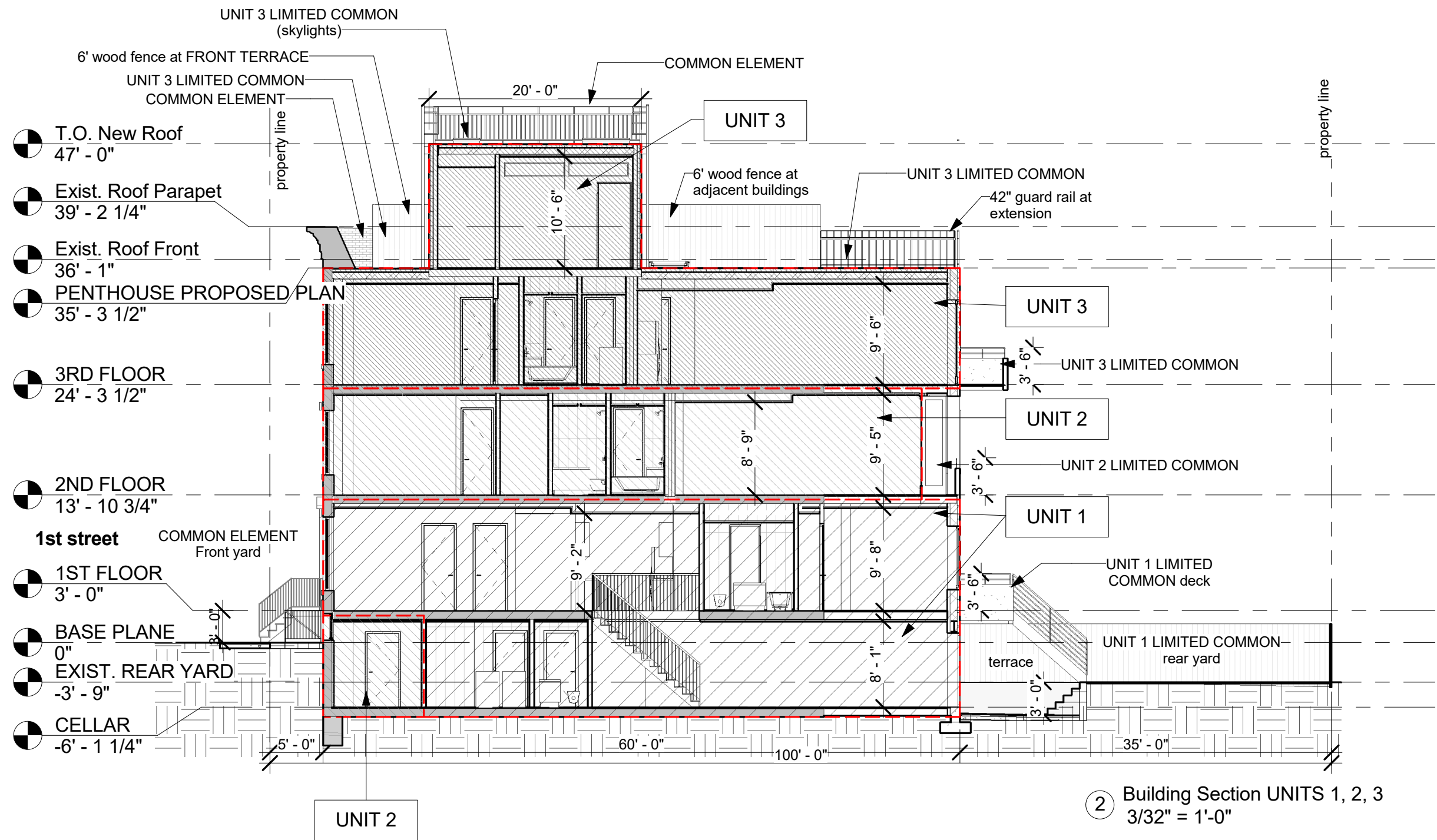


EAST ELEVATION

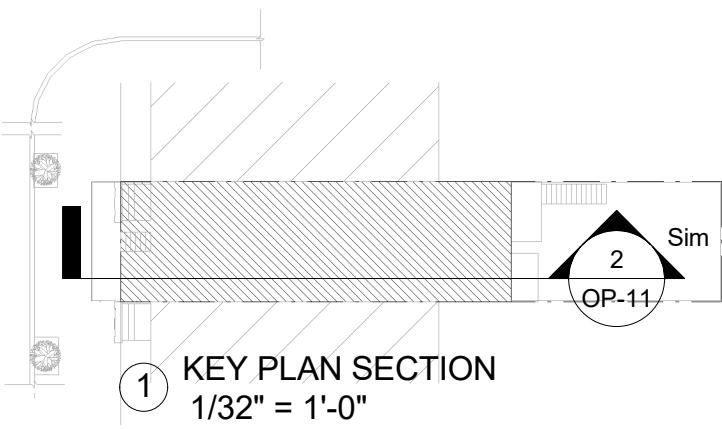
OP-10

07/22/2024

1 EAST Elevation
3/32" = 1'-0"



BUILDING SECTION
OP-11
07/22/2024



② Building Section UNITS 1, 2, 3
3/32" = 1'-0"

① KEY PLAN SECTION
1/32" = 1'-0"

	COMMON	UNIT 1	UNIT 1 LIMITED COMMON	UNIT 2	UNIT 2 LIMITED COMMON	UNIT 3	UNIT 3 LIMITED COMMON
CELLAR	173.35 SF	942.09 SF	700.00 SF	0 SF	39.52 SF	0 SF	65.36 SF
1ST FLOOR	225.05 SF	1074.95 SF	50.00 SF	0 SF	0 SF	0 SF	0 SF
2ND FLOOR	87.59 SF	0 SF	0 SF	1085.68 SF	27.13 SF	0 SF	0 SF
3RD FLOOR	80.81 SF	0 SF	0 SF	0 SF	0 SF	1119.19 SF	36.00 SF
PENTHOUSE	159.51 SF	0 SF	0 SF	0 SF	0 SF	400.00 SF	640.49 SF
ROOF	353.00 SF	0 SF	7.00 SF	0 SF	7.00 SF	0 SF	33.00 SF

SUBTOTAL	1079.31 SF	2017.04 SF	757.00 SF	1085.68 SF	73.65 SF	1519.19 SF	774.85 SF
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TOTAL BUILDING AREA OF UNITS 1, 2, 3	4621.91 SF
TOTAL LIMITED COMMON OF UNITS 1, 2, 3	1605.50 SF
TOTAL COMMON AREA	1079.31 SF

UNIT 1 FLOOR AREA AND LIMITED COMMON	2774.04 SF
UNIT 2 FLOOR AREA AND LIMITED COMMON	1159.33 SF
UNIT 3 FLOOR AREA AND LIMITED COMMON	2294.04 SF

NOTE: ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR. DIMENSIONS ARE TAKEN FROM CENTERLINE OF DEMISING WALLS TO FACE OF EXTERIOR WALLS.

SECTION F

DECLARATION OF CONDOMINIUM

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DECLARATION OF CONDOMINIUM

Establishing a Plan of Condominium Ownership
of Premises Located at 286 1st Street,
County of Kings, City and State of New York,
Pursuant to Article 9-B of the Real Property Law
of the State of New York

Name: 286 1st Street Condominium, 286 1st Street, Brooklyn, NY 11215

Declarant: 286 1st St LLC, 689 Degraw Street, Apt. 1, Brooklyn, NY 11217

Date of Declaration: _____

Block No.: _____

Lots: FKA: _____

NKA: _____ through _____

Record and Return:

Marcus Attorneys PLLC
13 Greene Avenue
Brooklyn, New York 11238
(718) 643-6555

Declaration Establishing a Plan for Condominium Ownership of Premises to be known as 286 1st Street Condominium, at 286 1st Street, in the County of Kings, City and State of New York, pursuant to Article 9-B of the Real Property Law of the State of New York.

286 1st St LLC, having an address at 689 Degraw Street, Apt. 1, Brooklyn, NY 11217, hereinafter collectively referred to as the “**Declarant**,” do hereby declare:

1. Submission of Property: The Declarant hereby submits the land described in **Exhibit A** attached hereto and made a part hereof (the “**Land**”), together with the building and improvements thereon erected (the “**Building**”), owned by the Declarant in fee simple absolute (the Land and Building together referred to as the “**Property**”) to the provisions of Article 9-B of the Real Property Law of the State of New York (the “**Condominium Act**”).

2. Area and Location of Land: The Land has an area of approximately 2,000 square feet and is located in the County of Kings, City and State of New York.

3. Description of the Building: The Building is a three story plus cellar and penthouse building with a masonry structure. It is located at 286 1st Street, Brooklyn, NY 11215 and will contain three residential units designated as “**Unit 1**,” “**Unit 2**” and “**Unit 3**,” as more particularly set forth below and on Exhibit B attached hereto and made a part hereof. Units 1, 2 and 3 are referred to herein collectively as the “**Units**” and individually as a “**Unit**”.

4. Name of Condominium: The condominium shall be known as 286 1st Street Condominium.

5. Units:

(a) List and Description: Annexed hereto and made a part hereof as Exhibit B is a list of all Units containing their designations and tax lot numbers, locations and approximate areas of the Units, the Common Elements (defined hereinafter) and Limited Common Elements to which each has immediate access (all as shown on the floor plans of the Building, certified by Thomas Barry, RA, a licensed architect (the “**Floor Plans**”) intended to be filed in the Office of the Register of the City of New York, Borough of Brooklyn simultaneously with the recording of this Declaration), and the Common Interest appurtenant to each Unit. The location of the Building is shown on the site plan intended to be filed in the said Office of the Register of the City of New York, Borough of Brooklyn, as part of the Floor Plans.

(b) Dimensions: Each Unit shall consist of the area measured horizontally approximately to the outside face of the exterior walls of the building and approximately to the unit side of the walls and partitions (dividing the units from corridors, stairs and mechanical spaces), and vertically from the top of the floor slab below (located under the finished flooring materials) to the underside of the ceiling above. Dimensions shall be to the centerline when a partition divides two units. However, no Unit shall include any Common Element, including

Common Elements within a Unit. The provisions of this subdivision (b) may not be amended without the approval of the Unit Owner (defined below) of every Unit affected.

(c) Each Unit shall include:

(i) the electric meter or meters serving solely the Unit, if any, and all electric wiring, conduits, panels, outlets, switches, fixtures and other components of the electrical system from said meter or meters to and in the Unit, if any, wherever located at the Property;

(ii) all water and sewer pipes, valves, faucets, fixtures, water heaters and other elements of the water and sewer systems beyond the exposed side of the walls, floors and ceilings of the Unit and serving the Unit exclusively, if any, wherever located at the Property;

(iii) the air conditioning, heating and any other system and the equipment, machinery, ducts, lines, conduits, wires, pipes, devices, motors, pumps, controls, fixtures and other components of the air conditioning, heating and any other system serving the Unit exclusively, if any, wherever located at the Property;

(iv) all telephone, data, television and similar lines, conduits, wires, switches, panels, outlets, equipment, fixtures, antennae and other components of the telephone, data, television and similar systems serving the Unit exclusively, if any, wherever located at the Property; and

6. Certain Definitions: The following terms shall have the meanings set forth below:

(a) The owner of each Unit is herein referred to as the "**Unit Owner**", which term shall have the meaning ascribed to it in the Condominium Act. Every Unit Owner shall be treated for all purposes as a single owner, irrespective of whether such ownership is joint, in common, or tenancy by the entirety. The number of Unit Owners shall be equal to the number of Units, regardless of whether an owner owns more than one Unit, except as expressly provided herein, when a Unit is owned by the Board of Managers (defined below).

(b) "**Board of Managers**" or "**Board**" shall mean the Board of Managers of 286 1st Street Condominium.

(c) "**By-Laws**" shall mean the By-Laws of 286 1st Street Condominium as from time to time amended pursuant thereto.

(d) "**Common Charges**" shall have the meaning set forth in Section 1(a) of Article V of the By-Laws.

(e) "**Common Elements**" shall mean the General Common Elements and the Limited Common Elements, as such terms are defined in Article 9 hereof.

(f) **"Common Expenses"** shall have the meaning set forth in Section 1(a) of Article V of the By-Laws.

(g) **"Common Interest"** shall mean the proportionate undivided interest, expressed as a numerical percentage, in the Common Elements appurtenant to each Unit, as determined in accordance with the Declaration. The total of all Common Interest percentages appurtenant to all Units equals one hundred percent (100%). The Common Interest appurtenant to each Unit is set forth on Exhibit B.

(h) **"Condominium"** shall mean 286 1st Street Condominium, which is composed of the Units and the Common Elements.

(i) **"Declarant"** shall mean 286 1st St LLC, and their successors and assigns as Declarant hereunder.

(j) **"Declaration"** shall mean this instrument creating the Condominium, as the same may be amended from time to time.

(k) **"Department of Law"** shall mean the New York State Department of Law, also known as the Attorney General's office.

(l) **"Legal Requirements"** shall mean all requirements and limitations of all laws, ordinances, rules, regulations, guidelines and determinations of any government, governmental authority or quasi-governmental authorities and agencies, case law and all judicial rulings, judgments and orders, the requirements of insurers, insurance underwriting agencies, agreements, instruments and insurance policies, and of Mortgages and Mortgagees binding on the Board of Managers or affecting the Condominium this Declaration, the By-Laws and the Rules and Regulations and of the By-Laws, this Declaration and the Rules and Regulations.

(m) **"Mortgage"** shall mean a mortgage placed upon a Unit.

(n) **"Mortgagee"** shall mean the holder of any Mortgage.

(o) **"Party Wall"** shall mean a wall which is common to, and separates, two Units or a Unit and a Common Element.

(p) **"Rules and Regulations"** shall mean the rules and regulations included in the By Laws, as amended from time to time by the Board of Managers.

(q) **"Unit"** and **"Units"** are defined in Article 3 of this Declaration.

(r) **"Unit Owner"** shall mean the owner of a Unit.

7. Use of Building and Units: The Units may be used only for residential use and for legally permitted uses accessory to residential use and for legally permitted home occupation or

professional or business offices subject to the provisions of the certificate of occupancy for the Building. The Building shall be used solely for the purposes for which the Units contained therein may be used.

8. Subdividing and Combining Units: The owner of a Unit may subdivide its Unit into more than one Unit and the owner or owners of any Unit or Units may subdivide or combine such Unit or Units into one or more than one Unit from time to time and the Board of Managers shall execute and deliver such documents and instruments (including, without limitation, an amendment to this Declaration) and take such actions as are necessary pursuant to the Condominium Act or other Legal Requirements or otherwise to implement such subdivision or combination provided that the Common Interest of no other Unit shall be affected thereby and provided further that the owner(s) of the Unit or Units being divided or combined shall comply with all applicable Legal Requirements and pay all costs and expenses of the Board of Managers associated therewith. The provisions of this Article 8 may not be amended without the approval of all of the Unit Owners.

9. Common Elements: The "**Common Elements**" shall consist of the entire Property, including all parts of the Building other than the Units and shall be comprised of the General Common Elements (as defined below) and the Limited Common Elements (as defined below).

(a) General Common Elements As used herein, the "**General Common Elements**" shall consist of the following:

- (i) The Land described in Exhibit A to this Declaration;
- (ii) The main roof of the Building and all other elements thereof down to but not the unexposed side of the plaster or sheetrock, if any, of the ceiling of a Unit immediately below the roof, if any;
- (iii) All foundation, footings, grade beams and other structural elements supporting the Building or parts thereof;
- (iv) All columns, girders, joists, beams, load bearing walls and supports but not any plaster, sheetrock or similar covering within a Unit;
- (v) All portions of the exterior walls, beyond the hidden face of the interior plaster, sheetrock or similar material walls, if any; all portions of Party Walls located beyond the unexposed sides of the plaster, sheetrock or similar material walls within Units; the space between the top of the concrete or other decking or lowest wood decking where there is wood decking, and the unexposed upper surface of the plaster, sheetrock or similar material ceiling below or, if the ceiling below is not finished with plaster, sheetrock or similar material, the exposed surface of the structural members and decking of the ceiling of each floor between Units or within a Unit;
- (vi) All central and appurtenant installations for services such as electricity, light, gas, heating, air conditioning, trash collection, storage and disposal, sprinklers, fire

alarms and protection, telephone, television, communications, water, waste, piping and roof and yard drains, including all pipes, flues, ducts, wires, cables and conduits used in connection therewith, whether located in or outside of the Units and not installed by, or on behalf of, any Unit Owner;

(vii) The stairs, stairways, corridors, areas for emergency egress and mechanical space, and the chases, shafts and chutes, that are not located entirely in or appurtenant to a single Unit;

(viii) All other parts of the Property and all machinery, equipment, apparatus and installations now or hereafter existing in the Building or at the Property for common use or necessary or convenient to the existence, maintenance or safety of the Property.

(b) **"Limited Common Elements"** are Common Elements that are available for the use, for certain purposes, solely by the Unit Owners of the Units to which such Limited Common Elements are appurtenant and by the occupants of such Units and invitees of such Unit Owners and occupants. The Limited Common Elements are as follows.

(i) Unit 1 shall have as a Limited Common Element a rear yard (the **"Yard"**), as shown on the Floor Plans. The owners of Unit 1 may use the Yard only in compliance with all Legal Requirements. The owners of Unit 1 and their successors and assigns shall be responsible for the maintenance, repair and replacement of any paving, landscaping, fences, enclosures, walls, or other elements of the Yard, other than the Building walls, as required by Legal Requirements. The Board of Managers shall be responsible for maintenance, repair and replacement of the Building's exterior walls and other elements of the Building, except that in all events a Unit Owner shall be responsible for any maintenance, repair and replacement of any portion of the Yard or Building's exterior walls or other elements of the Building, if necessitated by damage caused by the Unit Owner or the Unit Owner's invitees, tenants, employees, agents or contractors. The Board of Managers and its agents, employees and contractors may have access to all areas of the Yard in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take. In the event such Board actions or repairs require removal or disruption of any element of the Yard, it shall be the responsibility of the Board of Managers to replace such element. The owners of Unit 1 may not perform construction in the Yard unless the owners comply with all Legal Requirements and obtain the prior approval of the Board of Managers, such approval not to be unreasonably withheld, delayed or conditioned.

(ii) Units 1, 2 and 3 shall each have at least one terrace as a Limited Common Element, as shown on the Floor Plans. The owners of such Units and their successors and assigns shall be responsible for maintenance, repair and replacement of their terrace, including the terrace's surface, but the Board of Managers shall make any structural repairs to the terrace, including the railings, if any, that are required, except that in all events the Unit Owner shall be responsible for any maintenance, repair and replacement of any portion of the terrace if necessitated by damage caused by the Unit Owner or the Unit Owner's invitees, tenants, employees, agents or contractors. The Board of Managers and its agents, employees and contractors may have access to the terrace in order to inspect the Common Elements and for any

action the Board of Managers is required or permitted to take. In the event such Board repairs or actions require removal or disruption of any elements of the terrace, it shall be the responsibility of the Board of Managers to replace such elements. The owners of such Unit may not perform construction in their terrace unless the owners comply with all Legal Requirements and obtain the written approval of the Board of Managers.

(iii) Unit 1 shall have a deck as a Limited Common Element, as shown on the Floor Plans. The owners of such Unit and their successors and assigns shall be responsible for maintenance, repair and replacement of their deck, including the deck's surface, but the Board of Managers shall make any structural repairs to the deck, including the railings, if any, that are required, except that in all events the Unit Owner shall be responsible for any maintenance, repair and replacement of any portion of the deck if necessitated by damage caused by the Unit Owner or the Unit Owner's invitees, tenants, employees, agents or contractors. The Board of Managers and its agents, employees and contractors may have access to the deck in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take. In the event such Board repairs or actions require removal or disruption of any elements of the deck, it shall be the responsibility of the Board of Managers to replace such elements. The owners of such Unit may not perform construction in their deck unless the owners comply with all Legal Requirements and obtain the written approval of the Board of Managers.

(iv) Unit 3 shall have a balcony as a Limited Common Element, as shown on the Floor Plans. The owners of such Unit and their successors and assigns shall be responsible for maintenance, repair and replacement of their balcony, including the balcony's surface, but the Board of Managers shall make any structural repairs to the balcony, including the railings, if any, that are required, except that in all events the Unit Owner shall be responsible for any maintenance, repair and replacement of any portion of the balcony if necessitated by damage caused by the Unit Owner or the Unit Owner's invitees, tenants, employees, agents or contractors. The Board of Managers and its agents, employees and contractors may have access to the balcony in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take. In the event such Board repairs or actions require removal or disruption of any elements of the balcony, it shall be the responsibility of the Board of Managers to replace such elements. The owners of such Unit may not perform construction in their balcony unless the owners comply with all Legal Requirements and obtain the written approval of the Board of Managers.

(v) Units 2 and 3 shall have as a Limited Common Element a storage area, as shown on the Floor Plans. The owners of such Units may use their storage areas only in compliance with all Legal Requirements and shall be responsible for maintenance, repair and replacement of their storage areas. The Board of Managers and its agents, employees and contractors may have access to all storage areas in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take. In the event that any such Board action requires removal or disruption of all or any elements of the storage areas, it shall be the responsibility of the Board of Managers to replace such elements.

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

(vii) Unit 3 shall have as Limited Common Elements the roof skylights, as shown on the Floor Plans. The owners of Unit 3 shall be responsible for the maintenance, repair and replacement of their skylights and associated flashing, curbing and all other elements of their skylights.

10. Determination of Common Interests: The percentages of interest in the Common Elements of each Unit is based on such Unit's floor space subject to the location of such space and additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared used, and the overall dimensions of the particular Unit, pursuant to Section 339-i(1)(iv) of the Condominium Act, and shall be as set forth in Exhibit B, a part hereof. A Unit Owner may not convey its Unit separate from its appurtenant interest in the Common Elements.

11. Encroachments: If any portion of the Common Elements now encroaches upon any Unit, or if any Unit encroaches upon any other Unit or upon any portion of the Common Elements, as a result of the construction of the Building, or if any such encroachment shall occur hereafter as a result of settling or shifting of the Building, or as a result of repair or restoration of the Building (or any portion thereof), any Unit or the Common Elements after damage or destruction by fire or other casualty or after a taking in condemnation or eminent domain proceedings of all or any portion of a Unit or the Common Elements or by reason of alteration or repair to the Common Elements made by, or with the consent of, the Board of Managers, a valid easement for the encroachment and for the maintenance of the encroachment so long as the Building stands shall exist.

12. Easements:

(a) Each Unit Owner shall have an easement in common with the owners of other Units to use, maintain, repair, alter and replace all pipes, wires, flues, ducts, vents, cables, conduits, public utility lines, equipment and facilities and other Common Elements located in any of the Units or elsewhere on the Property and serving its Unit. Each Unit shall be subject to an easement in favor of the owners of all other Units and the Board of Managers (i) to use the pipes, flues, ducts, cables, wires, conduits, utility lines, equipment and facilities and other Common Elements serving other Units and located in such Unit, and (ii) for the Board of Managers and its agents, employees and contractors to have access to each Unit to inspect the Unit, to remove violations of Legal Requirements, and (iii) to maintain, repair, replace or modify Common Elements contained therein or elsewhere in the Building.

(b) Each Unit shall have, and shall be subject to, easements of subjacent support and necessity in favor of such Unit and in favor of other Units and the Common Elements.

(c) The Declarant and its successors and assigns reserve the right to establish, grant and create easements for any additional electric, transformer, amplifier, gas, television, telephone, communications, sprinkler, fire protection, fire alarm, security, air conditioning, water, storm drainage, sewer or other utility or service lines and appurtenances in, under and through the Property including, without limitation, an easement or easements for the benefit of any property adjacent to the Property, to relocate any existing utility easements in any portion of the Property and to dedicate any or all of such facilities to any governmental body, public benefit corporation or utility company if the Declarant or its designee shall deem it necessary or desirable for the proper operation and maintenance of the Property or any portion thereof, for the general health or welfare of any Unit Owner, or the residents of any property adjacent to the Property, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of the Units for their permitted purposes. Any governmental agency, utility company or public benefit corporation furnishing services to the Property, and the employees and agents of any such agency, company or corporation, shall have the right of access to any Unit, to the Common Elements and to the Limited Common Elements included in the exercise of the rights to which such easements pertain, provided such right of access is exercised in such a manner as not unreasonably to interfere with the use of the affected Units for their permitted purposes

(d) The user of any easement granted by subparagraph (a) or (b) of this Article 12 shall have the responsibility of repairing any damage to Common Elements resulting from such use. A Unit Owner shall have the responsibility of repairing any damage to his, her or its Unit resulting from such use.

(e) Each Unit Owner whose Unit has one or more appurtenant Limited Common Elements shall have an exclusive easement for use thereof.

(f) In addition to the specific easements set forth in this Article 12, the Property and every portion thereof shall be subject to all easements and the rights of access prescribed in the Condominium Act.

(g) Notwithstanding the foregoing, no person shall use or enjoy the General Common Elements or Limited Common Elements except in accordance with the reasonable purposes for which they are intended and, subject to such purposes, without encroaching unreasonably upon the rights of other persons to do so in accordance with this Declaration.

13. Power of Attorney to Board of Managers: Each Unit Owner shall grant to the persons who shall from time to time constitute the Board of Managers, an irrevocable power of attorney, coupled with an interest, in such form as the Board of Managers may from time to time approve, to, among other things, acquire title to any Unit whose Owner desires to surrender or sell, provided the same is legally permitted, or which may be the subject of a foreclosure or other judicial sale, in the name of the Board of Managers or its designee, corporate or otherwise, and to convey, sell, mortgage or otherwise deal with any such Unit so acquired, provided the same is legally permitted.

14. Acquisition of Units by Board of Managers: In the event any Unit Owner shall surrender its Unit together with: (i) the undivided interest in the Common Elements appurtenant thereto; (ii) the interest of such Unit Owner in any other Units acquired by the Board of Managers or its designee on behalf of all Unit Owners, or the proceeds of the sale or lease thereof, if any; and (iii) the interest of such Unit Owner in any other assets of the Condominium (hereinafter collectively referred to as the "**Appurtenant Interest**") pursuant to the provisions of Section 339-x of the Condominium Act, or in the event the Board of Managers shall purchase at a foreclosure or other judicial sale a Unit together with its Appurtenant Interests, title to any such Unit, together with its Appurtenant Interests, shall be held by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests. The lease covering any Unit leased by the Board of Managers, or its designee, corporate or otherwise, shall be held by the Board of Managers, or its designee, on behalf of all Unit Owners, in proportion to their respective Common Interest.

15. Person to Receive Service of Process: The Secretary of State of the State of New York is hereby designated as agent of the Board of Managers upon whom process against it may be served, and the post office address to which the Secretary of State shall mail a copy of any process against it served upon him is c/o the President of the Board of Managers of 286 1st Street Condominium, 286 1st Street, Brooklyn, NY 11215. In the event that the Declarant shall cease to own a Unit, process in any action against the Condominium shall be served on the Condominium in the manner prescribed by Legal Requirements. As required by Legal Requirements, the Board of Managers shall notify the Secretary of State of any change in the managing agent or person authorized to receive a copy of any process served against the Secretary of State.

16. Units Subject to Declaration, By-Laws and Rules and Regulations: All present and future Unit Owners, tenants, sub-tenants and occupants of Units and invitees, employees, agents, and contractors of Unit Owners shall be subject to, and shall comply with, the provisions of this

Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance for, or the entering into a lease for, or the entering into occupancy of, any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such owner, tenant or occupant and shall be binding on all sub-tenants, invitees, employees, agents and contractors, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof.

17. Amendment of Declaration:

(a) This Declaration may be amended with the approval of owners of sixty-six and two-thirds percent (66 2/3%) in number and in Common Interest of all Unit Owners, in accordance with the provisions of the By-Laws, provided, however, that the Common Interest appurtenant to each Unit as expressed in this Declaration shall not be altered without the consent of all Unit Owners affected, and provided further that no right granted herein to the Sponsor or a Sponsor-affiliate shall be modified without the written consent of the Sponsor so long as the Sponsor or a Sponsor-affiliate shall own a Unit.

(b) The Sponsor or a Sponsor-affiliate shall have the right without vote or consent of other Unit Owners, the Board of Managers or the holders of Unit mortgages to execute or (on its request) to require the Board of Managers to execute and record in the Office of the City Register, Borough of Brooklyn and elsewhere if required by law, an amendment or amendments to this Declaration (together with such other documents, plans and maps as may be required to effectuate the same) to reflect (i) any changes in Units and the reapportionments of the Common Interests resulting therefrom, made by the Sponsor pursuant to Article 19 hereof; or (ii) any construction of the Building which shall not have been completed on the date of recording of this Declaration, including, without being limited to, the final location, dimensions or size of the Building and the Units therein.

(c) Notwithstanding the provisions of Section 17(a), above, no amendment to this Declaration that would have a materially adverse impact on the holders of Unit mortgages may be made without the approval of at least fifty-one percent (51%) of such holders of Unit mortgages. The Board shall serve on all holders of Unit mortgages a copy of such a proposed amendment by certified mail, return receipt requested to such addresses as designated by the mortgagees from time to time, in writing, to the Board of Managers. In the event any holder of Unit mortgages shall fail to respond in writing to the Board within sixty (60) calendar days after being served with such a proposed amendment, then said holder of Unit mortgages shall be deemed to have consented to such proposed amendment. For purposes of this paragraph, the date of mailing shall be deemed to be the date of the giving of notice.

18. Specially Allocated Expenses: The Board of Managers shall not allocate specific expense items to a Unit if the Unit Owner of such Unit (or the tenant(s) of such Unit) pays such items directly or if such Unit receives no or minimal benefit from such expense, as more

particularly provided in Section 1(d) of Article V of the By-Laws.

19. Invalidity: The invalidity of any provision of this Declaration shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of this Declaration and the remainder of this Declaration shall continue in full force and effect as if such invalid provision had never been included herein.

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 of any provision hereof.

21. Gender and Number: The use of the masculine gender in this Declaration shall be deemed to refer to the feminine gender and neuter and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires. The term "person" means "person or entity" unless the context requires the term "person" to mean only an individual.

22. Further Assurances: (a) Any person who is subject to the terms of this Declaration, whether such a person is a Unit Owner, a lessee or a sublessee of a Unit Owner, an occupant of a Unit member of the Board of Managers, an officer of the Condominium, or otherwise, shall, at the expense of such other person requesting the same, execute, acknowledge and deliver to such other person such instrument, in addition to those specifically provided for herein, and take such other action as such other persons may reasonably request to effectuate the provisions of this Declaration or of any transaction contemplated herein or to perfect any right to be created or transferred hereunder or pursuant to any such transaction.

(b) If any Unit Owner or any other person that is subject to the terms of this Declaration fails or refuses to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten days after request therefor, to take any action that such Unit Owner or person is required to take pursuant to this Declaration, the Board of Managers is hereby authorized as attorney-in-fact for such Unit Owner or other person, which power shall be deemed to be coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other person, and such document or action shall be binding on such Unit Owner or other person.

23. Covenants to Run With the Land: (a) All provisions of this Declaration, the By-Laws and the Rules and Regulations, including, without limitation, the provisions of this Article 23, shall, to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be covenants running with the land and with every part thereof and interest therein, and all of the provisions shall be binding upon, and shall inure to the benefit of, executors, administrators, legal representatives, successors and assigns, but the same are not intended to create, nor shall they be construed as creating, any rights in or for the benefit of the general public. All present and future Unit Owners, tenants and occupants of Units shall be subject to the Rules and Regulations, as the same may be amended from time to time. The acceptance of a deed or conveyance, the entering into a lease, or the entering into an occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Rules and Regulations, as

they may be amended from time to time, are accepted and ratified by such Unit Owner, tenant, or occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having, at any time, any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance or lease.

(b) If any provision of this Declaration or of the By-Laws is invalid under, or would cause this Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, such provision shall be deemed deleted from this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act, but shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the land and with every part thereof and interest therein under other Legal Requirements to the extent permitted under such Legal Requirements with the same force and effect as if, immediately after the recording of this Declaration or the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the land. If any provision that is necessary to cause this Declaration or the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as a part of this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act.

(c) Subject to the terms of paragraph (b) of this Section 23, if this Declaration or the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the provisions of this Declaration or the By-Laws shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the land and with every part thereof and interest therein under other Legal Requirements to the extent permitted under such Legal Requirements 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.

24. Successors and Assigns: The rights and/or obligations of the Declarant or its designee as set forth herein shall inure to the benefit of, and shall be binding upon, any successor or assignee of Declarant. Subject to the foregoing, the Declarant or its designee shall have the right, at any time, in its sole discretion, to assign or otherwise, transfer its interest herein, whether by merger, consolidation, lease, assignment or otherwise, without the consent of the Board of Managers or any other person, provided that all Legal Requirements are satisfied.

25. Captions: The captions are included only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Declaration or the intent of any provision hereof.

26. Termination of Condominium. The Condominium shall continue and the Property shall not be subject to an action for partition (unless terminated by casualty loss, condemnation or eminent domain, as more particularly provided in this Declaration and the By-Laws) until such time

as withdrawal from the Condominium Act is authorized by a vote of all Unit Owners. No such vote shall be effective, however, without the written consent (which consent shall not be unreasonably withheld or delayed) of the Mortgagees, if any, of the Units. In the event such 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 Unit Owners in proportion to their respective Common Interests; provided, however, that no payment shall be made to a Unit Owner until there has first been paid out of such Unit Owner's share of such net proceeds all liens on such Unit Owner's Unit (including, without limitation, Mortgages) in the order priority of such liens.

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

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed this
____ day of _____, 202__.

286 1st St LLC

STATE OF NEW YORK)
)ss.:
COUNTY OF KINGS)

On the ____ day of _____, 202__, before me, the undersigned, personally
appeared _____, personally known to me or proved to me on the
basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the
within instrument and acknowledged to me that he/she/they executed the same in his/her/their
capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the
person on behalf of which the individual(s) acted, executed the instrument.

Notary Public

EXHIBIT A

286 1st Street Condominium

286 1st Street

Brooklyn, NY 11215

Block ____; Lot ____

ALL that certain plot, piece or parcel of land with the buildings and improvements thereon erected, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, bounded and described as follows:

[To be inserted]

EXHIBIT B

286 1st Street Condominium
286 1st Street
Brooklyn, NY 11215
Block 969; Lot FKA 30, NKA _____

Unit	Tax Lot No.	Location	Beds/Baths	Approx Area (sq. ft.)	Common Interest (%)	Limited Common Elements (approx. sq. ft.)	Immediately Accessible Common Elements
1		Cellar, Floor 1	2/2.5	2,017	44.00%	Rear Yard (516); Terrace (184); Deck (50)	Entry stoop, vestibule, stairs and stairways, roof.
2		Floor 2	2/2	1,086	19.00%	Storage (40); Terrace (27)	Entry stoop, vestibule, stairs and stairways, roof.
3		Floor 3, Penthouse	3/2	15,19	37.00%	Storage (65); Balcony (36); Rear Terrace (581); Front Terrace (60); Skylights (33)	Entry stoop, vestibule, stairs and stairways, roof.

100.00%

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SECTION G

BY LAWS OF CONDOMINIUM

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BY-LAWS
of
286 1st Street Condominium
County of Kings
City and State of New York

Record and Return To:
Marcus Attorneys PLLC
13 Greene Avenue
Brooklyn, New York 11238

By-Laws
of
286 1st Street Condominium

ARTICLE I
Plan of Unit Ownership

Section 1. Unit Ownership. The property located in Kings County, City and State of New York, at 286 1st Street has been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York (the "**Condominium Act**") by the Declaration (the "Declaration") recorded in the Office of the Register of the City of New York, Borough of Brooklyn simultaneously herewith and shall hereinafter be known as 286 1st Street Condominium (hereinafter called the "**Condominium**"). The residential Units are sometimes referred to herein collectively as the "**Units**" and individually as a "**Unit**". The owner of a Unit is herein referred to as a "**Unit Owner**". All capitalized terms not defined herein shall have the meaning set forth in the Declaration and all capitalized terms not defined herein or in the Declaration shall have the meanings set forth in the Condominium Act.

Section 2. Applicability of By-Laws.

(a) The provisions of these By-Laws are applicable to the Property of the Condominium and to the use, operation and occupancy thereof. The term "**Property**" as used herein shall include the land, the buildings and all other improvements thereon (including the Units, the General Common Elements and the Limited Common Elements) known as 286 1st Street, Brooklyn, NY 11215, and all easements, rights and appurtenances belonging thereto, and all other property, real, personal or mixed, intended for use in connection therewith. The provisions of these By-Laws are applicable to the Property of the Condominium and to the use, operation and occupancy thereof.

(b) All present and future owners, Mortgagees, lessees, sublessees and occupants of Units and their employees, invitees, agents and contractors and any other persons who may use the facilities of the Property in any manner are subject to these By-Laws, the Declaration and the rules and regulations (the "**Rules and Regulations**") attached hereto as Schedule A, each as amended from time to time.

The acceptance of a deed or conveyance or the entering into of a lease or the occupancy of a Unit shall constitute an agreement that these By-Laws, the Rules and Regulation and the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

Section 3. Office. The office of the Condominium and of the Board of Managers of the Condominium (the "**Board of Managers**") shall be located at the Property, unless another office in the County of Kings in New York State is designated by the Board of Managers.

ARTICLE II Board of Managers

Section 1. Number and Qualification. The affairs of the Condominium shall be governed by a Board of Managers which shall consist of three persons. Until the first meeting of Unit Owners held pursuant to Section 1 (a) of Article III of these By-Laws, the Board of Managers shall consist of three (3) persons designated by the sponsor of the Condominium, 286 1st St LLC (the "Sponsor"). As used in these By-Laws "Unsold Units" shall mean a Unit owned, at the time in question, by the Sponsor or its designee or successor who or which does not occupy the Unit for his, her, its or their own use. Within ninety (90) days after the first Closing of title to a Unit, the Sponsor will call the first meeting of Unit Owners, at which meeting the Unit Owners shall elect three (3) members, subject to the Sponsor's right to designate two members of the Board until the earlier of: (1) five years after the Closing of the first Unit or (2) the time the Sponsor holds less than fifty percent (50%) of the Common Interests. A meeting will be held to elect new members of the Board within thirty (30) days of the termination of the Sponsor's special right to designate members of the Board. During the period in which the Sponsor may designate two members of the Board, Unit Owners, other than the Sponsor, will vote for the remaining Board member. After the period during which Sponsor may designate two members of the Board, all Unit Owners, including the Sponsor, may vote for all members of the Board, including members of the Board that are related or unrelated to the Sponsor. Each member of the Board of Managers shall be an owner of a Unit, a mortgagee of a Unit, general partner, partner or designated employee of a partnership owning a Unit or holding a mortgage covering a Unit, a shareholder, officer, director or designated employee of a corporate Unit Owner or corporate mortgagee of a Unit, a fiduciary or officer or designated employee of a fiduciary who is the owner or mortgagee of a Unit, or a person with similar authority over, and interest in, another entity owning or holding a mortgage on a Unit, or in the case of the Sponsor or a Sponsor-affiliate, shall be a designee of the Sponsor. A person designated by the Sponsor or a Sponsor-affiliate under this Article need not be a Unit Owner or holder of an office or interest in a Unit Owner. As used in these By-Laws, the term "Sponsor-affiliate" shall mean (i) any person or entity which the Sponsor may designate to acquire title to a Unit or exercise other rights of the Sponsor hereunder or under the Declaration or the Offering Plan for the Property (the "Plan"), (ii) an entity in which the Sponsor possesses a legal or beneficial interest or a person or entity which possesses a legal or beneficial interest in the Sponsor or an entity which controls or is controlled by an entity which is otherwise a Sponsor-affiliate or (iii) a person or entity succeeding to the rights of Sponsor as an owner of one or more Unsold Units, as defined in the Offering Plan. A Sponsor-affiliate shall have the right to designate a person or entity to succeed to its rights. The term Sponsor-affiliate is also used to refer to any such designee.

Section 2. Power and Duties. The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all acts and things except such acts or things which by law or by the Declaration or by these By-Laws may not be delegated to the Board of Managers by the Unit Owners. Such powers and duties of the Board of Managers shall include, but shall not be limited to, the following:

(a) Operation, care, upkeep and maintenance of (i) the Common Elements and (ii) to the extent provided in Article 9(b) of the Declaration, the Limited Common Elements.

(b) Determination of the Common Expenses required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Property, and specially allocated expenses as described in Section 1 (d) of Article V hereof.

(c) Collection from the Unit Owners of the Common Charges, assessments and other sums due under these By-Laws or the Declaration.

(d) Employment and dismissal of the personnel necessary for the maintenance and operation of the Common Elements.

(e) Adoption and amendment of Rules and Regulations covering the details of the occupancy, operation and use of the Property.

(f) Opening and maintaining of bank and investment accounts on behalf of the Condominium and designating the signatories therefor.

(g) Purchasing or leasing or otherwise acquiring in the name of the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, Units offered for sale or lease or surrendered by their owners to the Board of Managers.

(h) Purchasing of Units at foreclosure or other judicial sales in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners.

(i) Acquiring in the name of the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, rights and interests in real and personal property for use in connection with the ownership and operation of the Property as a condominium, as described in the Declaration and these By-Laws.

(j) Selling, leasing, mortgaging, borrowing money with respect to, or otherwise dealing with Units acquired by, and subleasing Units leased by, the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners.

(k) Organizing corporations, limited liability companies and other entities to act as designees of the Board of Managers in acquiring title to, or leasing of, Units or rights and interests in real and personal property for use in connection with the ownership and operation of the Property as a condominium, on behalf of all Unit Owners.

(l) Obtaining insurance for the Property, the Condominium and the Board of Managers pursuant to the provisions of Article V, Section 2 hereof.

(m) Making of repairs, additions and improvements to, or alterations of, the Property subject to the provisions of Section 13 of Article V hereof and making of repairs to, and restoration of, the Property in accordance with the other provisions of these By-Laws after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

(n) Borrowing money on behalf of the Condominium when required in connection with the payment, collection and disbursement of funds, including reserves, to provide for major and minor maintenance, repairs, additions, improvements, replacements, working capital, bad debts and unpaid Common Expenses, depreciation, obsolescence and similar purposes, provided, however, that the incurrence of such debt shall require the consent of all Unit Owners; and in connection with such borrowing, to give such security interest as may be permitted by Legal Requirements. If any sum borrowed by the Board of Managers on behalf of the Condominium pursuant to the authority contained in this paragraph (n) is not repaid by the Board of Managers, a Unit Owner who pays to the creditor the outstanding sum in proportion to its respective Common Interest shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor shall have filed or shall have the right to file against the Unit Owner's Unit.

(o) Borrowing money on behalf of the Condominium when required in connection with any matter not included in the preceding paragraph, provided, however, that no lien to secure repayment of any sum borrowed may be created on any Unit or its Appurtenant Interests (as defined in Article VII, Section 1(a) of these By-Laws) or on the Common Elements without the consent of all of the Unit Owners. If any sum borrowed by the Board of Managers on behalf of the Condominium pursuant to the authority contained in this paragraph (o) is not repaid by the Board of Managers, a Unit Owner who pays to the creditor such proportion thereof as its interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor shall have filed or shall have the right to file against the Unit Owner's Unit.

(p) In connection with a debt incurred by the Board of Managers on behalf of the Unit Owners, the Board of Managers may (i) assign the rights in and to receive future income and common charges, (ii) create a security interest in, assign, pledge, mortgage or otherwise encumber funds or other real or personal property that it holds, (iii) 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 339-l of the Real Property Law, 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 (iv) 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. This paragraph shall not be construed to authorize the Board of Managers to create a lien on the Common Elements. Any 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 and the right to foreclose such liens in all events pursuant to Real Property Law Section 339-z and 339-aa.

(q) Levying fines against Unit Owners for violations of the By Laws or the Rules and Regulations.

(r) Adjusting and settling claims under insurance policies obtained pursuant to Article V, Section 2 and executing and delivering releases upon settlement of such claims on behalf of all Unit Owners.

(s) Notwithstanding anything to the contrary contained in these By-Laws, so long as the Sponsor or any Sponsor-affiliate shall continue to own a Unit or Units constituting twenty five percent (25%) or more of the Common Interest, but in no event for a period in excess of five (5) years from the Closing of title to the first Unit, the Board of Managers may not, without the Sponsor's or Sponsor-affiliate's prior written consent, (i) make any addition, alteration or improvement to the Common Elements or to any Unit or (ii) assess any Common Charge for the creation or addition to or replacement of all or part of a reserve, contingency or surplus fund except that Sponsor will consent to replacements to the contingency fund provided for in the Budget for First Year of Condominium Operation, Schedule B of the Offering Plan for the Property (the "Plan") to the extent that the aggregate amount of such fund does not exceed ten percent (10%) of the budgeted expenses of the Condominium or (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent that existing reserves are insufficient). The Sponsor and Sponsor-affiliates shall have the right to withhold its or their consent to any of the foregoing actions. However, notwithstanding the provisions of this paragraph (r), the Sponsor and Sponsor-affiliates may not exercise veto power over expenses described in said Schedule B or over expenses required to comply with applicable law or regulations, to remedy any notice of violation, or to remedy any work order by an insurer.

(t) Notwithstanding anything to the contrary contained in there By-Laws, so long as there shall be an Unsold Unit, the Board of Managers may not, without the consent of the Unit Owner of each Unsold Unit (i) amend the Declaration or these By-Laws so as to in any way adversely affect the Sponsor or any Sponsor-affiliate or any Unit owned thereby; or (ii) interfere with: the offer and sale or leasing of Units; operation of general or sales and leasing offices of the Sponsor or any Sponsor-affiliate at the Property; actions necessary for construction, renovation, repair alteration, maintenance, operation and replacement of the Property or any parts thereof by, or on behalf of, the Sponsor or any Sponsor-affiliate and permitted pursuant to the Plan and/or the Declaration.

(u) The Board of Managers may act as an agent of each Unit Owner that has given its written authorization to complain or apply to the Board of Assessment Review of the assessing agency by filing a single complaint on behalf of all such Unit Owners pursuant to Section 512 of the Real Property Tax Law and to commence and prosecute a special proceeding for the review of assessment of real property as an aggrieved person pursuant to Section 704 of the Real Property Tax Law of the State of New York. The Board of Managers may retain legal counsel on behalf of all Unit Owners for which it is acting as agent and to charge all such Unit Owner a pro rata share of its expenses, disbursements and legal fees in connection with the review of assessments, for which charges the Board of Managers shall have a lien pursuant to Section 339 of the Condominium Act.

Section 3. Managing Agent and Manager. The Board of Managers may employ a managing agent and/or manager (including the Declarant or a corporation or other entity organized or controlled by the Declarant) for the Condominium at a compensation established by the Board of Managers to perform such duties and services as the Board of Managers shall authorize. The Board of Managers may delegate to any manager or managing agent all of the powers granted to the Board of Managers by these By-Laws other than the powers set forth in subdivisions (b), (e), (g), (h), (i), (j),

(k), (n), (o) and (p) of Section 2 of this Article II.

Section 4. Election and Term of Office. The term of office of the members of the Board of Managers designated by Unit Owners at the first meeting of Unit Owners held pursuant to Section 1(a) of Article III of these By-Laws shall expire on the date of the second meeting of the Unit Owners held pursuant to Section 1(b) of Article III of these By-Laws. At the second meeting and all subsequent meetings of the Unit Owners held for the purpose of designating members of the Board of Managers, the term of office of the members of the Board of Managers shall be fixed at one year.

Section 5. Removal of Members of the Board of Managers. Any member of the Board of Managers may be removed only by the Unit Owner that designated such member at any time, with or without cause, and the Unit Owner making such removal shall have the right to designate the replacement for such member.

Section 6. Vacancies. In the case of a vacancy on the Board of Managers created by the resignation, removal or any other cause that results in any member designated by a Unit Owner ceasing to be a member of the Board of Managers, such Unit Owner shall have the sole right to designate a replacement for such member.

Section 7. Organization Meeting. The first meeting of the members of the Board of Managers following the first meeting of the Unit Owners shall be held within ten (10) days after the first meeting of the Unit Owners at such time (but not later than two (2) months following the date of the formation of the Condominium) and place as shall be fixed by the members of the Board of Managers and no notice shall be necessary to the newly elected members of the Board of Managers in order legally to constitute such meeting, provided a majority of the whole Board of Managers shall be present thereat.

Section 8. Regular Meetings. Regular meetings of the Board of Managers may be held at such time and place as shall be determined from time to time by the members of the Board of Managers, but at least four (4) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Managers shall be given to each member of the Board of Managers by mail, e-mail, hand delivery, overnight courier service or fax at least three (3) business days prior to the day of such meeting.

Section 9 Special Meetings. Special meetings of the Board of Managers may be called by the President on three (3) business days' notice to each member of the Board of Managers given by hand at the Building, mail, e-mail, overnight courier service or fax, which notice shall state the time, place and purpose of the meeting and the details of an electronic means by which a Board member may attend instead of attending in person. Special meetings of the Board of Managers shall be called by the President or Secretary in like manner and on like notice on the written request of at least one (1) member of the Board of Managers.

Section 10. Waiver of Notice. Any member of the Board of Managers may at any time waive notice of any meeting of the Board of Managers in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Managers at any

meeting of the Board shall constitute a waiver of notice by him or her of the time and place thereof. If all the members of the Board of Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 11. Quorum of the Board of Managers and Attendance at a Meeting. At all meetings of the Board of Managers, a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board of Managers present at a meeting at which a quorum is present shall constitute the decision of the Board of Managers, subject to provisions of these By-Laws which require a specific higher number of Board members' approval. Any Board member may attend a meeting by electronic means allowing all Board members to hear each other and such means shall be provided at every meeting at which the entire Board is not present in person. If at any meeting of the Board of Managers there shall be less than a quorum present, the meeting must be adjourned. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called, may be transacted without further notice. Any action required or permitted to be taken by the Board of Managers may be taken without a meeting if all members of the Board consent in writing to the adoption of a resolution authorizing such action, and the writing or writings are filed with the minutes of the proceedings of the Board.

Section 12. Fidelity Bonds. The Board of Managers may obtain a fidelity bond in the amount of twenty five thousand dollars (\$25,000) or more for all officers and employees of the Condominium and of the managing agent handling or responsible for Condominium funds. The Board of Managers may obtain such other fidelity bonds as it deems proper. The premiums on such bonds shall constitute a Common Expense.

Section 13. Compensation. No member of the Board of Managers shall receive any compensation from the Condominium for acting as such.

Section 14. Liability of the Board of Managers. The members of the Board of Managers shall not be liable to any Unit Owner for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the members of the Board of Managers against all liability to others arising from their acts as, or by reason of the fact that such person was, a member of the Board of Managers. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium within the scope of their authority. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers or out of the aforesaid indemnity in favor of the members of the Board of Managers shall be limited to such proportion of the total liability thereunder in proportion to the Unit Owner's respective Common Interest. Every agreement made by the Board of Managers or by the managing agent on behalf of the Board of Managers shall be deemed made on behalf of the Unit Owners, and the Board of Managers and the managing agent, as the case may be, are acting only as agents for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners) and any liability of a Unit Owner thereunder shall be limited to such proportion of the total liability thereunder in proportion to the Unit Owner's respective Common Interest. Members of the Board of Managers designated by the Declarant or a Declarant-affiliate shall not incur any liability for self-dealing in connection with any contract made by the Board of Managers on behalf

of the Unit Owners with the Declarant or Declarant-affiliate, provided that any compensation paid under such contract shall be no more than at then competitive rates for similar goods and services in Kings County.

ARTICLE III Unit Owners

Section 1. Annual Meetings.

(a) First Meeting. Within ninety (90) days after the first Closing of title to a Unit, the Sponsor shall call the first meeting of Unit Owners for the election by Unit Owners of the members of the Board of Managers, subject to the Sponsor's right to designate members. The full Board of Managers shall then be composed of three (3) members. Persons designated by the Sponsor or a Sponsor-affiliate need not be Unit Owners.

(b) Annual Meetings. Annual meetings of Unit Owners shall be held at the first anniversary of the first meeting of the Unit Owners held pursuant to Section 1(a) of this Article III and annually thereafter unless such day shall fall on a Saturday, Sunday or legal holiday, in which event, the meeting for that year shall be held on the succeeding Monday or day which is not a legal holiday.

Section 2. Place of Meetings. Meetings of the Unit Owners shall be held at the principal office of the Condominium or at such other suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the Unit Owners if so directed by resolution of the Board of Managers or upon a petition signed and presented to the Secretary by Unit Owners holding not less than twenty percent (20%) of the Common Interest of all Unit Owners in the Common Elements. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meetings and Attendance. It shall be the duty of the Secretary to mail or hand deliver a notice of each annual or special meeting of the Unit Owners, at least ten (10) but not more than forty (40) days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held and the details of an electronic means by which a Unit Owner may attend instead of attending in person or by proxy, to each Unit Owner of record, at the Building or at such other postal or e-mail address or fax number as such Unit Owner shall have designated by notice in writing to the Board of Managers. If the purpose of any meeting shall be to act upon a proposed amendment to the Declaration or to these By-Laws, the notice of meeting shall be hand delivered or mailed at least thirty (30) days prior to such meeting.

Section 5. Adjournment of Meetings. If any meeting of Unit Owners cannot be held because a quorum has not attended, the Unit Owners who are present at such meeting, either in person or by

proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 6. Order of Business. The order of business at all meetings of the Unit Owners shall be as follows:

- (a) Roll Call.
- (b) Proof of notice of meeting.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Report of Board of Managers and/or managing agent.
- (f) Reports of committees.
- (g) Election of inspectors of election (when so required).
- (h) Election of members of the Board of Managers (when so required).
- (i) Unfinished business.
- (j) New Business.

Section 7. Title to Units; Status of Holder of Title as Unit Owner. Title to Units may be taken in the name of an individual or in the names of two or more persons, as tenants in common or as joint tenants or as tenants by the entirety, or in the name of a corporation, partnership, limited liability company, a fiduciary, non-profit organization or governmental entity (upon waiver of diplomatic immunity, as, if and when required by the Board of Managers), or other entity provided such entity is empowered to own real property and otherwise comply with the obligations of a Unit Owner and be sued in the courts of the State of New York. The term "**Unit Owner**" as used in these By-Laws shall include any person, group of persons, association or entity taking title as set forth in this Section. This section shall not constitute consent or the condoning of any activity not permitted by laws, ordinances, rules, regulations, guidelines and determinations of any government, governmental authority or quasi-governmental authorities and agencies, case law and all judicial rulings, judgments and orders, the requirements of insurers, insurance underwriting agencies, agreements, instruments and insurance policies and of Mortgages and Mortgagees binding on the Board of Managers or affecting the Condominium this Declaration, the By-Laws and the Rules and Regulations and of the By-Laws, this Declaration and the Rules and Regulations (hereinafter called the "Legal Requirements").

Section 8. Voting. Each Unit Owner (as determined by the Board of Managers) or some person designated by a Unit Owner to act as proxy on its behalf and who need not be a Unit Owner shall be entitled to cast the votes appurtenant to such Unit at all meetings of Unit Owners. The

designation of any such proxy shall be made in a writing given to the Secretary by the Unit Owner so designating. Any or all of such Unit Owners may be present at any meeting of the Unit Owners and (those constituting a group acting unanimously) may vote or take any other action as a Unit Owner either in person or by proxy. The total number of votes of all Unit Owners shall be one hundred and each Unit Owner shall be entitled to cast the number of votes at all meetings of the Unit Owners equal to its Common Interest. A fiduciary shall be the voting party with respect to any Unit owned in a fiduciary capacity.

Section 9. Quorum. Except as otherwise provided in these By-Laws or the Declaration, the presence in person or by proxy of Unit Owners representing at least fifty one percent (51%) of the Common Interest shall constitute a quorum at all meetings of the Unit Owners.

Section 10. Majority Vote. The vote of Unit Owners constituting a majority of the percentage of Common Interest present at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes unless a provision of these By-Laws or the Declaration shall expressly require approval by a higher or different number of votes or Unit Owners. Members of the Board of Managers shall be elected by a plurality of the percentage of Common Interest present except as provided in these By-Laws with respect to members designated by the Sponsor.

Section 11. Action Without Meeting. Any action required or permitted to be taken by the Unit Owners may be taken without a meeting if the number of Unit Owners required by the Declaration, these By-Laws or Legal Requirements consents in writing to the adoption of a resolution authorizing such action and the writing or writings are filed with records of the Condominium.

ARTICLE IV Officers

Section 1. Designation. The principal officers of the Condominium shall be the President, the Secretary, and the Treasurer, all of whom shall be elected by the Board of Managers. The Board of Managers may appoint a vice president, an assistant treasurer, an assistant secretary, and such other officers as in its judgment may be necessary. The President and Secretary, but no other officers, need be members of the Board of Managers. One individual may hold multiple offices.

Section 2. Election of Officers. The officers of the Condominium shall be elected annually by the Board of Managers at the organization meeting of each new Board of Managers and shall hold office at the pleasure of the Board of Managers.

Section 3. Removal of Officers. Upon the affirmative vote of all other members of the Board of Managers, any officer may be removed, either with or without cause, and his or her successor may be elected or designated, as the case may be, at any regular meeting of the Board of Managers, or at any special meeting of the Board of Managers called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Condominium and must be a member of the Board of Managers. He or she shall have all of the general powers and

duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York, including but not limited to the power to appoint members of committees created by the Board of Managers from among the Unit Owners or otherwise from time to time as he or she may in his or her discretion decide are appropriate to assist in the conduct of the affairs of the Condominium.

Section 5. Vice President. If a Vice President is elected, the Vice President shall take the place of the President and perform his or her duties whenever the President shall be absent or unable to act. If the President is absent or not able to act and if there is no Vice President or the Vice President is also absent or not able to act, the Board of Managers shall appoint some other member of the Board of Managers to act in the place of the President on an interim basis. The Vice President also shall perform such other duties as shall from time to time be imposed upon him or her by the Board of Managers or by the President.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Board of Managers; he or she shall have charge of such books and papers as the Board of Managers may direct; and he or she shall, in general, perform all the duties incident to the office of secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 7. Treasurer. The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for causing full and accurate financial records and books of account showing all receipts and disbursements to be kept, and for the preparation of all required financial data. He or she shall be responsible for directing the deposit of all moneys and other valuable effects in the name of the Board of Managers or the managing agent, in such depositories as may from time to time be designated by the Board of Managers, and he or she shall, in general, perform all the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 8. Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any person who shall be an officer of the Condominium or by such other person or persons as may be designated by the Board of Managers.

Section 9. Liability of Officers. The officers of the Condominium shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the officers of the Condominium against all liability to others arising from his or her acts as, or by reason of the fact that such person was, an officer. It is intended that the officers shall have no personal liability with respect to any contract made by them on behalf of the Condominium within the scope of their authority. It is also intended that the liability of any Unit Owner arising out of any contract made by an officer or out of the aforesaid indemnity in favor of the officers shall be limited to the total liability thereunder in proportion to their respective Common Interests.

ARTICLE V

Operation of the Property

Section 1. Determination of Common Expenses and Fixing of Common Charges.

(a) The Board of Managers shall, from time to time and at least annually, prepare a budget for the Common Expenses (as hereinafter defined) of the Condominium and fix the Common Charges (as hereinafter defined) payable by the Unit Owners. As used in the Declaration and these By-Laws, the term “**Common Expenses**” shall mean the following: (i) such amounts as the Board of Managers may deem proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the Common Expenses for any prior year, (ii) such amounts as may be required for the purchase or lease by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, of any Unit that the Board of Managers decides to acquire and lease pursuant to these By-Laws, (iii) such assessments as are necessary to provide funds for other Condominium purposes including, without limitation, capital improvements to, and repairs and replacements of Condominium real or personal property, the acquisition of real or personal property on behalf of the Unit Owners, and expenses which were not anticipated at the last time Common Expenses were determined, (iv) if Units have not been separately assessed for real estate tax and assessment purposes, such proportion of real estate taxes and assessments assessed against the Property equal to the Unit’s Common Interest, and (v) the cost of all insurance premiums on all policies of insurance required to be or which the Board of Managers has obtained pursuant to the provisions of Section 2 of this Article V. The Board of Managers shall allocate and assess to the Unit Owners, pro rata in accordance their respective Common Interests (except as otherwise provided in the Declaration or these By-Laws), charges to pay all of the Common Expenses. Such charges shall be referred to in the Declaration and these By-Laws as the “**Common Charges**”. Common Charges shall be payable in such installments and at such times as the Board of Managers may determine. After the Units are separately assessed for real estate tax and assessment purposes, the Board of Managers shall reimburse Unit Owners for any overpayment of taxes or assessments or assess Unit Owners for any underpayment of taxes or assessments. Notwithstanding any other provision of these By-Laws, any Common Expense of the nature described in (ii) or (iii) above and which is in excess of five thousand dollars (\$5,000) shall require the approval of sixty-six and two thirds percent (66 2/3%) in number and Common Interest of the Unit Owners. The Board of Managers shall advise all Unit Owners, promptly, in writing, of the amount of Common Expenses and the amount of Common Charges payable by each of them, respectively, as determined by the Board of Managers, as aforesaid, and shall furnish copies of each budget on which such Common Expenses and Charges are based to all Unit Owners (and their respective mortgagees, if required). The Board of Managers may from time to time increase or decrease its prior determination of Common Expenses for a year or portion thereof. No determination of Common Expenses shall have any effect on the amount of Common Charges payable by any Unit Owner for any period prior to the date of such determination.

(b) Section 2 of Article II of these By-Laws contains additional limitations on the Board of Managers powers to set Common Expenses.

(c) Notwithstanding anything to the contrary contained in the Declaration or in these By-Laws, standard expenses and expenses necessary for complying with Legal Requirements or for restoring the Building or Property to its original condition may be incurred with the approval of any Unit Owner.

(d) Specially Allocated Expenses. The Board of Managers shall not allocate specific expense items to any Unit if the owner of such Unit (or any tenant of such Unit) pays such items directly or if such Unit receives no or minimal benefit from such expense. An expense from which a Unit is exempt shall be specially allocated to the Units which are not exempt. A specially allocated expense is charged to a Unit in proportion that its Common Interest, relative to the total Common Interests of all Units not exempt from such expense. The Board of Managers, acting reasonably, shall determine which items of expense shall be specially allocated as aforesaid, and inform the owners of the Units thereof and the owners of the Units shall determine the amounts thereof. There are no specially allocated expenses as of the date of this Declaration. Disputes as to which expenses a Unit Owner of a Unit pays directly and which are to be specially allocated pursuant to this Article shall be settled by arbitration before a single arbitrator pursuant to the commercial arbitration rules of the American Arbitration Association or, if such association shall not exist, such other closest analogous organization as the Board of Managers and the Unit Owners of Units in dispute may agree upon. Water charges will be Common Expenses of all Units unless either (i) any Unit Owner is directly billed for water charges by the municipal authority based upon a meter or a sub-meter installed for the Unit owned by such Unit Owner or (ii) the Board of Managers finds that a Unit Owner (whose Unit is not directly billed for water charges by the municipal authority) uses water in excess of normal domestic, sanitary and lavatory purposes and requires such Unit Owner to install a water meter and bills such Unit Owner for water used based upon such water meter, in which event the Unit Owner of such Unit shall not be charged water charges as part of the Common Charges and the Unit Owners of Units not so directly billed shall be specially allocated the Condominium's water charges not covered by such water meter. The Board of Managers shall have all the rights with respect to the collection of such specially allocated expenses and the creation of liens therefor and the enforcement of such collection and liens and the foreclosure of such liens, as the Board of Managers has with respect to Common Charges.

(e) The omission or failure of the Board of Managers to determine the Common Expenses for any year or portion thereof shall not affect the obligation of a Unit Owner to pay Common Charges, but Common Charges on the basis of the Common Expenses as last determined for a year or portion thereof shall continue to be the Common Charges due from each Unit Owner until a new determination of Common Expenses shall be made.

Section 2. Insurance.

(a) The Board of Managers shall be required to obtain and maintain to the extent obtainable the following insurance: (i) property insurance with all risk extended coverage, vandalism and malicious mischief endorsements and increased cost of construction endorsements, insuring the entire Building (other than the space defined by the dimensions of the Units and all fixtures, furniture, furnishings or other personal property contained in the Units), together with all service machinery contained therein and covering the interests of the Condominium, the Board of Managers and all Unit Owners and their Mortgagees, as their respective interests may appear, in

an amount equal to the full replacement value of the Building (exclusive of foundation and footings and, at the election of the Board of Managers in its sole and absolute discretion, terrorism insurance), such policies shall contain a New York standard mortgagee clause in favor of each Mortgagee which shall provide that the loss, if any, thereunder shall be payable to such Mortgagee as its interest may appear, subject however, to the loss payment provisions hereinafter set forth; (ii) intentionally deleted; (iii) worker's compensation and New York State disability benefits insurance, if required; (iv) boiler and machinery insurance; (v) plate glass insurance to the extent, if any, determined by the Board of Managers; (vi) water damage insurance to the extent, if any, determined by the Board of Managers; (vii) fidelity insurance covering the Board of Managers and all officers, directors, managing agents and employees of the Condominium; (viii) directors and officers liability insurance; and (ix) such other insurance as the Board of Managers may determine. The premiums for all insurance referred to above shall be a Common Expense.

(b) All such policies shall provide that adjustment of loss shall be made exclusively by (a) the Unit Owner of a Unit if the loss involves only such Unit, or (b) the Board of Managers if the loss involves both Units in the Condominium. Insurance proceeds with respect to any loss shall be payable to the Unit Owner(s) or the Board of Managers, whichever is entitled to adjust such loss, as aforesaid. Notwithstanding anything to the contrary set forth above, to the extent required under a Mortgage, a Mortgagee holding such Mortgage secured by a Unit will have the right to participate in any adjustments regarding loss or damage to the such Unit and no such adjustment will be made without the consent of such Mortgagee. Any dispute between or among the Board of Managers and/or the Unit Owners under this Section 2(b) of this Article V shall be determined by arbitration before a single arbitrator pursuant to the commercial arbitration rules of the American Arbitration Association or, if such association shall not exist, such other closest analogous organization as the Board of Managers and the owners of Units in dispute may agree upon.

(c) All policies of physical damage insurance shall contain, to the extent obtainable, waivers of subrogation and waivers of any defense based on (i) co-insurance, (ii) other insurance, (iii) invalidity arising from any acts of the insured, or (iv) pro rata reduction of liability, and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days' prior written notice to all of the insureds, including all Unit Owners and Mortgagees. The Board of Managers and all Unit Owners hereby waive their subrogation rights.

(d) Except for Workers Compensation and New York Statutory Disability Insurance coverages, the Board of Managers and the Unit Owners each agree that they shall make no claim for recovery against each other for damages to, or loss of the demised premises or improvements and betterments thereon, and injury or damage arising out of operations if such damage injury or loss is covered by valid and collectible insurance protecting the Board of Managers and the Unit Owners and which contains a clause permitting the insured to waive such rights prior to the occurrence of a loss. Such waiver of subrogation shall apply to all stated insurance coverages herein. The Board of Managers and each Unit Owner, by acceptance of a deed for a Unit, shall be deemed to have waived their rights of subrogation. In the event such damage, injury or loss is not covered by valid and collectible insurance protecting the Board of Managers and the Unit Owners, then the Board of Managers and the Unit Owners shall each have the right to make claims for recovery against each other for such damage, injury or loss.

(e) The Board of Managers shall also be required to obtain and maintain comprehensive general liability insurance against claims for personal injury, death or property damage occurring upon, in or about the Property, in such limits as Board of Managers may from time to time determine, covering (i) the Board of Managers, the managing agent or agents thereof, each member of the Board of Managers, and each officer and employee of the Condominium, (ii) the Unit Owners, all officers, directors and employees thereof, and its managing agent or agents, except that such policy will not cover liability of a Unit Owner arising from occurrences within such Unit Owner's own Unit or within the Limited Common Elements, if any, appurtenant to such Unit Owner's Unit. The Board of Managers shall review such limits once each year. The insurance required in accordance with this Section 2(e) of this Article V shall also cover cross-liability claims of one insured against another.

(f) Any insurance maintained by the Board of Managers may provide for such deductible amounts as the Board of Managers determines.

(g) If the Property is within a federally designated flood plain the Board of Managers shall insure the Insured Property against flood damage in such amounts as the Board of Managers determines.

(h) Unit Owners shall not be prohibited from carrying other insurance for their own benefit provided that all such policies shall contain waivers of subrogation in favor of the Board of Managers and other Unit Owners and further provided that the liability of the carriers issuing insurance obtained by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

(i) The Board of Managers shall have the right to charge any Unit Owner the cost of any increase in an insurance premium if due to any act, omission or activity of the Unit Owner, the occupants of the Unit or invitees, employees, agents or contractors of the Unit Owner, or if due to the condition of the Unit.

Section 3. Repair or Reconstruction after Fire or Other Casualty.

(a) In the event that either (i) the Building or any part thereof (other than the space defined by the dimensions of any Units or any fixtures, furniture, furnishings or other personal property contained in any Unit) is damaged or destroyed by fire or other casualty ("**Casualty Loss**") or (ii) the General Common Elements and/or Limited Common Elements, or any part thereof is taken in condemnation or by eminent domain ("**Taking**"), the net insurance proceeds payable under the insurance policies maintained by the Board of Managers pursuant to the terms of Section 2 of this Article V by reason of such Casualty Loss or the net condemnation awards receivable by reason of such Taking, as the case may be, shall be payable either to the Board of Managers or the Unit Owner(s) entitled to receive same pursuant to Section 2 of this Article V. All such monies actually received ("**Trust Funds**") shall be held in trust for the benefit of all Unit Owners, with respect to the portion thereof allocated to a Casualty Loss to or Taking of the Common Elements, and for the benefit of the affected Unit Owner(s), with respect to portion thereof allocated to a Casualty Loss to or Taking of one or more of the Units, and their Mortgagees and shall be disbursed pursuant to the terms of this Section 3 of this Article V. Notwithstanding anything to the contrary contained either in this Section 3 of this Article V or elsewhere in these

By-Laws, however, no Unit Owner whose Unit, its appurtenant Limited Common Elements, if any, or any portion thereof are taken in condemnation or by eminent domain (whether or not all or a part of the Common Elements are contemporaneously taken) shall be deemed to have waived whatever rights that such Unit Owner may have to pursue a separate claim against the condemning authority by reason thereof.

(b) Except as otherwise provided herein, the Board of Managers with respect to the Common Elements shall arrange for the prompt repair or restoration (“**Work**”) of (i) in the event of a Casualty Loss, the portion(s) of the Building affected by such Casualty Loss or (ii) in the event of a Taking, the portion(s) of the Common Elements affected by such Taking. Damage or destruction to a Unit shall be promptly repaired and reconstructed by the Unit Owner of such Unit. If, pursuant to the immediately preceding sentences, Work is to be performed in or to Units, Common Elements that service or enclose Units and other Common Elements, or any combination of the foregoing, the Work shall be performed to the extent practicable, first in or to the Units, next in or to the Common Elements that service or enclose Units and then in or to the balance of the Common Elements.

(c) If Work is performed pursuant to the terms of Section 3(a) or Section 3(b) of this Article V, the Board of Managers or the applicable Unit Owner(s) shall disburse the Trust Funds to the contractors engaged in the Work in appropriate progress payments. If only one Unit (including any Limited Common Elements appurtenant to such Unit) is destroyed or damaged by fire or other casualty and if the net insurance proceeds are less than sufficient to cover, or exceed, the cost of repairs and restoration, the Unit Owner of such Unit will bear the entire amount of the deficit as a Common Expense, or shall receive all of the surplus, as the case may be. If two or more Units (including any Limited Common Elements appurtenant to such Units) are destroyed or damaged by fire or other casualty and if the net insurance proceeds are less than sufficient to cover, or exceed, the cost of repairs and restoration, the Unit Owners of such Units shall, in proportion to their respective Common Interests, bear the entire amount of the deficit as a Common Expense or shall receive all of the surplus, as the case may be. If such damage or destruction by fire or other casualty affects the General Common Elements, then with respect to any deficit or surplus in insurance proceeds in respect of the damage to the General Common Elements, any such deficit or surplus in insurance proceeds shall be borne as a Common Expense or profit, respectively, by all Unit Owners in proportion to their Common Interests. Any surplus payable to any Unit Owner pursuant to this Section 3(c) of this Article V shall be lessened by such amounts as may be required to reduce unpaid liens (other than mortgages that are not Mortgages) on any such Unit in the order or priority of such liens.

(d) If seventy five percent (75%) or more of the Building is destroyed or substantially damaged by fire or other casualty, the Work shall not be performed unless all Unit Owners shall promptly resolve to proceed with the same. In the event that a sufficient number of Unit Owners shall so resolve, the Work shall be performed pursuant to the terms of Section 3(a) and Section 3(b) of this Article V. Conversely, in the event that a sufficient number of Unit Owners shall either fail or refuse to so resolve, the Work shall not be performed and 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 the resulting sale, together with any Trust Funds, shall be paid to all Unit Owners in proportion to their respective Common Interests, to the extent allocated to destroyed or damaged portions of the General Common Elements, and to each Unit Owner in proportion to the

destroyed or damaged portions its respective Unit (and any Limited Common Elements appurtenant thereto), except that no payment shall be made to a Unit Owner until there first has been paid, out of such Unit Owner's share of such funds, such amounts as may be necessary to pay off unpaid liens (including Mortgages) on the Unit Owner's Unit in the order of priority of such liens.

(e) If (i) a portion of any Unit shall be taken in condemnation or by eminent domain and (ii) the Condominium shall not be terminated by reason of a simultaneous Taking pursuant to the terms of Section 3(d) of this Article Section V, the Common Interest appurtenant to the Units shall remain as set forth in the Declaration (as the same may be amended in accordance with the terms of the Declaration). In the event of a Taking of an entire Unit, the right to vote appurtenant to such Unit shall wholly terminate and, in such event, the Common Interest of the other or remaining Units shall be adjusted accordingly and reflected in an amendment to the Declaration duly executed and acknowledged by the Board of Managers and the owners of, together with the holders of record of all liens upon, all of the other or remaining Unit.

(f) As used in this Section 3 of this Article V, the terms:

(i) "Prompt repair or restoration" shall mean that the Work is to be commenced not more than sixty (60) days after the date upon which the Board of Managers notifies the Unit Owners that it has received the Trust Funds, whether or not the same are sufficient to discharge the cost and expense of the Work; and

(ii) "Promptly resolve" shall mean that a resolution shall be duly made not more than sixty (60) days after the date upon which the Board of Managers notifies the Unit Owners that it has received the Trust Funds and that the same are or are not sufficient to discharge the estimated cost and expense of the Work, as the case may be.

(g) Any dispute that may arise under this Section 3 of this Article V between or among any Unit Owners and/or the Board of Managers shall be resolved by arbitration before a single arbitrator pursuant to the commercial arbitration rules of the American Arbitration Association or, if such association shall not exist, such other closest analogous organization as the Board of Managers and the owners of Units in dispute may agree upon.

Section 4. Payment of Common Charges. (a) All Unit Owners shall be obligated to pay the Common Charges and assessments assessed by the Board of Managers pursuant to the provisions of Section 1 of this Article V at such time or times as the Board of Managers shall determine.

(b) No Unit Owner shall be liable for the payment of any part of the Common Charges or assessments assessed against its Unit subsequent to a sale, transfer or other conveyance by it (made in accordance with the provisions of Section 1 of Article VII of these By-Laws and with all applicable Legal Requirements) of such Unit, together with the Appurtenant Interests (as defined in Section 1 of Article VII hereof.) In addition, any Unit Owner may, subject to the terms and conditions specified in these By-Laws, provided that its Unit is free and clear of liens and encumbrances and the statutory lien for unpaid Common Charges, convey its Unit, together with the Appurtenant Interests, to the Board of Managers, or its designee, corporate or otherwise, on

behalf of all other Unit Owners, without any compensation and in such event be exempt from Common Charges thereafter assessed. A purchaser of a Unit shall be liable for the payment of Common Charges assessed against such Unit prior to the acquisition by it of such Unit, except that a Mortgagee or other purchaser of a Unit at a foreclosure sale of such Unit shall not be liable for, and such Unit shall not be subject to a lien for the payment of, Common Charges accrued and unpaid against such Unit prior to the acquisition by such Mortgagee or other purchaser of such Unit at such foreclosure sale. Notwithstanding the immediately preceding sentence, however, in the event of a foreclosure sale of a Unit by a Mortgagee, the owner of such Unit prior to the foreclosure sale shall remain liable for the payment of all unpaid Common Charges that accrued prior to such sale. In addition, except to the extent prohibited by Legal Requirements, the Board of Managers, on behalf of all Unit Owners, shall have a lien for Common Charges unpaid to it by any Unit Owner. Such lien in favor of the Board of Managers shall, to the extent permitted by Legal Requirements, be subordinate to the lien of any first Mortgage of record on the applicable Unit and to liens for real estate taxes on the applicable Unit.

(c) In the event that prior to the Units being separately assessed for real estate tax purposes, the Board of Managers pays real estate taxes on behalf of a Unit Owner, the amount of such real estate taxes shall be deemed to be Common Charges, and the Board of Managers shall have a lien (as provided above in this Section 4 of this Article V) for any such Common Charges that are accrued and unpaid.

Section 5. Default in Payment of Common Charges or Assessments. In the event of a default by any Unit Owner in paying any installment of the Common Charges or any assessment as determined by the Board of Managers, such Unit Owner shall be obligated to pay a charge thereon at the lower of eighteen percent (18%) per year or the highest lawful rate on such Common Charges or assessments from the due date thereof, together with all expenses, including attorneys' fees, incurred by the Board of Managers in, and prior to, any action or proceeding brought to collect such unpaid Common Charges or assessments. The Board of Managers shall have the right and duty to attempt to recover such Common Charges or assessments together with interest thereon, and such expenses, in an action or proceeding to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit granted by the Condominium Act, in the manner provided by the Condominium Act or otherwise as permitted by Legal Requirements.

Section 6. Foreclosure of Liens for Unpaid Common Charges. If any action or proceeding is brought by the Board of Managers to foreclose a lien on a Unit because of unpaid Common Charges, the Unit Owner of such Unit shall be required to pay a reasonable rental for the use of its Unit for any period of such use from the time of failure to pay Common Charges, until judgment and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of all Unit Owners, shall have the power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage, convey or otherwise deal with the same. A suit to recover a money judgment for unpaid Common Charges, interest thereon as specified in Section 5 of this Article V and expenses of the Board of Managers in connection with the collection thereof (including attorneys' fees and disbursement) shall be maintainable without foreclosing or waiving the lien securing the same.

Section 7. Statement of Common Charges and Assessments. The Board of Managers (or a

managing agent on its behalf) shall promptly provide to any Unit Owner so requesting the same in writing, a written statement of all unpaid Common Charges, assessments and other sums due from such Unit Owner.

Section 8. Abatement and Enjoinment of Violation by Unit Owners. The violation of any rule or regulation adopted by the Board of Managers, or the breach of any provision of these By-Laws, or the breach of any provision of the Declaration, shall give the Board of Managers the right, in addition to any other right by law or as set forth in these By-Laws: (a) upon reasonable notice to the Unit Owner, to enter the Unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof or thereof (provided, however, that no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Property or otherwise for the safety of occupants of the Condominium or other persons or required to avoid the suspension of any necessary service to the Condominium or any Unit); and/or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such violation or breach; and/or (c) to seek compensation for damages caused by the violation or breach.

Section 9. Maintenance and Repair. (a) All maintenance, repairs and replacements to a Unit (and its appurtenant Limited Common Elements), whether structural or non-structural, ordinary or extraordinary (other than maintenance of, and repairs to, any General Common Elements contained therein and not necessitated by the negligence, misuse or neglect of the Unit Owner of such Unit or its tenants, invitees, employees, agents or contractors), shall be made by the Unit Owner of such Unit at its expense. Each Unit Owner shall be responsible for all damages to any and all other Units and/or to the Common Elements that result from its failure to perform such maintenance, repair or replacements.

(b) All maintenance, repairs and replacements to the General Common Elements, whether located inside or outside of the Units (unless necessitated by the negligence, misuse or neglect of a Unit Owner or its tenants, invitees, agents, employees or contractors, in which case such expense shall be charged to such Unit Owner) shall be made by the Board of Managers and be charged to all Unit Owners as a Common Expense except as provided in these By-Laws with respect to specially allocated expenses and assessments.

(c) Maintenance, repair and replacement of the windows in any Unit shall be the responsibility of the Unit Owner of such Unit.

(d) The Unit Owners shall have the responsibility of painting or refinishing the exterior of doors opening out of their Units (should same ever become necessary) in compliance with Legal Requirements.

Section 10. Limited Common Elements. The Limited Common Elements shall be as set forth in the Declaration.

Section 11. Heating, Hot Water and Air-Conditioning Systems. All maintenance, repairs and

replacements to the heating, hot water, and air-conditioning system solely serving a Unit shall be made by the Unit Owner of such Unit at such Unit Owner's expense. Maintenance, repairs and replacements to the heating, hot water, and air-conditioning system serving the common areas and/or all of the Units, if any, shall be made by the Board of Managers and the costs thereof included in the Common Charges.

Section 12. Restrictions on Use of Units. In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of the Property shall be restricted to and shall be in accordance with the following provisions:

(a) All Units shall be used only in the manner and for the uses permitted in the Declaration and in conformity with all Legal Requirements.

(b) The Common Elements shall be used by Unit Owners and their invitees, employees, agents, and contractors and occupants of Units only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of Units.

(c) No nuisances shall be allowed on the Property nor shall any use or practice be allowed which unreasonably interferes with the peaceful possession or proper use of the Property by other Unit Owners and other occupants.

(d) No immoral, improper, offensive, or unlawful use shall be made of the Property or any part thereof by Unit Owners and their invitees, employees, agents, and contractors and occupants of Units, and all Legal Requirements relating to any portion of the Property or the use or condition thereof, shall be complied with, by and at the sole expense of each Unit Owner or the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property except such expense shall be borne by a Unit Owner if the Unit Owner or other occupant of the Unit in question or any of such Unit Owners' invitees, employees, agents, or contractors caused the condition which must be remedied.

(e) No portion of a Unit (other than the entire Unit and its appurtenant interests) may be rented, and no transient tenants may be accommodated therein, unless approved by the Board of Managers.

(f) No Unit Owner shall keep or do anything in a Unit or the Common Elements or Limited Common Elements that will increase the rate of insurance of the Building, or contents thereof, without the prior written consent of the Board of Managers, except that nothing herein shall restrict the right to use a Unit for the purposes permitted by the Declaration and any such increase due to such use shall be a specially allocated expense to be paid by the Unit Owners of the applicable Units. The applicable Unit Owners shall pay to the Board of Managers the amount of such increase within three (3) days following written demand.

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

Section 13. Additions, Alterations or Improvements by Board of Managers. Additions, alterations, or improvements may be made by the Board of Managers without approval of Unit Owners, except that no additions, alterations or improvements costing more than five thousand (\$5,000) in the aggregate in any calendar year shall be made unless approved by sixty-six and two-thirds percent (66 23/%) in number and in Common Interest of the Unit Owners, including the Sponsor or its designee. The Board of Managers shall proceed with duly authorized additions, alterations or improvements and shall assess each Unit Owner its proportionate share of the cost as part of the Common Expenses or as a special assessment, or shall pay for the addition, alteration or improvement from reserves accumulated for purposes of same or shall borrow funds to pay therefore as described below. Additions, alterations or improvements costing five thousand dollars (\$5,000) or less in the aggregate in any calendar year may be made by the Board of Managers without approval of Unit Owners and the cost thereof shall constitute part of the Common Expenses.

Section 14. Additions, Alterations or Improvements by Unit Owners. (a) No Unit Owners shall make any addition, alteration or improvement in or to its Unit that is structural or that affects the Building systems or the exterior of the Building, without the prior written consent thereto of the Board of Managers (and if required, of its Mortgagee). The Board of Managers shall answer any written request by a Unit Owner for approval of a proposed addition, alteration or improvement in or to a Unit, within thirty (30) days after such request; and failure to do so within such time shall constitute a consent by the Board of Managers to the proposed addition, alteration or improvement. The Board of Managers may not unreasonably withhold, delay or condition its approval to any addition, alteration or improvement. Any application to any governmental authority having or asserting jurisdiction, for a permit to make an addition, alteration or improvement in or to any Unit shall be executed by the Board of Managers only, without, however, incurring any liability on the part of the Board of Managers or any of them to any Unit Owner, contractor, subcontractor, materialman, architect or engineer on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom.

(b) The Board of Managers shall execute any application or other document required to be filed with any governmental authority having or asserting jurisdiction in connection with any addition, alteration, improvement or repair or any subdivision, combination or change in the boundary walls made by the Declarant or a Declarant-affiliate to any Unit held by it, provided, however, that neither the Board of Managers nor any of them nor any Unit Owner other than the Declarant or Declarant-affiliate shall be subjected to any expense or liability by virtue of the execution of the application or such other document.

(c) Non-structural alterations and improvements to Units that do not affect the exterior of the Building or the Building systems may be made without the prior approval of the Board of Managers, except any alterations and/or improvements to an appurtenant Limited Common Element (other than landscaping and installation of plantings and furniture) shall require the prior approval of the Board of Managers, which approval may not be unreasonably withheld, delayed or conditioned.

(d) In the event that a Unit Owner wishes to make either structural or non-structural additions, alterations, improvements in or to its Unit or the Limited Common Element appurtenant

to its Unit, the Board of Managers may regulate:

- (a) the time periods during which work is permitted;
- (b) the manner in which construction debris will be handled;
- (c) the measures which must be taken to prevent compromising the security of the Building during construction;
- (d) the interruption of services during construction;
- (e) liability insurance for contractors during construction; and
- (f) such other matters as are necessary for the safety and continued enjoyment of the Building by all Unit Owners.

(e) The Board of Managers may, at its option, require such Unit Owner to execute an agreement in form and substance satisfactory to the Board setting forth the terms and conditions under which the addition, alteration or improvement may be made.

Section 15. Use of Common Elements and Facilities.

(a) A Unit Owner shall not store any furniture, packages or objects or any kind in any part of the Common Elements other than a Limited Common Element appurtenant to its Unit.

(b) The Common Elements and facilities shall be used only for those purposes for which they are reasonably suited and capable. No Unit Owner shall make any addition, alteration, improvement or change in, or to, any Common Element (including, without limitation, the exterior of the Building) without the prior written consent of the Board of Managers (and the holders of Unit first Mortgages, if required), except as permitted herein with respect to Limited Common Elements.

Section 16. Right of Access. A Unit Owner shall grant a right of access to its Unit, including any appurtenant Limited Common Element, to the manager and/or the managing agent and/or any other person authorized by the Board of Managers, the manager or the managing agent, for the purpose of making inspections or for the purpose of correcting any condition originating in its Unit and threatening another Unit or a Common Element, or for the purpose of performing installations, alterations, additions or repairs to the mechanical or electrical services or other Common Elements in its Unit or elsewhere in the Building or to correct any condition that violates any Legal Requirements, provided that request for entry is made in advance and that any such entry is at a time reasonably convenient to the Unit Owner and further provided that such right shall be exercised in such a manner as will not unreasonably interfere with the proper use of the Units. In case of any emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not.

Section 17. Water, Gas and Electricity. Electricity and gas to Units and the Limited Common Elements will be supplied by the public utility companies serving the area. Water will be supplied to all Units by the City of New York or other public utility.

Section 18. Rules and Regulations.

(a) The rules and regulations adopted by the Board of Managers may be promulgated and amended from time to time by the Board of Managers provided that copies of such Rules and Regulations are furnished to each Unit Owner not less than five (5) days prior to the time that they become effective. Any rule or regulation may be adopted or rescinded by a vote of all Unit Owners at a meeting duly called for such purpose.

(b) The Condominium's initial rules and regulations are attached hereto as Schedule A.

Section 19. Default by Unit Owners and Expenses of Board of Managers.

(a) If a Unit Owner fails to make any payment due to the Board of Managers by the due date thereof, then a charge shall accrue on the unpaid sum at the lower of eighteen percent (18%) per annum and the highest rate permitted by law from the due date thereof until payment is made.

(b) If the Board of Managers incurs any expense (including attorneys' fees) in connection with the failure of any Unit Owner to abide by the provisions of these By-Laws or the Declaration, then the defaulting Unit Owner shall pay to the Board of Managers the amount of such expense no later than three (3) days after notice of the amount thereof from the Board of Managers or its designee to the defaulting Unit Owner.

(c) If a Unit Owner fails to pay any sum due to the Board of Managers pursuant to this Section 19, the Board of Managers shall have all of the rights with respect to such sum and such failure which the Board of Managers would have with respect to a failure to pay Common Charges to the extent permitted by the Condominium Act.

ARTICLE VI

Mortgages

Section 1. Notice to Board. A Unit Owner that mortgages such Unit Owner's Unit, or the holder of any Mortgage encumbering such Unit, shall notify the Board of Managers of the name and address of the Mortgagee and shall file a conformed copy of the note and Mortgage with the Board of Managers. Such Unit Owner shall, prior to making such Mortgage, satisfy all unpaid liens against such Unit Owner's Unit other than Mortgages. A Unit Owner that satisfies a Mortgage covering such Unit Owner's Unit shall so notify the Board of Managers and shall file a conformed copy of the satisfaction of 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 Default and Unpaid Common Charges. Whenever so requested in writing by a Mortgagee of any Unit, the Board of Managers shall promptly report to such Mortgagee any

default in the payment of Common Charges or any other default by the Unit Owner of such Unit under the provisions of the Declaration or these By-Laws of which the Board of Managers may have received notice.

Section 3. Performance by Mortgagees. The Board of Managers shall accept, by any Mortgagee of a Unit Owner, payment of any sum or performance of any act required to be paid or performed by such Unit Owner pursuant to the provisions of the Declaration, these By-Laws or the Rules and Regulations, with the same force and effect as though paid or performed by such Unit Owner and in such event the Mortgagee shall be entitled to (i) an additional ten (10) day period after expiration of applicable notice and cure periods within which to cure any monetary default by a Unit Owner hereunder and (ii) an additional thirty (30) days after expiration of applicable notice and cure periods within which to cure any non-monetary defaults by a Unit Owner hereunder; provided however, that in the case of a non-monetary default that cannot, in the exercise of diligence, be cured within such the thirty (30) day period, the Mortgagee shall have such time as is reasonably necessary to cure such non-monetary default (including any time reasonably necessary to obtain possession of the Unit covered by such Mortgage if possession is necessary to enable such Mortgagee to cure or remedy such default or event of default) provided that such Mortgagee proceeds with all due diligence to cure or remedy such breach or default and/or obtain possession. In the event that more than one Mortgage is secured by a Unit, the senior Mortgagee shall be entitled to take all actions permitted under this Article unless all the Mortgagees otherwise designate a different Mortgagee to so act, by notice to the Board of Managers.

Section 4. Examination of Books. Each Unit Owner and Mortgagee shall be permitted to examine the books of account of the Condominium at reasonable times, on business days, but not more than once a month.

Section 5. Consent of Mortgagees. 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 or act of the Board of Managers, officer or Unit Owner; provided, however, that nothing contained herein shall be deemed to limit or affect the rights of any Mortgagee against the Unit Owner of the Unit encumbered by the Mortgage held by such Mortgagee.

ARTICLE VII Sales and Leases of Units

Section 1. Sales and Leases. The Board of Managers shall have the rights set forth in this Section ("**Right of First Refusal**") with respect to the sale of Units.

(a) No Unit Owner may sell its Unit or any interest therein except by complying with the following provisions:

Any Unit Owner that receives a bona fide offer (hereinafter called an "**Outside Offer**") for the purchase of its Unit, which offer shall be deemed to include, for the purposes of this Article VII, the purchase of (i) the Unit Owner's undivided interest in the Common Elements; (ii) the interest of such Unit Owner in any Units theretofore acquired by the Board of Managers, or its

designee, on behalf of all Unit Owners, and the proceeds of the sale or lease thereof, if any; and (iii) the interest of such Unit Owner in any other assets of the Condominium (which interests are collectively referred to as "**Appurtenant Interests**") which the Unit Owner intends to accept, shall give notice to the Board of Managers of such offer and of such intention, the name and address of the proposed purchaser, the terms of the proposed transaction and such other information as the Board of Managers may reasonably require, and shall offer to sell such Unit, together with the Appurtenant Interests, to the Board of Managers, or its designee, corporate or otherwise, on behalf of the owners of all other Units, on the same terms and conditions as contained in such Outside Offer. The giving of such notice shall constitute a warranty and representation by the Unit Owner that received the Outside Offer to the Board of Managers on behalf of the other Unit Owners that such Unit Owner believes the Outside Offer to be bona fide in all respects. Within thirty (30) days after receipt of such notice, the Board of Managers may elect by notice to such Unit Owner either (x) to purchase such Unit, together with the Appurtenant Interests (or to cause the same to be purchased by its designee (corporate or otherwise) on behalf of all other Unit Owners) on the same terms and conditions as contained in the Outside Offer and as stated in the notice from the offering Unit Owner, on the same terms and conditions contained in the Outside Offer and as stated in the notice from the offering Unit Owner, or (y) to produce a purchaser that will purchase such Unit, together with the Appurtenant Interests, on the same terms and conditions contained in the Outside Offer and as stated in the notice from the offering Unit Owner. In the event the Board of Managers shall elect to purchase such Unit, together with the Appurtenant Interests, or to cause the same to be purchased by its designee, corporate or otherwise, title shall close at the office of the attorneys for the Condominium in accordance with the terms of the offer but not more than sixty (60) days after the giving of notice by the Board of Managers of its election to accept such offer. At the Closing, the Unit Owner shall convey the Unit (and Appurtenant Interests) to the Board of Managers or to its designee, on behalf of all other Unit Owners by deed in the form required by Section 339-o of the Real Property Law of the State of New York, with all transfer stamps affixed, and shall pay all transfer and other taxes arising out of such sale, unless the Outside Offer permits otherwise. Real estate taxes, mortgage interest on any Mortgage assumed by the Board of Managers or other purchaser and Common Charges and Expenses shall be apportioned between the Unit Owner and the Board of Managers, or its designee, as of midnight of the day immediately preceding such Closing date. In the event the Board of Managers or its designee shall fail to accept such offer or to produce a purchaser within thirty (30) days as aforesaid or fails to act within such thirty (30) days, the offering Unit Owner shall be free to contract to sell such Unit, together with the Appurtenant Interests, within one hundred twenty (120) days after the expiration of the period in which the Board of Managers or its designee might have elected to purchase or cause the purchase of such Unit with Appurtenant Interests on the terms and conditions set forth in the notice from the Unit Owner to the Board of Managers of the Outside Offer. Any deed to an outside purchaser shall provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as the same may be amended from time to time. In the event the offering Unit Owner shall not, within such one hundred twenty (120) days, contract to sell such Unit, together with the Appurtenant Interests, to the outside purchaser on the terms and conditions contained in the Outside Offer, or if the Unit Owner shall so contract to sell such Unit, together with the Appurtenant Interests, to such outside purchaser on the terms and conditions in the Outside Offer, but such sale shall not be consummated pursuant to the terms of such contract, then should the offering Unit Owner thereafter elect to sell such Unit (any such sale being deemed to include the Appurtenant Interests) to the same or another

outside purchaser on the same or other terms or conditions, the offering Unit Owner shall be required to again comply with all of the terms and provisions of this Section 1 of this Article VII.

(b) A Unit Owner may lease its Unit without the consent of the Board of Managers or any other Unit Owner.

(c) Any purported sale of a Unit in violation of this Section shall be voidable at the election of the Board of Managers.

(d) The Board of Managers may establish a reasonable fee for the processing of Unit sales and notices relating to the Board of Manager's rights of first refusal. Such fee shall be payable by the selling Unit Owner.

Section 2. Consent of Unit Owners to Purchase of Units by Board of Managers. The Board of Managers shall not exercise any option to acquire a Unit as set forth in Section 1 of this Article VII without the prior approval of all Unit Owners, not including the Unit Owner that wishes to sell. If the Board of Managers does not have sufficient funds on hand for the acquisition and maintenance of a Unit that has been approved by the Unit Owners, the Board of Managers may either borrow such funds or may assess the Unit Owners therefor in proportion to their respective Common Interests, not including the Unit Owner of the sold Unit.

Section 3. No Severance of Ownership. No Unit Owner shall execute any deed, mortgage, or other instrument transferring, conveying or mortgaging title to its Unit without simultaneously transferring conveying or mortgaging the Appurtenant Interests. Any deed, mortgage or other instrument purporting to affect the transfer, conveyance or mortgage of a Unit without including all such Appurtenant Interests shall be deemed and taken to include the interest or interests so omitted even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be transferred, conveyed, mortgaged, or otherwise disposed of, except as part of a transfer, conveyance, mortgage or other disposition of the Unit to which such interests are appurtenant, or as part of a transfer, conveyance or mortgage or other disposition of such part of the Appurtenant Interests of all Units.

Section 4. Release by Board of Managers of Right of First Refusal. The Right of First Refusal may be released or waived by the Board of Managers, in which event the Unit, together with the Appurtenant Interests, may be sold or conveyed free and clear of the provisions of Section 1 of this Article VII, subject to all applicable Legal Requirements.

Section 5. Certificate of Termination of Right of First Refusal. A certificate, executed and acknowledged and in recordable form by the Secretary of the Condominium, stating that the provisions of Section 1 of this Article VII have been met by a Unit Owner, or have been duly waived by the Board of Managers, and that the rights of the Board of Managers thereunder have terminated, shall conclusively bind the Board of Managers and the Unit Owners in favor of all persons who rely thereon in good faith. Such certificate shall be furnished to any Unit Owner that has in fact complied with the provisions of Section 1 of this Article VII or with respect to which the provisions of such Section have been waived, upon request.

Section 6. Financing of Purchase of Units by Board of Managers. Acquisition of Units by the Board of Managers, or its designee, on behalf of all Unit Owners and payment of the costs and expenses associated therewith may be made from the working capital and Common Charges in the hands of the Board of Managers, or if such funds are insufficient, the Board of Managers may levy an assessment against each Unit Owner, excepting the Unit Owner of the sold Unit, in proportion to such owner's Common Interest, as a Common Charge, which assessment shall be enforceable in the same manner as provided in Sections 5 and 6 of Article V, or the Board of Managers, in its discretion, may borrow money to finance the acquisition of such Unit (together with associated costs and expenses), provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the Unit, together with its Appurtenant Interests, so to be acquired by the Board of Managers.

Section 7. Gifts and Devises, etc. Any Unit Owner shall be free to convey or transfer its Unit and Appurtenant Interests by gift, or to devise its Unit and Appurtenant Interests by will or to pass the same by intestacy without restriction, subject to all applicable Legal Requirements.

Section 8. Waiver of Right of Partition with Respect to Such Units As Are Acquired by the Board of Managers, or Its Designee, on Behalf of All Unit Owners As Tenants in Common. In the event that a Unit shall be acquired by the Board of Managers, or its designee, on behalf of all Unit Owners as tenants in common, all Unit Owners shall be deemed to have waived all rights of partition with respect to such Unit.

Section 9. Payment of Common Charges and Assessments. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease its Unit unless and until the Unit Owner shall have paid in full to the Board of Managers all unpaid Common Charges and assessments and expenses theretofore assessed by the Board of Managers against such Unit and until such Unit Owner shall have satisfied all unpaid liens against such Unit, except Mortgages or except in the case of a foreclosing Mortgagee, and shall have complied with all applicable Legal Requirements.

Section 10. Exceptions. The provisions of Section 1 of this Article VII shall not apply with respect to (a) any sale, conveyance or lease of a Unit and Appurtenant Interests to a Unit Owner's spouse, including domestic partners registered as such with the City of New York, or child or children over the age of eighteen (18) years or parent or parents or brother or sister, or any more than one of them, or (b) any sale, conveyance or lease of a Unit and Appurtenant Interests to a trust for the benefit of the Unit Owner or for the benefit of one or any more than one of the persons stated in (a) of this Section 11, or (c) the acquisition, conveyance, sale or lease of a Unit and Appurtenant Interests by the Sponsor, a Sponsor-affiliate or another owner of an Unsold Unit, or (d) the acquisition, sale or lease of a Unit, together with its Appurtenant Interests, by a mortgagee who shall acquire title to such Unit by foreclosure or by deed in lieu of foreclosure. The Board of Managers shall be required to cooperate in providing appropriate physical access to any Unit (and related Common Elements) described in Subdivision (c) and (d) of this Section 10, as well as all financial information regarding same.

Section 11. Mortgage of Units. Each Unit Owner shall have the right to mortgage its Unit without restriction.

Section 12. Voting Rights and Proceeds. Units held by the Board of Managers shall not carry any voting rights. Proceeds from the disposition of a Unit held by the Board of Managers shall be received by the Board on behalf of all Unit Owners in proportion to their respective Common Interests.

Section 13. Power of Attorney to Board of Managers. At the time of acquisition of a Unit and as a condition thereof, the new Unit Owner shall be required to execute, acknowledge and deliver to the Board of Managers a Unit Owner's Power of Attorney in favor of the Board, in the form required by the Board, in accordance with the Declaration. The new Unit Owner shall be responsible for having said Power of Attorney recorded, returnable to the Board, and paying the fees therefor.

ARTICLE VIII Records

The Board of Managers shall keep detailed records of the actions of the Board of Managers, minutes of the meetings of the Board of Managers, minutes of the meetings of the Unit Owners, and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each Unit which, among other things, shall contain the amount of each assessment of Common Charges against such Unit, the date when due, the amounts paid thereon and the balance remaining unpaid.

An annual report of the receipts and expenditures of the Condominium, compiled, certified or audited, as the Board of Managers may choose, shall be given by the Board of Managers to all Unit Owners and to all mortgagees of Units who have requested the same promptly after the end of each fiscal year. The cost of such report shall be paid by the Board of Managers as a Common Expense.

ARTICLE IX Condemnation

In the event of the taking in condemnation or by eminent domain of all or any part of the General or Limited Common Elements, the Board of Managers, subject to the provisions set forth below, will arrange for the prompt repair and restoration of such part of the General or Limited Common Elements so taken which, pursuant to the provisions of these By-Laws, are required to be maintained by the Board of Managers. The award made for any such taking shall be payable to the Board of Managers, as aforesaid. If the net proceeds of any such award are insufficient to cover, or if such net proceeds exceed the cost of any repairs and restorations, the deficit or surplus, as the case may be, will be (a) borne and shared by all Unit Owners with respect to any taking of the General Common Elements in proportion to their respective Common Interests; and (b) with respect to any Limited Common Elements, borne and shared by all Unit Owners having exclusive access to such Limited Common Elements in proportion to their respective Common Interests. Notwithstanding any provisions contained herein to the contrary, in the event that (1) all Unit Owners do not duly and promptly resolve to proceed with such repair or restoration of their

respective Limited Common Elements, or (2) all Unit Owners do not duly and promptly resolve to proceed with such repair and restoration of the General Common Elements, then such repairs or restorations of the Limited Common Elements and/or General Common Elements shall not be made and the net proceeds of any such award with respect thereto shall be divided among the Unit Owners pro rata in the same manner as is set forth in clauses (a) and (b) above, after first paying out of the share of each Unit Owner the amount of any unpaid liens (including Mortgages) on such Units. As used in this Article IX the words “promptly resolve” shall mean not more than sixty (60) days from the date of such taking. Any dispute between the Board of Managers and any Unit Owners or between any Unit Owners under this Article IX shall be settled by arbitration before a single arbitrator pursuant to the commercial arbitration rules of the American Arbitration Association or, if such association shall not exist, such other closest analogous organization as the Board of Managers and the owners of Units in dispute may agree upon.

ARTICLE X Miscellaneous

Section 1. Notices. All notices hereunder shall be given by hand or sent by e-mail, facsimile, overnight courier service or registered or certified mail to the Board of Managers at the office of the Board of Managers or to such other address as the Board of Managers may designate from time to time by notice in writing to all Unit Owners and to all Mortgagees. All notices to any Unit Owner shall be given by hand or sent by e-mail, facsimile, registered or certified mail or overnight courier service to the Unit Owner at the Building or to such other address as may have been designated by the Unit Owner from time to time by notice in writing to the Board of Managers. All notices to Mortgagees shall be sent by registered or certified mail or overnight courier service to their respective addresses, as designated by the respective Mortgagee from time to time, in writing, to the Board of Managers. All notices shall be deemed to have been given when mailed or deposited with an overnight courier service, except notices of change of address which shall be deemed to have been given when received. Where these By-Laws permit the use of notice by facsimile or e-mail, such notice shall be deemed effective on the date faxed or e-mailed.

Section 2. Invalidity. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

Section 3. Captions. Captions are inserted in these By-Laws only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws, or the intent of any provision hereof.

Section 4. Gender and Number. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender and the neuter. The singular shall be deemed to include the plural and vice-versa whenever the context so requires.

Section 5. Waiver. No restriction, condition, obligation, or provisions contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 6. Application of Payments. The Board of Managers, and the managing agent on its behalf, may apply any funds received on or on behalf of any Unit Owner to any sum due from such Unit Owner to the Condominium which the Board of Managers or the managing agent may elect, notwithstanding any direction from the Unit Owner as to how any payment shall be applied or any notation on any check or any condition attached to such payment.

Section 7. No Discrimination. The Board of Managers shall not discriminate against any person on the basis of race, creed, color, national origin, sex, sexual orientation, age, disability, marital status or other grounds prohibited by Legal Requirements.

ARTICLE XI Amendments to By-Laws

Section 1. Amendments by Unit Owners. Except as hereinafter provided otherwise, these By-Laws may be modified or amended by approval of at least sixty-six and two-thirds percent (66 2/3%) in number and in Common Interest of all the Unit Owners, upon notice as provided in Section 4 of Article III of these By-Laws, provided, however, (i) that the Common Interest appurtenant to each Unit as set forth in the Declaration shall not be altered without the consent of all Unit Owners affected and their respective Mortgagees, and (ii) that no amendment of the Declaration or these By-Laws adversely affecting a Mortgagee shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Mortgagees, if any, of the Units.

The following provisions of these By-Laws may not be amended without the consent in writing of the Sponsor or Sponsor-affiliate so long as it shall be the owner of one or more Units:

(a) Section 2 of Article II - Insofar as it provides that the Board of Managers may not exercise certain powers without the Sponsor's or Sponsor-affiliate's consent for a period specified therein or so long as the Sponsor or a Sponsor-affiliate shall continue to own one or more Units.

(b) Section 1 of Article III - Insofar as it provides that the Sponsor or Sponsor-affiliate, so long as it is the owner of a Unit, shall be entitled to elect members of the Board of Managers, which members need not be Unit Owners.

(c) Section 8 of Article III - Insofar as it provides that the Sponsor or Sponsor-affiliate, so long as it is the owner of one or more Units, may cast the votes appurtenant thereto.

(d) Section 14 of Article V - Insofar as it provides that the provisions of such Section shall not apply to any Units owned by the Sponsor, Sponsor-affiliate, or any designee of same.

(e) Section 15 of Article V - Insofar as it provides for rights of the Sponsor and Sponsor-affiliate with respect to the use and alteration of the Common Elements so long as the Sponsor or a Sponsor-affiliate owns one or more Units.

- (f) Section 10 of Article VII - Insofar as it applies to the Sponsor or a Sponsor-affiliate.
- (g) This Article XI.
- (h) Any other provision of these By-Laws granting the Sponsor or a Sponsor-affiliate rights as such, or the amendment of which would adversely affect the Sponsor or any Sponsor-affiliate.

Section 2. Execution and Recordation of Amendments. Any modification or amendment of the Declaration or these By-Laws that is adopted in accordance with the Declaration or these By-Laws shall be executed by the Board of Managers, as attorney-in-fact for the Unit Owners, coupled with an interest, and the Board of Managers is hereby authorized by the Unit Owners so to act as their attorney-in-fact. The Board of Managers shall cause each such modification or amendment to be recorded in the Office of the Register of the City of New York, and such modification or amendment shall become effective only upon such recordation.

ARTICLE XII

Conflicts

These By-Laws are intended to comply with the requirements of Article 9-B of the Real Property Law of the State of New York. In case any of these By-Laws conflict with the provisions of said statute or of the Declaration, the provisions of such statute or of the Declaration, as the case may be, shall control.

ARTICLE XIII

Certain Remedies

Section 1 Self Help. If any Unit Owner shall violate or breach any provision of the Declaration, these By-Laws or the Rules and Regulations and shall fail to cure such violation or breach within five (5) business days after receipt of written notice of the same from the Board of Managers (or, with respect to any violation or breach of the same not reasonably susceptible to cure within such period, to commence such cure within such five (5) business day period and, thereafter, to prosecute such cure diligently to completion) or immediately in the case of an emergency, the managing agent if any, and the Board of Managers shall have the right to enter such Unit Owner's Unit and summarily to abate, remove, or cure such violation or breach without thereby being deemed guilty or liable in any manner of trespass. In the event that the Board of Managers shall determine that the abatement, removal, or cure of any such violation or breach is immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals or is required to avoid the suspension of any necessary service in the Building the Board of Managers may take such action immediately, without prior notice and without allowing the said Unit Owner any period of time within which to cure or to commence to

cure such violation or breach.

Section 2 Abatement and Enjoinment. If any Unit Owner shall violate or breach any provision of the Declaration, these By-Laws or the Rules and Regulations, the Board of Managers shall have the right to enjoin, abate, or remedy the continuance or repetition of any such violation or breach by appropriate proceedings either at law or in equity.

Section 3 Remedies Cumulative; Non-Waiver. The remedies specifically granted to the Board of Managers in this Article XII or elsewhere in the Declaration, these By-Laws or the Rules and Regulations shall be cumulative, shall be in addition to all other remedies obtainable at law or in equity and may be exercised at one time or at different times, concurrently or in any order, all in the sole discretion of the Board of Managers. The exercise of any remedy or failure to exercise any remedy shall not operate as a waiver, or preclude the exercise, of the remedy at any time or any number of times or the exercise of any other remedy.

Section 4 Costs and Expenses. All sums of money expended, and all costs and expenses (including reasonable attorneys fees and disbursements) incurred by the Board of Managers in connection with any breach or violation of the Declaration, these By-Laws or the Rules and Regulations, and any cure, abatement, remedy, injunction, proceeding or other action in connection with such breach or violation, shall be paid immediately upon demand by the Unit Owner committing the breach or violation to the Board of Managers. All sums due pursuant to the preceding sentence shall bear interest from the date of the demand until paid at the lower of eighteen percent (18%) per year or the maximum rate of interest permitted by Legal Requirements. The Board of Managers shall have a lien for all sums payable by a Unit Owner to the Board of Managers pursuant to this Section 4 in the same manner as a lien for Common Charges.

SCHEDULE A

Rules and Regulations

1. The Units shall be used only for residential use and for legally permitted uses accessory to residential use and for legally permitted professional or business offices subject to the provisions of the certificate of occupancy for the Building. The Building shall be used solely for the purposes for which the Units contained therein may be used.

2. No "For Sale," "For Rent" or "For Lease" signs or other window displays or advertising may be maintained or permitted on any part of the Property or in any Unit therein, nor shall any Unit be used or rented for transient, hotel or motel purposes. Notwithstanding the foregoing provisions of this Rule 2, subject to all applicable Legal Requirements, the right is reserved by the Sponsor, Declarant, Sponsor-affiliates, Declarant-affiliates and the Board of Managers, and their agents, (a) to place "For Sale," "For Rent" or "For Lease" signs on any Units owned by any of them. In addition, but subject to all applicable Legal Requirements, the right is hereby given to any Mortgagee, that may become the owner of any Unit, to place the above described signs on any Unit owned by such Mortgagee, but in no event will any such sign be larger than three feet by three feet.

3. Nothing shall be done or kept in the Units or the General Common Elements or the Limited Common Elements that will increase the rate of insurance of the building, or contents thereof, without the prior written consent of the Board of Managers. No Unit Owner shall permit anything to be done or kept in its Unit or in the General Common Elements or Limited Common Elements that will result in the cancellation of insurance of the building, or contents thereof, or which would be in violation of any Legal Requirements. No Unit Owner or occupant or any agents, servants, employees, licensees or visitors or contractors of a Unit Owner shall at any time bring into or keep in its Unit, any Limited Common Element appurtenant thereto, or vestibule, any flammable, combustible or explosive fluid, material, chemical or substance, except as appropriate to construction being performed therein or in connection with a permitted use of a Unit, in any case in compliance with all Legal Requirements. No waste shall be committed in the General Common Elements or Limited Common Elements.

4. All radio, television or other electrical or communications equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction thereof, and the Unit Owner alone shall be liable for any damage or injury or interference caused by any radio, television or other electrical or communications equipment in such Unit. No such installation shall interfere with reception of the master television antenna, if any.

5. Nothing shall be done in any Unit or in, on or to the General Common Elements or Limited Common Elements which will impair the structural integrity of the Building or which would structurally change the Building without the written consent of the Board of Managers.

6. Nothing shall be altered or constructed in, or removed from, the Common Elements, except upon the written consent of the Board of Managers.

7. No animal of any kind shall be raised, bred, or kept in any Unit or in the Common Elements or Limited Common Elements, except subject to the rules and regulations adopted by the Board of Managers from time to time. Such rules and regulations may prohibit animals. In any event no animal shall be kept, bred or maintained for any commercial purposes and any bird, animal or reptile causing or creating a nuisance or unreasonable disturbance or noise shall be permanently removed by the owner of such animal(s) from the Property upon three (3) days' written notice from the Board of Managers. A Unit Owner will be bound by any rule or regulation concerning pets adopted by the Board of Managers even if such rule or regulation is more restrictive than the rules in affect at the time the pet was first brought in to the Unit.

8. No noxious or offensive activity (including without limitation the production or release of offensive odors or excessive noise) shall be carried on by any Unit Owner in any Unit or in or on the General Common Elements or Limited Common Elements, nor shall anything be done therein or thereon, either willfully or negligently, which may be or become an annoyance or nuisance to any other Unit Owner or occupant.

9. There shall be no obstruction of the Common Elements nor shall anything be stored in the Common Elements without the prior consent of the Board of Managers except that the Limited Common Elements may be used for any purpose not prohibited by any Legal Requirements.

10. Except in recreational or other areas designated as such by the Board of Managers or in the Declaration, there shall be no playing, lounging, or parking of baby carriages or playpens, bicycles, wagons, toys, vehicles, benches or chairs, on any part of the Common Elements (except that Limited Common Elements may be used for any purpose not prohibited by any Legal Requirements). Storage by Unit Owners in areas designated by the Board of Managers or in the Declaration shall be at their own risk.

11. No clothes, sheets, blankets, laundry or other articles of any kind shall be hung out of a Unit or exposed to any part of the Common Elements. The Common Elements and Limited Common Elements shall be kept free and clear of rubbish, debris and other unsightly materials, nor shall any rugs or mops be shaken or hung from or on any of the windows, doors, railings, or vestibules.

12. Each Unit Owner shall keep its Unit in a good state of preservation and cleanliness and each Unit Owner shall be obligated to maintain and keep in good order and repair his, her or its own Unit in accordance with the provisions of the By-Laws and these Rules and Regulations.

13. No vestibule shall be decorated or otherwise altered without the consent in writing of the Board of Managers.

14. The agents of the Board of Managers and the managing agent, and any contractor or workman authorized by the Board of Managers or the managing agent, may enter any room or

Unit in the Building at any reasonable hour of the day upon reasonable advanced notice for the purpose of inspecting such Unit for the presence of any vermin, insects or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests.

15. The Board of Managers, or its designated agent, may retain a pass key to each Unit and any storage area under the control of the Unit Owner. No Unit Owner shall alter any lock or install a new lock on any door of the Unit or storage area without the written consent of the Board of Managers. In case such consent is given, the Unit Owner shall provide the Board of Managers, or its agent, with an additional key to afford access to the Unit and storage area. If entry is required in an emergency and the key has not been furnished as required by these Rules and Regulations, an agent of the Board of Managers or the managing agent (with authorization from an officer of the Board of Managers) may forcibly enter the Unit without liability for damages or trespass, provided that reasonable care is exercised.

16. If any key or keys are entrusted by a Unit Owner or occupant or by his, her or its agent, servant, employee, licensee or visitor to an employee of the Board of Managers, whether for such Unit or for an automobile, trunk or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner or occupant, and the Board of Managers shall not be liable for injury, loss or damage of any nature whatsoever directly or indirectly resulting therefrom or connected therewith.

17. Any consent or approval given under these Rules and Regulations may be added to, amended or repealed at any time by resolution of the Board of Managers.

18. In order to retain the structural integrity and aesthetic appearance of the Building, no additional window or through-the-wall air-conditioning appliances may be installed in any Unit and no radio or television or other aerial or similar device shall be attached to or hung from the exterior of the Building by a Unit Owner without the written consent of the Board of Managers, which consent shall not be unreasonably withheld, delayed or conditioned. If air conditioners and similar objects are permitted to be inserted in windows of the Building, the Board of Managers may prescribe a uniform color for them.

19. Water-closets and other water apparatus shall not be used for any purpose other than those for which they were designed, and no sweepings, rubbish, rags or any other article shall be thrown in to the same. Any damage resulting from misuse of any water-closets or other apparatus in a Unit shall be repaired and paid for by the owner of such Unit.

20. These Rules and Regulations may be altered or amended by vote of the Board of Managers, as set forth in the By-Laws and Rules and Regulations may be rescinded as set forth in the By-Laws.

21. Except as expressly permitted pursuant to this Rule and Regulation, smoking is not allowed in (a) any indoor Common Element or Limited Common Element, including, but not limited to, indoor corridors, rooms, hallways, stairs, stairways, storage areas and lobbies, and (b) in any outdoor Common Elements (other than Limited Common Elements), including, but not

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

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SECTION H
FORM OF INTERIM LEASE

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Interim Lease

This Interim Lease (the "Agreement") is made as of the _____ day of _____, 202__ between 286 1st St LLC ("Seller") and [Purchaser] ("Purchaser").

WHEREAS Purchaser under a "Purchase Agreement" dated _____ and as amended to date, has agreed to purchase Unit _____ ("Unit") of the 286 1st Street Condominium (the "Condominium"), located at 286 1st Street, Brooklyn, NY 11215 (the "Property");

WHEREAS Purchaser has placed \$_____ (the "Down Payment") in escrow with Marcus Attorneys (the "Escrow Agent") under the terms of the Purchase Agreement and the Condominium offering plan (the "Plan"); and

WHEREAS Purchaser wishes to enter upon the Property and to occupy the Unit prior to the closing of title under the terms hereinafter stated.

NOW, THEREFORE, in consideration of the granting of the right to Purchaser to take possession of the Unit on _____ without first having paid the Total Purchase Price under the Purchase Agreement, Purchaser and Seller jointly agree to the following:

1. Seller leases to Purchaser the Unit at the fee and for the term hereinafter provided. Purchaser shall have the right to use and occupy the Unit as provided in this Agreement. There is no landlord-tenant relationship between Seller and Purchaser. This Agreement is not subject to any lease or lease regulatory laws, rules or regulations.
2. Purchaser will, at Purchaser's expense, promptly comply with all laws, orders, rules, requests and directions of all governmental authorities, Seller's insurers, Board of Fire Underwriters, or similar groups, pertaining to the Unit and the Property and Purchaser's use thereof. Purchaser, Purchaser's agents, guests or invitees and the "Occupants" of the Unit shall not perform any action that may increase the Property's insurance premiums. In the event that any action of Purchaser or Purchaser's agents, guests or invitees shall cause an increase in the Property's insurance premiums, Purchaser shall pay the increase as an additional fee.
3. Subject to the terms of paragraph 17 of this Agreement and to the terms of the Limited Warranty (as set forth in the Plan) to be given to Purchaser at the Closing, Purchaser hereby assumes responsibility for all damages to the Unit and accepts the Unit in its "as is" condition.
4. Purchaser and the Occupants hereby indemnify and hold Seller, Seller's members, managers, agents, employees, successors, assigns and contractors harmless, to the fullest extent permitted by law, from and against any and all claims, liabilities, obligations, damages, penalties, claims, costs, charges and expenses, including reasonable attorney's fees, that may be imposed upon, or incurred by, or asserted against, Seller by Purchaser or Occupants, their agents, employees, successors, assigns, independent contractors, guests or invitees, by reason of any damage arising from the negligent acts of Seller or Seller's members, managers, agents, employees, successors, assigns or contractors during Purchaser's and/or Occupant's occupancy of the Unit and Property.

5. Purchaser will assume all obligations for maintenance and repair of the Unit during the term of this Agreement, except for those obligations that are the responsibility of the Condominium to maintain or repair pursuant to the Plan and any obligations of Seller under this Agreement. If the Purchase Agreement is cancelled, Purchaser will be responsible for delivery of the Unit at the conclusion of the Agreement in a physical condition equal to that which existed at the time of execution of this Agreement.
6. To secure Purchaser's compliance with all terms of this Agreement, the Down Payment shall also serve as Purchaser's security deposit for this Agreement. If Seller incurs any expenses in connection with a breach of this Agreement by Purchaser, Seller may deduct any fees, additional fees, or any of Seller's reasonable expenses in connection with such breach, including legal fees, from Purchaser's security, without waiving Purchaser's default. Seller and Purchaser, as parties to the Purchase Agreement, hereby direct Escrow Agent to make payment to Seller of any sums due to Seller under this paragraph. If the Seller draws down Purchaser's security pursuant to this Agreement, it shall be an additional breach hereunder if Purchaser shall fail to replenish the amount drawn down within five (5) business days after notice from Seller to Purchaser.
7. Except as otherwise set forth in this Agreement, any mortgage contingency provision contained in, and any other provisions of, the Purchase Agreement that permit the Purchaser to terminate the Purchase Agreement are hereby void and no longer in effect.
8. The term of this Agreement shall commence on _____ and shall end at the earliest to occur of (a) the closing of title to the Unit, (b) _____ or (c) termination of this Agreement pursuant to its terms (the "Term").
9. Purchaser agrees to pay to Seller \$ _____ per month (the "Fee") on or before the first day of each month, in advance, for use and occupancy of the Unit during the Term (or pro rata per day for each day of a partial month of occupancy). The first month's Fee shall be by check or money order made to Seller simultaneously with the execution of this Agreement and this Agreement is subject to the collection of such funds. At the Closing, the amount of the Fee paid covering days following the Closing Date shall be credited (pro rata per day) against the balance of the Unit's Total Purchase Price. If the Purchaser holds over beyond the end of the Term (unless the Term ends because title to the Unit has passed to the Purchaser), Purchaser acknowledges and agrees that a fee shall then be due at the rate of \$ _____ per day for each day past the end of the Term that Purchaser remains in possession of the Unit. Notwithstanding the foregoing, Purchaser (a) acknowledges that Purchaser shall not be entitled to remain in possession of the Unit beyond the end of the Term for any reason whatsoever (unless the Term ends because title to the Unit has passed to the Purchaser) and (b) agrees that Seller shall be entitled to the use of self-help and change the locks to obtain possession of the Unit in the event Purchaser remains in possession of the Unit past the end of the Term in violation of this Agreement.
10. Purchaser has provided proof that he/she has the ability to close title to the Unit and represents that it will continue to maintain the ability until the date of Closing. Purchaser shall maintain all of Purchaser's representations under this Agreement and the Purchase Agreement. Failure

to by Purchaser to maintain its representations hereunder and thereunder shall be a material breach of this Agreement and the Purchase Agreement.

11. Purchaser agrees that any default under the Purchase Agreement shall be a default under this Agreement that will permit Seller to cancel this Agreement and any default under this Agreement shall be a default under the Purchase Agreement that will permit Seller to cancel the Purchase Agreement. Purchaser shall be required to vacate the Unit within thirty (30) days after notice from Seller of cancellation of this Agreement or the Purchase Agreement, or within thirty (30) days after rescission or termination of the Purchase Agreement by Purchaser in the event rescission or termination is permitted. If the right to rescind the Purchase Agreement is offered to Purchaser, or if Purchaser has the right to terminate the Purchase Agreement under its terms, then Purchaser's right to rescind or terminate shall be conditioned upon his, her or its surrendering possession of the Unit within thirty (30) days of the service of Purchaser's notice of rescission or termination to Seller, leaving the Unit broom swept, clean, empty of Purchaser's possessions and restored to its condition prior to Purchaser's occupancy and paying any fees due under this Agreement. Nothing contained in this Agreement shall relieve Purchaser of liability for damage caused to the Unit by Purchaser or Purchaser's agents, guests or invitees. Purchaser shall be responsible for payment of the Seller's reasonable costs and attorney's fees if it is necessary for the Seller to bring an action or proceeding to remove Purchaser or anyone claiming under Purchaser from the Unit or if the Seller commences an action against Purchaser for damage caused to the Unit by Purchaser or Purchaser's agents, guests or invitees. Any default under either the Purchase Agreement, beyond the applicable notice and grace periods contained therein, or this Agreement shall terminate this Agreement.
12. Seller and Purchaser waive trial by a jury in any matter that may come up between the parties under or because of this Agreement. In any action or proceeding seeking possession of the Unit, Purchaser shall not have the right to make a counterclaim or set off.
13. Any bill, statement or notice under this agreement must be in writing in accordance with the notice provisions contained in the Purchase Agreement.
14. Seller's acceptance of the Fee or failure to enforce any term in this Agreement is not a waiver of any of Seller's rights. If a term in this Agreement is illegal or unenforceable, the rest of this Agreement remains in full force.
15. If Purchaser requires Seller's consent to any act and such consent is not given, Purchaser's only right is to ask a court to force Seller to give consent. Purchaser agrees not to make any claim against Seller for money or subtract any sum from the fee due hereunder because such consent was not given.
16. Seller is not liable for loss, expense or damage to any person or property unless due to Seller's gross negligence. Purchaser must pay for damages suffered and money spent by Seller relating to any claim arising from any act or neglect of Purchaser or Purchaser's family, employees, agents, guests or invitees.

17. Execution of this Agreement shall constitute acceptance of the Unit and the Property and all fixtures, machinery, equipment, furnishings, appliances, in good present condition free of all defects and damage on the date of this Agreement and in the condition requested pursuant to the Purchase Agreement as of the date of Closing thereunder, unless Purchaser conducts a final walk through and the parties enter into the Final Inspection Sheet (as defined in the Purchase Agreement) prior to Purchaser's taking possession of the Unit, in which case Seller shall complete, repair or replace, as the case may be, the items in the Final Inspection Sheet in accordance with and pursuant to the Purchase Agreement.
18. This Agreement is subject and subordinate to the following (the "Documents"): (a) the By-Laws, Rules and Regulations and Provisions of the Declaration of Condominium, (b) Powers of Attorney granted to the Board of Managers, Leases, agreements, building loan mortgages, renewals, modifications, consolidations, replacements and extensions to which the Declaration or the Unit are presently or may in the future be subject, and (c) insurance policies covering the Property and/or the Unit. Purchaser and Occupants shall not perform any act or fail to perform an act if the performance or failure to perform would be or if done or not done would be, a violation of or default under any of the Documents. Purchaser shall not exercise any right or privilege under this Agreement the performance of which would be a default under or violation of any of the Documents. Purchaser acknowledges it had the opportunity to read the Documents. Purchaser and Occupants agree to observe and be bound by all the terms contained in the Documents that apply to the occupant or user of a Condominium unit or a user of Condominium common areas and facilities, including, but not limited to, the Condominium's smoking policy set forth in Rule and Regulation 27, which states as follows:

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

19. Purchaser shall not assign this Agreement or sublease its right of possession to the Unit under any circumstances without Seller's prior written consent, which consent may be withheld for any reason whatsoever.
20. Purchaser shall arrange for and pay for any service for which the Unit is separately metered or monitored, such as, but not limited to, gas, electric, telephone, internet and cable service, if applicable.
21. In the case of any inconsistency between the terms of this Agreement and the Purchase Agreement, the terms of this Agreement shall control, except that nothing herein shall limit the right of Seller to declare Purchaser in default under the Purchase Agreement according to its terms.
22. Until the end of the Term, Seller may, at reasonable times and upon prior notice to Purchaser, enter the Unit to examine or to make repairs or alterations to it or to show it to lenders or mortgage or real estate brokers or prospective buyers.
23. If all of the Unit or Property is taken or condemned by a legal authority, the term of this Agreement and Purchaser's rights shall end as of the date the authority takes title to the Unit or Property. If any part of the Unit or Property is taken, Seller may cancel this Agreement on notice to Purchaser. The notice shall set a cancellation date not less than 30 days from the date of the notice. If the Agreement is canceled, Purchaser must deliver the Unit to Seller on the cancellation date together with any fees due to that date. The entire award for any taking belongs to Seller. Purchaser gives Seller any interest Purchaser may have to any part of the award. Purchaser shall make no claim for the value of the remaining part of the term.
24. This Agreement is binding on Seller and Purchaser and those that lawfully succeed to their rights or take their place.
25. Purchaser shall not alter the Unit in anyway without Seller's prior written consent.
26. The liability of the persons constituting Purchaser shall be joint and several.
27. This Agreement may be changed only by an agreement in writing signed by and delivered to both parties. Terms used but not defined herein shall have the meaning given to them in the Purchase Agreement.
28. This Agreement is effective when Seller delivers to Purchaser a copy signed by all parties.
29. This Agreement may be executed in counterparts and by facsimile or e-mail/.pdf signatures, each of which shall be deemed an original and all of which shall be deemed to constitute a single instrument.

IN WITNESS WHEREOF, the parties herewith have signed this Agreement as of the date above written.

286 1st St LLC

By: _____

Name:

Title:

[Purchaser]

SECTION I

FORM OF LIMITED WARRANTY

Page without text.

LIMITED WARRANTY

Warranty No. _____

NAME OF PURCHASER(s): _____

ADDRESS OF PURCHASER(s): _____

ADDRESS OF UNIT WARRANTED: _____

NAME OF SPONSOR: _____

WARRANTY DATE: _____

SPONSOR'S LIMIT OF

TOTAL LIABILITY: _____ [75% of Purchase Price]

This Limited Warranty Excludes All
Consequential and Incidental Damages
Except as Required By New York State Law.

1. To Whom Given. This limited warranty is extended to the Purchaser named on page 1 while the Purchaser owns the Unit. It does not extend to subsequent owners of the Unit or other persons.
2. By Whom Made. This Limited Warranty is made exclusively by the Sponsor whose name and address appear on page 1.
3. Final Inspection of the Unit. Before the Purchaser moves into the Unit or accepts the deed, the Sponsor will set up an appointment for final inspection of the Unit with the Purchaser.

The purpose of this final inspection is to discover any defects or flaws of a visible or obvious nature, such as mars, chips, dents, cracks, or scratches, that may have occurred during the final stages of finishing the Unit, or any unfinished work caused by back-orders beyond the Sponsor's control. The Sponsor may also point out other defects known to have occurred during the construction process and that remain uncorrected at the time of the inspection.

All defects or flaws found on final inspection of the Unit will be itemized on a Final Inspection Sheet (a copy of which is attached to this Limited Warranty), which will include a schedule for each item that will be corrected. The Final Inspection Sheet will be signed by the Purchaser and the Sponsor before occupancy of the Unit or transfer of the deed.

When the Purchaser moves into the Unit or accepts the deed, the Sponsor's responsibility is limited to:

- (a) completion of items shown on the Final Inspection Sheet, and
- (b) performance of warranty obligations under the provisions of this Limited Warranty, as listed below. The purpose of the Limited Warranty is to identify the Sponsor's responsibilities for construction defects of a latent or hidden kind that would not have been found or disclosed on final inspection of the Unit.

4. Limited Warranty. This Limited Warranty excludes all other warranties on the construction and sale of the Unit and its components, both express and implied. There are no warranties which extend beyond the face hereof.
5. Warranty Coverage and Periods. The Warranty Period for all coverage begins on the Warranty Date shown on page 1. (This Warranty Date is the date that the Purchaser, or a member of the Purchaser's family, takes title to the Unit or any person begins residential occupancy of the Unit, whichever date is earlier). It ends at the expiration of the coverage shown below:

FIRST YEAR BASIC COVERAGE: For one year from the Warranty Date, the Unit will be free from latent defects that constitute:

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

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

(c) defective design, provided by an architect, landscape architect, engineer, surveyor, or other design professional engaged solely by the Sponsor.

Workmanship, materials, and design will be considered to be defective if they fail to meet or exceed the relevant standards and specifications of the New York State Uniform Fire Prevention and Building Code (or, for Units in New York City, the Building Code of the City of New York) or if they fail to meet the Accepted Standards which are attached to this Limited Warranty.

TWO YEAR MAJOR SYSTEM COVERAGE: For two years from the Warranty Date, the Plumbing, Electrical, Heating, Cooling and Ventilation Systems of the Unit which have been installed by the Sponsor are warranted to be free from latent defects that constitute defective installation by the Sponsor.

Installation will be considered to be defective if the Sponsor's workmanship upon the installation fails to meet or exceed the relevant standards and specifications of the New York State Uniform Fire Prevention and Building Code (or, for Units in New York City, the Building Code of the City of New York) and the Accepted Standards.

The Plumbing System means: gas supply lines and fittings, water supply, waste and vent pipes and their fittings, septic tanks and their drain fields, water, gas and sewer service piping and their extensions to the tie-in of a public utility connection, and on-site well and sewage disposal system.

The Electrical System means: all wiring, electrical boxes, switches, outlets and connections up to the public utility connection.

The Heating, Cooling and Ventilation Systems means: all duct work, steam, water and refrigerant lines, registers, convertors, radiation elements and dampers.

All systems are exclusive of appliances, fixtures and items of equipment.

SIX YEAR MAJOR STRUCTURAL DEFECT COVERAGE: for six years from the Warranty Date, the Unit will be free from latent defects that are Major Structural Defects, as defined below, and that constitute:

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

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

(c) defective design, provided by an architect, landscape architect, engineer, surveyor, or other design professional engaged solely by the Sponsor.

Workmanship, materials, and design will be considered to be defective if they fail to meet or exceed the relevant standards and specifications of the New York State Uniform Fire Prevention and Building Code (or, for its Units in New York City, the Building Code of the City of New York) or if they fail to meet the Accepted Standards.

A Major Structural Defect is a defect resulting in actual physical damage to the following load-bearing portions of the Unit caused by failure of such load-bearing portions which affects their load-bearing functions to the extent that the Unit becomes unsafe, unsanitary or otherwise unlivable: foundation systems and footings, beams, girders, lintels, columns, walls and partitions, floor systems and roof framing systems.

Damage to the following non-load bearing portions of the Unit do not constitute a Major Structural Defect for the Major Structural Defect coverage: roofing and sheathing; drywall and plaster; exterior siding; brick, stone and stucco veneer; floor covering material; wall tile and other wall coverings; non-load-bearing walls and partitions; concrete floors in attached garages and basements that are built separately from foundation walls or other structural elements of the Unit; electrical, plumbing, heating, cooling and ventilation systems; appliances, fixtures and items of equipment; paint; doors and windows; trim; cabinets; hardware; insulation.

6. Exclusions from all Coverage. The following are excluded from the Basic Coverage, Major System Coverage, and Major Structural Defect Coverage:

(a) Loss or damage caused by workmanship performed by any person other than (i) the Sponsor, (ii) an agent of the Sponsor, or (iii) a subcontractor of the Sponsor.

(b) Loss or damage caused by defective materials supplied by any person other than (i) the Sponsor, (ii) an agent of the Sponsor, or (iii) a subcontractor of the Sponsor.

(c) Loss or damage caused by defective design provided by any person other than a design professional retained exclusively by the Sponsor.

(d) Patent defects including defects shown on the Final Inspection Sheet and defects which an examination of the Unit prior to acceptance of the deed or occupancy of the Unit ought to have revealed.

(e) Defects in outbuildings including but not limited to detached garages and detached carports (except outbuildings which contain the plumbing, electrical, heating, cooling or ventilation systems serving the Unit); swimming pools and other recreational facilities; driveways; walkways; patios; boundary walls; retaining walls; bulkheads; fences; landscaping (including sodding, seeding,

shrubs, trees and plantings); off-site improvements or any other improvements not a part of the Unit itself.

(f) After the first year Basic Coverage, concrete floors of basements and concrete floor of attached garages that are built separately from foundation walls or other structural elements of the Unit.

(g) Damage to real property which is not part of the Unit covered by this Limited Warranty and which is not included in the purchase price of the Unit.

(h) Any damage to the extent that it is caused or made worse by:

(i) negligence, improper maintenance, or improper operation by anyone other than the Sponsor, its employees, agents, or subcontractors; or

(ii) failure by the Purchaser or anyone other than the Sponsor, its employees, agents or subcontractors, to comply with the warranty requirements of manufacturers or suppliers of appliances, fixtures or items of equipment; or

(iii) failure of the Purchaser to give notice to the Sponsor of any defects or damage within a reasonable time; or

(iv) changes in the grading of the ground by anyone other than the Sponsor, its employees, agents or subcontractors; or

(v) changes, alterations or additions made to the Unit by anyone after the Warranty Date shown on page 1; or

(vi) dampness or condensation due to failure of the Purchaser or occupant to maintain adequate ventilation.

(i) Any condition which does not result in actual physical damage to the Unit.

(j) Loss or damage caused by or resulting from accidents, riot and civil commotion, fire, explosion, smoke, water escape, falling objects, aircraft, vehicles, acts of God, lightning, windstorm, hail, flood, mud slide, earthquake, volcanic eruption, wind-driven water, and not reasonably foreseeable changes in the underground water table.

(k) Loss or damage caused by seepage of water unless such loss or damage is the direct result of a construction defect otherwise covered by this Limited Warranty.

(l) Any damage caused by soil movement for which compensation is provided by legislation or which is covered by other insurance.

(m) Any damage which the Unit Owner has not taken timely action to minimize.

- (n) Normal wear and tear and normal deterioration.
- (o) Insect damage.
- (p) Bodily injury or damage to personal property.
- (q) Failure of the Sponsor to complete construction of the Unit.
- (r) Loss or damage which arises while the Unit is being used primarily for nonresidential purpose.
- (s) Loss or damage due to abnormal loading on the floors by the Unit Owner which exceed maximum design loads as mandated by the Building Code.
- (t) Costs of shelter, transportation, food, moving, storage or other incidental expenses related to relocation during repair.
- (u) Consequential damages (except where required by state law).
- (v) Any claim not filed in a manner set forth below in paragraph 8, "Step by Step Claims Procedures".

7. Warranty. If a defect occurs in an item covered by this Limited Warranty, the Sponsor will repair, replace or pay the Purchaser the reasonable cost of repairing or replacing the defective item(s) within a reasonable time after the Sponsor's inspection or testing discloses the problem. The choice among repair, replacement or payment is solely that of the Sponsor.

In no event will the Sponsor's total liability, for deficiencies under this Limited Warranty exceed the Sponsor's Limit of Total Liability, shown on page 1.

Repair, replacement or payment of reasonable cost for any Major Structural Defect is further limited to (i) the repair of damage to the load-bearing portions of the Unit themselves which is necessary to restore their load-bearing function; and (ii) the repair of those items of the Unit damaged by the Major Structural Defect which made the Unit unsafe, unsanitary or otherwise unlivable.

When the Sponsor finishes repairing or replacing the defect or pays the reasonable cost of doing so, a full release of all legal obligations with respect to the defect must be signed by the Purchaser and delivered to the Sponsor.

8. Step by Step Claims Procedures.

(a) Written notice of any warranty claim must be made on the attached "Notice of Warranty Claim Form" and MUST BE RECEIVED BY THE SPONSOR AT THE ADDRESS IDENTIFIED ON PAGE 1 NO LATER THAN THE FIRST BUSINESS DAY AFTER WARRANTY COVERAGE ON THAT ITEM EXPIRES. If this Notice of Warranty Claim Form is not properly completed and received by the Sponsor by that deadline, the Sponsor will have no duty to respond to

any complaint or demand, and any or all claims may be rejected. NOTICE OF WARRANTY CLAIM IS NECESSARY TO PROTECT RIGHTS TO WARRANTY PERFORMANCE UNDER THIS LIMITED WARRANTY.

(b) No steps taken by the Sponsor, Purchaser or any other person to inspect, test or correct defects will extend any time period under this Limited Warranty. The Sponsor's response to any complaint or request, other than a timely and properly completed Notice of Warranty Claim, will not impair, prejudice or otherwise affect any right of the Sponsor, including but not limited to the Sponsor's right to receive a timely and properly completed Notice of Warranty Claim.

(c) In response to a Notice of Warranty Claim, or any other complaint or request of the Purchaser, the Sponsor and the Sponsor's agents will have the right to inspect and test the portion of the Unit to which the claim, complaint or request relates. The Purchaser and occupants of the Unit must provide reasonable access to the Sponsor and the Sponsor's agents during normal business hours to complete inspection, testing and repair or replacement.

(d) The Sponsor will complete inspection and testing within a reasonable time under the circumstances, not to exceed thirty (30) days after receipt of a timely and properly completed Notice of Warranty Claim Form. Upon completion of inspection and testing, the Sponsor will determine whether to accept or reject the claim. If the Sponsor rejects the claim, the Sponsor will give written notice of that decision to the claimant at the address shown on the Notice of Claim Form. If the Sponsor accepts the claim, the Sponsor will take corrective action within a reasonable time under the circumstance and, upon completion, will give written notice of completion to the claimant at the address shown on the Notice of Claim Form. The Sponsor will use good faith efforts to process and handle claims in a timely manner, but all time periods for repair or replacement of defects necessarily are subject to weather conditions, acts of God, availability of materials, and other events beyond the Sponsor's control.

9. Legal Actions.

(a) No claim or cause of action under this Limited Warranty may be commenced or asserted in any suit, action, or other legal proceeding against the Sponsor in any Court or forum unless notice of the claim or cause of action has been received by the Sponsor in a timely and properly completed Notice of Warranty Claim Form as provided in paragraph 8 above.

(b) No suit, action and proceeding against the Sponsor under this Limited Warranty may be commenced in any Court or forum after the later of:

(i) the date of expiration of the applicable warranty coverage under paragraph 5 of this Limited Warranty, or;

(ii) sixty (60) calendar days after the Warrantor has given written notice of rejection of claim or completion or corrective action as provided in clause 8 (d) above.

10. General Provisions.

- (a) This Limited Warranty may not be changed or amended in any way.
- (b) This Limited Warranty is to be binding upon the Sponsor and the Purchaser, their heirs, executives, administrators, successors and assigns.
- (c) Should any provisions of this Limited Warranty be deemed unenforceable by a court of competent jurisdiction, the determination will not affect the enforceability of the remaining provisions.
- (d) As may be appropriate, use of one gender in this Limited Warranty includes all other genders, use of the plural includes the singular, and use of the singular includes the plural.
- (e) This Limited Warranty is to be governed in accordance with the laws of New York State.
- (f) This Limited Warranty contains the entire agreement of the parties with respect to warranties and representations concerning the condition of the Unit.

[Sponsor]

By: _____

Purchaser: _____

FINAL INSPECTION SHEET

Unit: _____

Date of Inspection: _____

Time of Inspection: _____

Present: _____

Defects or Flaws:

Purchaser: _____

Seller:

Purchaser: _____

By: _____

NOTICE OF WARRANTY CLAIM FORM

Dear Unit Owner:

To ask the Sponsor to correct a defect in your Unit that you think is covered by the Sponsor's Limited Warranty, you must complete this form and deliver it to the Sponsor. This is necessary to protect your rights to warranty performance under the Limited Warranty. Even if you believe that the Sponsor is aware of the problem, fill out this form and deliver it to the Sponsor.

The information you will need to fill out the form will be on page 1 of the Limited Warranty. However if you do not know the answer to any questions, write "Don't know". Please do not leave any item blank.

Your Name: _____

Mailing Address: _____

Phone No.: _____

Limited Warranty No.: _____

Warranty Date: _____

Describe the defect(s) which you think are covered by the Limited Warranty. Be sure to include when each defect first occurred or when you first noticed it. Use additional sheets, as necessary, to fully describe the problem.

(signature)

(date)

(signature)

(date)

ACCEPTED STANDARDS

FOR CONSTRUCTION

1. Except as specifically stated in these Accepted Standards, construction shall meet the minimum requirements of the applicable building code, laws, ordinances, and governmental rules and regulations (collectively “Codes”). When the Codes do not provide a relevant specific standard, construction shall meet the standards of locally accepted building practices in the county of the project.
2. The following are consistent with Accepted Standards: nail pops, ridging on sheet rock walls, lumber shrinkage, separation in joints of tile or wood flooring, floor levels, ceiling imperfections, painting defects, alignment of bathroom finishes, air infiltration from windows, any damage resulting from settlement (including, without limitation, concrete cracks which do not impair the structural soundness of the Building), normal plumbing, heating and air conditioning noises, or minor chips, mars, breaks or other defects in window sashes, window sills, electric fixtures and globes, interior painted surfaces, sinks, tubs, bowls, medicine cabinets, doors, mirrors, ceramic tile, hardware, bath tile grouting, countertops, vanity tops and bases, kitchen tile and cabinets or flooring, hardware, flooring, or appliance cabinets, carpet discoloration and stretching, or doors sticking due to humidity, temperature or similar conditions or door warpage.

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SECTION J

PROTECTING YOUR FAMILY FROM LEASE IN YOUR HOME PAMPHLET

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Protect Your Family From Lead in Your Home



United States
Environmental
Protection Agency



United States
Consumer Product
Safety Commission



United States
Department of Housing
and Urban Development

Are You Planning to Buy or Rent a Home Built Before 1978?

Did you know that many homes built before 1978 have **lead-based paint**? Lead from paint, chips, and dust can pose serious health hazards.

Read this entire brochure to learn:

- How lead gets into the body
- How lead affects health
- What you can do to protect your family
- Where to go for more information

Before renting or buying a pre-1978 home or apartment, federal law requires:

- Sellers must disclose known information on lead-based paint or lead-based paint hazards before selling a house.
- Real estate sales contracts must include a specific warning statement about lead-based paint. Buyers have up to 10 days to check for lead.
- Landlords must disclose known information on lead-based paint and lead-based paint hazards before leases take effect. Leases must include a specific warning statement about lead-based paint.

If undertaking renovations, repairs, or painting (RRP) projects in your pre-1978 home or apartment:

- Read EPA's pamphlet, *The Lead-Safe Certified Guide to Renovate Right*, to learn about the lead-safe work practices that contractors are required to follow when working in your home (see page 12).



Simple Steps to Protect Your Family from Lead Hazards

If you think your home has lead-based paint:

- Don't try to remove lead-based paint yourself.
- Always keep painted surfaces in good condition to minimize deterioration.
- Get your home checked for lead hazards. Find a certified inspector or risk assessor at epa.gov/lead.
- Talk to your landlord about fixing surfaces with peeling or chipping paint.
- Regularly clean floors, window sills, and other surfaces.
- Take precautions to avoid exposure to lead dust when remodeling.
- When renovating, repairing, or painting, hire only EPA- or state-approved Lead-Safe certified renovation firms.
- Before buying, renting, or renovating your home, have it checked for lead-based paint.
- Consult your health care provider about testing your children for lead. Your pediatrician can check for lead with a simple blood test.
- Wash children's hands, bottles, pacifiers, and toys often.
- Make sure children eat healthy, low-fat foods high in iron, calcium, and vitamin C.
- Remove shoes or wipe soil off shoes before entering your house.

Lead Gets into the Body in Many Ways

Adults and children can get lead into their bodies if they:

- Breathe in lead dust (especially during activities such as renovations, repairs, or painting that disturb painted surfaces).
- Swallow lead dust that has settled on food, food preparation surfaces, and other places.
- Eat paint chips or soil that contains lead.

Lead is especially dangerous to children under the age of 6.

- At this age, children's brains and nervous systems are more sensitive to the damaging effects of lead.
- Children's growing bodies absorb more lead.
- Babies and young children often put their hands and other objects in their mouths. These objects can have lead dust on them.



Women of childbearing age should know that lead is dangerous to a developing fetus.

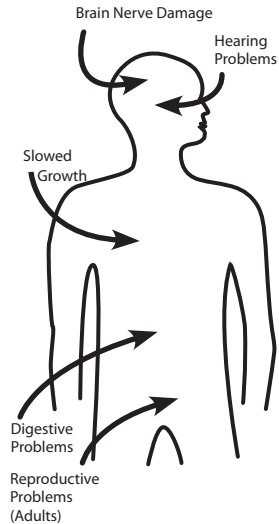
- Women with a high lead level in their system before or during pregnancy risk exposing the fetus to lead through the placenta during fetal development.

Health Effects of Lead

Lead affects the body in many ways. It is important to know that even exposure to low levels of lead can severely harm children.

In children, exposure to lead can cause:

- Nervous system and kidney damage
- Learning disabilities, attention-deficit disorder, and decreased intelligence
- Speech, language, and behavior problems
- Poor muscle coordination
- Decreased muscle and bone growth
- Hearing damage



While low-lead exposure is most common, exposure to high amounts of lead can have devastating effects on children, including seizures, unconsciousness, and in some cases, death.

Although children are especially susceptible to lead exposure, lead can be dangerous for adults, too.

In adults, exposure to lead can cause:

- Harm to a developing fetus
- Increased chance of high blood pressure during pregnancy
- Fertility problems (in men and women)
- High blood pressure
- Digestive problems
- Nerve disorders
- Memory and concentration problems
- Muscle and joint pain

Check Your Family for Lead

Get your children and home tested if you think your home has lead.

Children's blood lead levels tend to increase rapidly from 6 to 12 months of age, and tend to peak at 18 to 24 months of age.

Consult your doctor for advice on testing your children. A simple blood test can detect lead. Blood lead tests are usually recommended for:

- Children at ages 1 and 2
- Children or other family members who have been exposed to high levels of lead
- Children who should be tested under your state or local health screening plan

Your doctor can explain what the test results mean and if more testing will be needed.

Where Lead-Based Paint Is Found

In general, the older your home or childcare facility, the more likely it has lead-based paint.¹

Many homes, including private, federally-assisted, federally-owned housing, and childcare facilities built before 1978 have lead-based paint. In 1978, the federal government banned consumer uses of lead-containing paint.²

Learn how to determine if paint is lead-based paint on page 7.

Lead can be found:

- In homes and childcare facilities in the city, country, or suburbs,
- In private and public single-family homes and apartments,
- On surfaces inside and outside of the house, and
- In soil around a home. (Soil can pick up lead from exterior paint or other sources, such as past use of leaded gas in cars.)

Learn more about where lead is found at [epa.gov/lead](https://www.epa.gov/lead).

¹ "Lead-based paint" is currently defined by the federal government as paint with lead levels greater than or equal to 1.0 milligram per square centimeter (mg/cm), or more than 0.5% by weight.

² "Lead-containing paint" is currently defined by the federal government as lead in new dried paint in excess of 90 parts per million (ppm) by weight.

Identifying Lead-Based Paint and Lead-Based Paint Hazards

Deteriorating lead-based paint (peeling, chipping, chalking, cracking, or damaged paint) is a hazard and needs immediate attention. **Lead-based paint** may also be a hazard when found on surfaces that children can chew or that get a lot of wear and tear, such as:

- On windows and window sills
- Doors and door frames
- Stairs, railings, banisters, and porches

Lead-based paint is usually not a hazard if it is in good condition and if it is not on an impact or friction surface like a window.

Lead dust can form when lead-based paint is scraped, sanded, or heated. Lead dust also forms when painted surfaces containing lead bump or rub together. Lead paint chips and dust can get on surfaces and objects that people touch. Settled lead dust can reenter the air when the home is vacuumed or swept, or when people walk through it. EPA currently defines the following levels of lead in dust as hazardous:

- 40 micrograms per square foot ($\mu\text{g}/\text{ft}^2$) and higher for floors, including carpeted floors
- 250 $\mu\text{g}/\text{ft}^2$ and higher for interior window sills

Lead in soil can be a hazard when children play in bare soil or when people bring soil into the house on their shoes. EPA currently defines the following levels of lead in soil as hazardous:

- 400 parts per million (ppm) and higher in play areas of bare soil
- 1,200 ppm (average) and higher in bare soil in the remainder of the yard

Remember, lead from paint chips—which you can see—and lead dust—which you may not be able to see—both can be hazards.

The only way to find out if paint, dust, or soil lead hazards exist is to test for them. The next page describes how to do this.

Checking Your Home for Lead

You can get your home tested for lead in several different ways:

- A lead-based paint **inspection** tells you if your home has lead-based paint and where it is located. It won't tell you whether your home currently has lead hazards. A trained and certified testing professional, called a lead-based paint inspector, will conduct a paint inspection using methods, such as:
 - Portable x-ray fluorescence (XRF) machine
 - Lab tests of paint samples
- A **risk assessment** tells you if your home currently has any lead hazards from lead in paint, dust, or soil. It also tells you what actions to take to address any hazards. A trained and certified testing professional, called a risk assessor, will:
 - Sample paint that is deteriorated on doors, windows, floors, stairs, and walls
 - Sample dust near painted surfaces and sample bare soil in the yard
 - Get lab tests of paint, dust, and soil samples
- A combination inspection and risk assessment tells you if your home has any lead-based paint and if your home has any lead hazards, and where both are located.



Be sure to read the report provided to you after your inspection or risk assessment is completed, and ask questions about anything you do not understand.

Checking Your Home for Lead, continued

In preparing for renovation, repair, or painting work in a pre-1978 home, Lead-Safe Certified renovators (see page 12) may:

- Take paint chip samples to determine if lead-based paint is present in the area planned for renovation and send them to an EPA-recognized lead lab for analysis. In housing receiving federal assistance, the person collecting these samples must be a certified lead-based paint inspector or risk assessor
- Use EPA-recognized tests kits to determine if lead-based paint is absent (but not in housing receiving federal assistance)
- Presume that lead-based paint is present and use lead-safe work practices

There are state and federal programs in place to ensure that testing is done safely, reliably, and effectively. Contact your state or local agency for more information, visit epa.gov/lead, or call **1-800-424-LEAD (5323)** for a list of contacts in your area.³

³ Hearing- or speech-challenged individuals may access this number through TTY by calling the Federal Relay Service at 1-800-877-8339.

What You Can Do Now to Protect Your Family

If you suspect that your house has lead-based paint hazards, you can take some immediate steps to reduce your family's risk:

- If you rent, notify your landlord of peeling or chipping paint.
- Keep painted surfaces clean and free of dust. Clean floors, window frames, window sills, and other surfaces weekly. Use a mop or sponge with warm water and a general all-purpose cleaner. (Remember: never mix ammonia and bleach products together because they can form a dangerous gas.)
- Carefully clean up paint chips immediately without creating dust.
- Thoroughly rinse sponges and mop heads often during cleaning of dirty or dusty areas, and again afterward.
- Wash your hands and your children's hands often, especially before they eat and before nap time and bed time.
- Keep play areas clean. Wash bottles, pacifiers, toys, and stuffed animals regularly.
- Keep children from chewing window sills or other painted surfaces, or eating soil.
- When renovating, repairing, or painting, hire only EPA- or state-approved Lead-Safe Certified renovation firms (see page 12).
- Clean or remove shoes before entering your home to avoid tracking in lead from soil.
- Make sure children eat nutritious, low-fat meals high in iron, and calcium, such as spinach and dairy products. Children with good diets absorb less lead.

Reducing Lead Hazards

Disturbing lead-based paint or removing lead improperly can increase the hazard to your family by spreading even more lead dust around the house.

- In addition to day-to-day cleaning and good nutrition, you can **temporarily** reduce lead-based paint hazards by taking actions, such as repairing damaged painted surfaces and planting grass to cover lead-contaminated soil. These actions are not permanent solutions and will need ongoing attention.
- You can minimize exposure to lead when renovating, repairing, or painting by hiring an EPA- or state-certified renovator who is trained in the use of lead-safe work practices. If you are a do-it-yourselfer, learn how to use lead-safe work practices in your home.
- To remove lead hazards permanently, you should hire a certified lead abatement contractor. Abatement (or permanent hazard elimination) methods include removing, sealing, or enclosing lead-based paint with special materials. Just painting over the hazard with regular paint is not permanent control.



Always use a certified contractor who is trained to address lead hazards safely.

- Hire a Lead-Safe Certified firm (see page 12) to perform renovation, repair, or painting (RRP) projects that disturb painted surfaces.
- To correct lead hazards permanently, hire a certified lead abatement professional. This will ensure your contractor knows how to work safely and has the proper equipment to clean up thoroughly.

Certified contractors will employ qualified workers and follow strict safety rules as set by their state or by the federal government.

Reducing Lead Hazards, continued

If your home has had lead abatement work done or if the housing is receiving federal assistance, once the work is completed, dust cleanup activities must be conducted until clearance testing indicates that lead dust levels are below the following levels:

- 40 micrograms per square foot ($\mu\text{g}/\text{ft}^2$) for floors, including carpeted floors
- 250 $\mu\text{g}/\text{ft}^2$ for interior windows sills
- 400 $\mu\text{g}/\text{ft}^2$ for window troughs

For help in locating certified lead abatement professionals in your area, call your state or local agency (see pages 14 and 15), or visit epa.gov/lead, or call 1-800-424-LEAD.

Renovating, Repairing or Painting a Home with Lead-Based Paint

If you hire a contractor to conduct renovation, repair, or painting (RRP) projects in your pre-1978 home or childcare facility (such as pre-school and kindergarten), your contractor must:

- Be a Lead-Safe Certified firm approved by EPA or an EPA-authorized state program
- Use qualified trained individuals (Lead-Safe Certified renovators) who follow specific lead-safe work practices to prevent lead contamination
- Provide a copy of EPA's lead hazard information document, *The Lead-Safe Certified Guide to Renovate Right*



RRP contractors working in pre-1978 homes and childcare facilities must follow lead-safe work practices that:

- **Contain the work area.** The area must be contained so that dust and debris do not escape from the work area. Warning signs must be put up, and plastic or other impermeable material and tape must be used.
- **Avoid renovation methods that generate large amounts of lead-contaminated dust.** Some methods generate so much lead-contaminated dust that their use is prohibited. They are:
 - Open-flame burning or torching
 - Sanding, grinding, planing, needle gunning, or blasting with power tools and equipment not equipped with a shroud and HEPA vacuum attachment
 - Using a heat gun at temperatures greater than 1100°F
- **Clean up thoroughly.** The work area should be cleaned up daily. When all the work is done, the area must be cleaned up using special cleaning methods.
- **Dispose of waste properly.** Collect and seal waste in a heavy duty bag or sheeting. When transported, ensure that waste is contained to prevent release of dust and debris.

To learn more about EPA's requirements for RRP projects, visit epa.gov/getleadsafe, or read *The Lead-Safe Certified Guide to Renovate Right*.

Other Sources of Lead

Lead in Drinking Water

The most common sources of lead in drinking water are lead pipes, faucets, and fixtures.

Lead pipes are more likely to be found in older cities and homes built before 1986.

You can't smell or taste lead in drinking water.

To find out for certain if you have lead in drinking water, have your water tested.

Remember older homes with a private well can also have plumbing materials that contain lead.

Important Steps You Can Take to Reduce Lead in Drinking Water

- Use only cold water for drinking, cooking and making baby formula. Remember, boiling water does not remove lead from water.
- Before drinking, flush your home's pipes by running the tap, taking a shower, doing laundry, or doing a load of dishes.
- Regularly clean your faucet's screen (also known as an aerator).
- If you use a filter certified to remove lead, don't forget to read the directions to learn when to change the cartridge. Using a filter after it has expired can make it less effective at removing lead.

Contact your water company to determine if the pipe that connects your home to the water main (called a service line) is made from lead. Your area's water company can also provide information about the lead levels in your system's drinking water.

For more information about lead in drinking water, please contact EPA's Safe Drinking Water Hotline at 1-800-426-4791. If you have other questions about lead poisoning prevention, call 1-800 424-LEAD.*

Call your local health department or water company to find out about testing your water, or visit epa.gov/safewater for EPA's lead in drinking water information. Some states or utilities offer programs to pay for water testing for residents. Contact your state or local water company to learn more.

* Hearing- or speech-challenged individuals may access this number through TTY by calling the Federal Relay Service at 1-800-877-8339.

Other Sources of Lead, continued

- **Lead smelters** or other industries that release lead into the air.
- **Your job.** If you work with lead, you could bring it home on your body or clothes. Shower and change clothes before coming home. Launder your work clothes separately from the rest of your family's clothes.
- **Hobbies** that use lead, such as making pottery or stained glass, or refinishing furniture. Call your local health department for information about hobbies that may use lead.
- Old **toys** and **furniture** may have been painted with lead-containing paint. Older toys and other children's products may have parts that contain lead.⁴
- Food and liquids cooked or stored in **lead crystal** or **lead-glazed pottery or porcelain** may contain lead.
- Folk remedies, such as "**greta**" and "**azarcon**," used to treat an upset stomach.

⁴ In 1978, the federal government banned toys, other children's products, and furniture with lead-containing paint. In 2008, the federal government banned lead in most children's products. The federal government currently bans lead in excess of 100 ppm by weight in most children's products.

For More Information

The National Lead Information Center

Learn how to protect children from lead poisoning and get other information about lead hazards on the Web at epa.gov/safewater and hud.gov/lead, or call **1-800-424-LEAD (5323)**.

EPA's Safe Drinking Water Hotline

For information about lead in drinking water, call **1-800-426-4791**, or visit epa.gov/lead for information about lead in drinking water.

Consumer Product Safety Commission (CPSC) Hotline

For information on lead in toys and other consumer products, or to report an unsafe consumer product or a product-related injury, call **1-800-638-2772**, or visit CPSC's website at cpsc.gov or saferproducts.gov.

State and Local Health and Environmental Agencies

Some states, tribes, and cities have their own rules related to lead-based paint. Check with your local agency to see which laws apply to you. Most agencies can also provide information on finding a lead abatement firm in your area, and on possible sources of financial aid for reducing lead hazards. Receive up-to-date address and phone information for your state or local contacts on the Web at epa.gov/safewater, or contact the National Lead Information Center at **1-800-424-LEAD**.

Hearing- or speech-challenged individuals may access any of the phone numbers in this brochure through TTY by calling the toll-free Federal Relay Service at **1-800-877-8339**.

U. S. Environmental Protection Agency (EPA)

Regional Offices

The mission of EPA is to protect human health and the environment. Your Regional EPA Office can provide further information regarding regulations and lead protection programs.

Region 1 (Connecticut, Massachusetts, Maine, New Hampshire, Rhode Island, Vermont)

Regional Lead Contact
U.S. EPA Region 1
5 Post Office Square, Suite 100, OES 05-4
Boston, MA 02109-3912
(888) 372-7341

Region 2 (New Jersey, New York, Puerto Rico, Virgin Islands)

Regional Lead Contact
U.S. EPA Region 2
2890 Woodbridge Avenue
Building 205, Mail Stop 225
Edison, NJ 08837-3679
(732) 321-6671

Region 3 (Delaware, Maryland, Pennsylvania, Virginia, DC, West Virginia)

Regional Lead Contact
U.S. EPA Region 3
1650 Arch Street
Philadelphia, PA 19103
(215) 814-2088

Region 4 (Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee)

Regional Lead Contact
U.S. EPA Region 4
AFC Tower, 12th Floor, Air, Pesticides & Toxics
61 Forsyth Street, SW
Atlanta, GA 30303
(404) 562-8998

Region 5 (Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin)

Regional Lead Contact
U.S. EPA Region 5 (DT-8J)
77 West Jackson Boulevard
Chicago, IL 60604-3666
(312) 886-7836

Region 6 (Arkansas, Louisiana, New Mexico, Oklahoma, Texas, and 66 Tribes)

Regional Lead Contact
U.S. EPA Region 6
1445 Ross Avenue, 12th Floor
Dallas, TX 75202-2733
(214) 665-2704

Region 7 (Iowa, Kansas, Missouri, Nebraska)

Regional Lead Contact
U.S. EPA Region 7
11201 Renner Blvd.
WWPD/TOPE
Lenexa, KS 66219
(800) 223-0425

Region 8 (Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming)

Regional Lead Contact
U.S. EPA Region 8
1595 Wynkoop St.
Denver, CO 80202
(303) 312-6966

Region 9 (Arizona, California, Hawaii, Nevada)

Regional Lead Contact
U.S. EPA Region 9 (CMD-4-2)
75 Hawthorne Street
San Francisco, CA 94105
(415) 947-4280

Region 10 (Alaska, Idaho, Oregon, Washington)

Regional Lead Contact
U.S. EPA Region 10
Solid Waste & Toxics Unit (WCM-128)
1200 Sixth Avenue, Suite 900
Seattle, WA 98101
(206) 553-1200

Consumer Product Safety Commission (CPSC)

The CPSC protects the public against unreasonable risk of injury from consumer products through education, safety standards activities, and enforcement. Contact CPSC for further information regarding consumer product safety and regulations.

CPSC

4330 East West Highway
Bethesda, MD 20814-4421
1-800-638-2772
cpsc.gov or saferproducts.gov

U. S. Department of Housing and Urban Development (HUD)

HUD's mission is to create strong, sustainable, inclusive communities and quality affordable homes for all. Contact HUD's Office of Healthy Homes and Lead Hazard Control for further information regarding the Lead Safe Housing Rule, which protects families in pre-1978 assisted housing, and for the lead hazard control and research grant programs.

HUD

451 Seventh Street, SW, Room 8236
Washington, DC 20410-3000
(202) 402-7698
hud.gov/offices/lead/

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IMPORTANT!

Lead From Paint, Dust, and Soil in and Around Your Home Can Be Dangerous if Not Managed Properly

- Children under 6 years old are most at risk for lead poisoning in your home.
- Lead exposure can harm young children and babies even before they are born.
- Homes, schools, and child care facilities built before 1978 are likely to contain lead-based paint.
- Even children who seem healthy may have dangerous levels of lead in their bodies.
- Disturbing surfaces with lead-based paint or removing lead-based paint improperly can increase the danger to your family.
- People can get lead into their bodies by breathing or swallowing lead dust, or by eating soil or paint chips containing lead.
- People have many options for reducing lead hazards. Generally, lead-based paint that is in good condition is not a hazard (see page 10).

SECTION K

CERTIFICATIONS

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CERTIFICATION OF SPONSOR AND SPONSOR'S PRINCIPALS PURSUANT TO SECTIONS
20.2 (c) AND 20.4 (b) OF THE REGULATIONS GOVERNING THE CONVERSION OF
NEWLY CONSTRUCTED, VACANT OR NON-RESIDENTIAL CONDOMINIUMS, ISSUED
PURSUANT TO GENERAL BUSINESS LAW ARTICLE 23-A, AS AMENDED

Re: 286 1st Street Condominium
286 1st Street, Brooklyn, NY 11215

We are the sponsor and the principals of the sponsor of the condominium offering plan for the captioned property. We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20 and such other laws and regulations as may be applicable.

We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the offering plan does, and that documents submitted hereafter by us which amend or supplement the offering plan will:

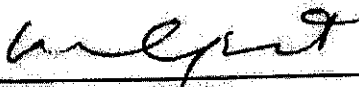
- (i) set forth the detailed terms of the transaction and be complete, current and accurate;
- (ii) afford potential investors, purchasers and participants adequate basis upon which to found their judgment;
- (iii) not omit any material fact;
- (iv) not contain any untrue statement of a material fact;
- (v) not contain any fraud, deception, concealment, or suppression, false pretense or fictitious or pretended purchase or sale;
- (vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) not contain any representation or statement which is false, where we:
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to ascertain the truth; or
 - (d) did not have knowledge concerning the representations or statement made;

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

[Signature page for Certification of Sponsor and Sponsor's Principals]

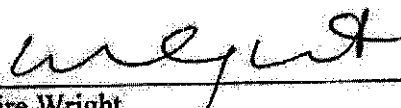
286 1st St LLC

By Cortina Properties LLC, Managing Member

By: 
Name: Claire Wright
Title: Member

Sworn to before me this
22nd day of April, 2024


Notary Public


Claire Wright

Sworn to before me this
22nd day of April, 2024

Thomas Panitz

Notary Public

GUILLERMO JOSE SANTIAGO
Notary Public, State of New York
No. 02SA6277506
Qualified in Kings County
Commission Expires 08/22/2025
2025

[Signature page for Certification of Sponsor and Sponsor's Principals]

286 1st St LLC

By Cortina Properties LLC, Managing Member

By: _____

Name: Claire Wright

Title: Member

Sworn to before me this
22nd day of April, 2024

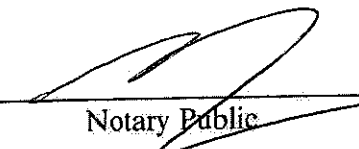
Claire Wright

Notary Public

Sworn to before me this
22nd day of April, 2024



Thomas Panitz



Notary Public

GUILLERMO JOSE SANTIAGO
Notary Public, State of New York
No. 02SA6277505
Qualified in Kings County
Commission Expires 09/22/2024
2025

CERTIFICATE OF SPONSOR'S ARCHITECT PURSUANT TO PART 20
OF THE REGULATIONS OF THE DEPARTMENT OF LAW PURSUANT
TO GENERAL BUSINESS LAW ARTICLE 23-A AS AMENDED

Re: 286 1st Street
Brooklyn, New York

The sponsor of the offering plan to convert the captioned property to condominium ownership retained me to prepare a report describing the construction of the property (the "Report"). I prepared and examined the building plans and specifications dated as follows:

General Construction:	Approved 6/8/2024	Amended 7/3/2024
Structural	Approved 7/19/2023	Amended 1/5/2024
Foundation	Approved 7/28/2023	Amended 1/4/2024
Mechanical	Approved 6/2/2023	Amended 7/10/2023
Plumbing	Approved 6/23/2023	Amended 7/11/2024

and prepared the Report dated July 22, 2024, a copy of which is intended to be incorporated into the Offering Plan so that prospective Purchasers may rely on the Report.

I am a registered architect in the State in which the property is located.

I understand that I am responsible for complying with article 23-A of the General Business Law and the regulations promulgated by the Office of the Attorney General in Part 20 insofar as they are applicable to this Report.

I have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

I certify that the Report:

- (i) sets forth in narrative form the description and/or physical condition of the entire property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I examined;
- (ii) in my professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I examined;
- (iii) does not omit any material facts;
- (iv) does not contain any untrue statement of material fact;

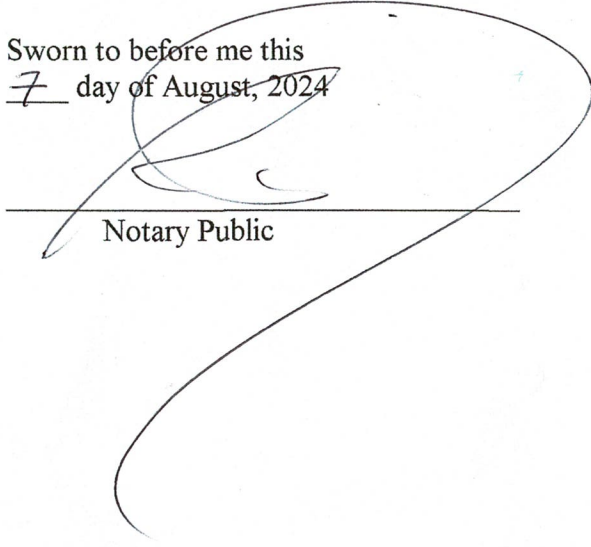
- (v) does not contain any fraud, deception, concealment, or suppression.
- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) does not contain any representation or statement which is false, where I:
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to ascertain the truth; or
 - (d) did not have knowledge concerning the representation or statement made.

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



Thomas Barry, R.A.

Sworn to before me this
7 day of August, 2024



Notary Public

RICHARD MAURO
Notary Public State of New York
No. 01MA4966164
Qualified in Kings County
Commission Expire 04/30/2024

CERTIFICATION BY EXPERT ON ADEQUACY OF BUDGET PURSUANT TO PART 20 OF
THE REGULATIONS OF THE DEPARTMENT OF LAW PURSUANT TO GENERAL
BUSINESS LAW ARTICLE 23-A, AS AMENDED

Re: 286 1st Street
Brooklyn, New York

The sponsor of the condominium offering plan for the captioned property retained my firm to review Schedule B and Schedule B-1, containing projections of income and expenses for the first year of condominium operation and of utility costs for individual units. First Class Management, Inc. has been in business for over 15 years and our experience in this field includes managing the following properties:

Stanton on Sixth Condominium, 696 6th Avenue, Brooklyn, NY *(Managed since 12/2018)*

438 Humboldt Street Condominium, 438 Humboldt Street, Brooklyn, NY *(Managed since 11/2019)*

102 Huron Street Condominium, 102 Huron Street, Brooklyn, NY *(Managed since 10/2020)*

84 Oak Street Condominium, 84 Oak Street, Brooklyn, NY *(Managed since 12/2018)*

The Shangri-La No3. Condominium, 31-18 Union Street, Flushing, NY *(Managed since 6/2017)*

Milana Condominium, 106-20 70th Avenue, Forest Hills, NY *(Managed since 8/2015)*

102-10 Metropolitan Avenue, Forest Hills, NY 11375 *(Managed since 8/2010)*

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to Schedule B and Schedule B-1.

I have reviewed the Schedules and investigated the facts set forth in the Schedules and the facts underlying them with due diligence in order to form a basis for this certification. I also have relied on our experience in managing residential buildings.

I certify that the projections in Schedule B and Schedule B-1 appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

I certify that the Schedules:

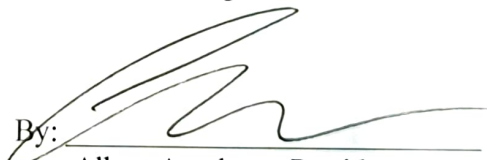
- (i) set forth in detail the projected income and expenses for the first year of condominium operation;
- (ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;
- (iii) do not omit any material fact;

- (iv) do not contain any untrue statement of a material fact;
- (v) do not contain any fraud, deception, concealment, or suppression;
- (vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) do not contain any representation or statement which is false, where I:
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to ascertain the truth; or
 - (d) did not have knowledge concerning the representation or statement made.

I further certify that my firm is not owned or controlled by the sponsor. I understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. I understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law."

First Class Management, Inc.

By: 
Albert Aranbaev, President

Sworn to before me this
25th day of April, 2024


Notary Public

DIYANA PINHASOV
Commissioner of Deeds, City of New York
No. 4-10319
Cert. Filed in Queens County
Commission Expires on 09-01-20 25

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