SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

BOARD OF MANAGERS OF THE 443 GREENWICH STREET CONDOMINIUM, on behalf of itself and on behalf of each individual unit owner,

Plaintiff,

vs.

SGN 443 GREENWICH STREET OWNER LLC, SGN 443 GREENWICH STREET FEE OWNER LLC, SGN 443 Greenwich Street Associates LLC, JS Greenwich LLC, NB 443 Greenwich Street LLC, NATHAN BERMAN, JACK BERMAN, MARC L. FRIED, GREENWICH 2D LLC, GREENWICH 4D LLC, GREENWICH 4H LLC, GREENWICH 3F LLC, GREENWICH 4E LLC, GREENWICH 2F LLC, GREENWICH PHD LLC, AVERY TRUST, CETRA/CRI ARCHITECTURE PLLC, CETRARUDDY ARCHITECTURE D.P.C., and JOHN A. CETRA,

Defendants.

Index No. 656934/2021

AMENDED COMPLAINT

Plaintiff Board of Managers (the "Board" or "Plaintiff") of the 443 Greenwich Street Condominium (the "Condominium"), by its attorneys Stroock & Stroock & Lavan LLP, on behalf of itself and on behalf of each individual unit owner (the "Unit Owners") as and for its complaint, alleges as follows:

NATURE OF THE ACTION[1]

1. This action arises from the Sponsor Defendants' attempt to convert a 130 year old factory into an ultra-luxurious residential condominium.

[1] The capitalized terms used but not defined in this section have the meanings ascribed to them in subsequent sections.

2. The Sponsor Defendants heavily marketed the Building as meticulously renovated apartments of unparalleled luxury, while charging millions of dollars—sometimes tens of millions—per Unit to consumers. Ultimately, the Sponsor Defendants did not even uphold their basic promise to deliver a property that was consistent with the Offering Plan, local industry standards, and all applicable codes and regulations.

3. Indeed, defects and code violations are present throughout the Building, including but not limited to, the roof, the parapets, the exterior walls, the interior walls, the Unit interiors, the public corridors, the public passageways, the stairs, the doors, the exterior windows, the interior windows, the electrical system, the heating system, the ventilation system, the air conditioning system, the drainage system, and the plumbing system.

4. The stark contrast between what the Sponsor Defendants promised to provide and what Plaintiff and the individual Unit Owners actually received is exemplified by the Building's penthouses. The penthouses were marketed as the crown jewel of the Building. The Offering Plan promised the construction of an entirely new penthouse floor consisting of eight penthouses, each including a landscaped terrace providing over 1,000 square feet of outdoor space and over 5,000 square feet of interior space, all under a state of the art "green" living roof.

5. Plaintiff quickly discovered that the Sponsor Defendants' construction of the penthouses fell well short of what was promised, or even the bare minimum acceptable standards of the industry. The penthouses' new roof and walls were not built in accordance with the specifications of the Offering Plan, were not properly installed, and were not adequate for their intended purpose.

6. As a result of the Sponsor Defendants' shoddy construction, the penthouses' roof and walls are literally falling apart, just five years after the Sponsor Defendants supposedly

completed the renovation of the Building. Specifically, the penthouse walls and roof are leaking and there are loose bricks in the parapet walls surrounding the penthouses.

7. Plaintiff has also discovered that the Sponsor Defendants did not just break their promise to renovate and construct the Building in accordance with the Offering Plan, they also breached their obligation to pay for the construction. Indeed, it is now clear that when the Sponsor Defendants were members of the Board, they misused the repairs and maintenance budget to pass on the cost of constructing the Building to the Unit Owners, in breach of their fiduciary duties to the Condominium.

8. To make matters worse, the Sponsor Defendants cannot even be bothered to fulfill one of the most basic responsibilities of a residential developer: obtaining a permanent certificate of occupancy. The Offering Plan, in no uncertain terms, required the Sponsor Defendants to obtain a permanent certificate of occupancy by June 16, 2018. It has now been over three years since this deadline expired and five years since the Sponsor Defendants supposedly completed construction of the Building, and the Sponsor Defendants still have not even applied for a permanent certificate of occupancy.

9. Plaintiff brings this action to remedy defendants' wrongful conduct, to obtain redress for the defective conditions throughout the Building, and to hold the Sponsor and its principals, affiliates, agents, and design professionals accountable for a Building that falls far short of what it was promised to be.

PARTIES

10. The Condominium is located at 443 Greenwich Street, New York, NY, 10013 (the "Building"). The Board consists of the duly elected members of the Condominium's board of managers, and is charged, pursuant to the Condominium's By-Laws (the "By-Laws"),

with governing the affairs of the Condominium. The Condominium is an unincorporated association formed pursuant to Article 9-B of the New York Real Property Law. The Declaration of Condominium was filed and recorded in the Office of the City Register of the City of New York at CRFN 2016000198883; the First Amendment to Declaration was filed and recorded at CRFN 2016000233049; and the Second Amendment to Declaration was filed and recorded at CRFN 2021000169362 (collectively, the "Declaration"). The Board brings this action on behalf of the Condominium and the Building's unit owners (the "Unit Owners," and each unit of the Building, a "Unit") pursuant to New York Real Property Law § 339-dd and Article II, Section 3 of the By-Laws.

11. SGN 443 Greenwich Street Owner LLC ("443 Owner LLC") was the sponsor/developer of the Condominium. It is a limited liability company formed pursuant to the laws of the State of New York on April 17, 2012. It maintains an office address at 5 Hanover Square, 3rd Floor, New York, NY 10004, care of Metro Loft Management, LLC.

12. SGN 443 Greenwich Street Fee Owner LLC ("443 Fee LLC") is the sponsor/developer of the Condominium. It is a Delaware limited liability company authorized to do business in the State of New York. On or about September 23, 2014, 443 Owner LLC deeded the Building to 443 Fee LLC and 443 Fee LLC became the new substituted sponsor/developer of the Condominium. 443 Fee LLC is 100% owned by 443 Owner LLC. It maintains an office address at 5 Hanover Square, 3rd Floor, New York, NY 10004, care of Metro Loft Management, LLC. 443 Greenwich Owner LLC and 443 Fee LLC shall collectively be referred to herein as, the "Sponsor."

13. SGN 443 Greenwich Street Associates LLC is the sole member of 443 Owner LLC. It is a New York limited liability company formed on May 10, 2012. It maintains an office address at 40 Wall Street, Suite 1706, New York, NY 10005, care of Metro Loft Management, LLC.

14. JS Greenwich LLC is the non-managing member of SGN 443 Greenwich Street Associates LLC. It is a limited liability company formed pursuant to the laws of Delaware on April 30, 2012. It maintains an office address at 2-15 149th St., Whitestone, New York, 11357.

15. NB 443 Greenwich Street LLC (collectively with SGN 443 Greenwich Street Associates LLC and JS Greenwich LLC, the "Sponsor's Related Member Entities") is the managing member of SGN 443 Greenwich Street Associates LLC. It is a New York limited liability company formed on May 10, 2012. It maintains an office address at 5 Hanover Square, 3rd Floor, New York, NY 10004, care of Metro Loft Management.

16. Nathan Berman is identified in the Offering Plan as a principal and/or officer of the Sponsor and NB 443 Greenwich Street LLC. He is a resident of the State of New York. Nathan Berman maintains an office address at 5 Hanover Square, 3rd Floor, New York, NY 10004, care of Metro Loft Management, LLC. Nathan Berman is also a former member of the Board that managed the Building prior to the Sponsor transferring management of the Building to the current Board.

17. Jack Berman is identified in the Offering Plan as a principal and/or officer of the Sponsor and NB 443 Greenwich Street LLC. He is a resident of the State of New York. Jack Berman maintains an office address at 5 Hanover Square, 3rd Floor, New York, NY 10004, care of Metro Loft Management, LLC. Jack Berman is also a former member of the Board that managed the Building prior to the Sponsor transferring management of the Building to the current Board.

18. Marc L. Fried (together with the Sponsor, the Sponsor's Related Member Entities, Nathan Berman, and Jack Berman, the "Sponsor Defendants," and together with Nathan Berman and Jack Berman, the "Sponsor's Principals") is an active principal and/or officer of the Sponsor and NB 443 Greenwich Street LLC. He is a resident of the State of New York. Marc L. Fried maintains an office address at 5 Hanover Square, 3rd Floor, New York, NY 10004, care of Metro Loft Management, LLC. Marc L. Fried is also a former member of the Board that managed the Building prior to the Sponsor transferring management of the Building to the current Board.

19. Cetra/CRI Architecture PLLC is a professional limited liability company formed pursuant to the laws of New York on or about December 22, 2015. It maintains an office at 584 Broadway, Room 401, New York, New York 10012.

20. CetraRuddy Architecture D.P.C. is a design professional corporation formed pursuant to the laws of New York on or about September 19, 1988. It maintains an office at 584 Broadway, Room 401, New York, New York 10012.

21. John A. Cetra (collectively with Cetra/CRI Architecture PLLC and CetraRuddy Architecture D.P.C., the "Architect Defendants") is a registered architect in the State of New York and a principal of Cetra/CRI Architecture PLLC. Upon information and belief, John A. Cetra is a resident of New York and maintains an office at 584 Broadway, Room 401, New York, New York 10012.

22. Greenwich 2D LLC is the current or former owner of apartment 2D in the Building. It is a New York limited liability company. It maintains an office address at 5 Hanover Square, 3rd Floor, NY, NY 10004, care of Metro Loft Management, LLC.

23. Greenwich 4D LLC is the current or former owner of apartment 4D in the Building. It is a New York limited liability company. It maintains an office address at 5 Hanover Square, 3rd Floor, NY, NY 10004, care of Metro Loft Management, LLC.

24. Greenwich 4H LLC is the current or former owner of apartment 4H in the Building. It is a New York limited liability company. It maintains an office address at 5 Hanover Square, 3rd Floor, NY, NY 10004, care of Metro Loft Management, LLC.

25. Greenwich 3F LLC is the current or former owner of apartment 3F in the Building. It is a New York limited liability company. It maintains an office address at 40 Wall Street, 17th Floor, NY, NY 10004, care of Metro Loft Management, LLC.

26. Greenwich 4E LLC is the current or former owner of apartment 4E in the Building. It is a New York limited liability company. It maintains an office address at 928 Broadway, Suite 1005, NY, NY 10010, care of Courtney Management LLC.

27. Greenwich 2F LLC is the current or former owner of apartment 2F in the Building. It is a New York limited liability company. It maintains an office address at 928 Broadway, Suite 1005, NY, NY 10010, care of Courtney Management LLC.

28. Greenwich PHD LLC is the current or former owner of apartment PHD in the Building. It is a New York limited liability company. It maintains an office address at 928 Broadway, Suite 1005, NY, NY 10010, care of Courtney Management LLC.

29. Avery Trust (collectively with Greenwich 2D LLC, Greenwich 4D LLC, Greenwich 4H LLC, Greenwich 3F LLC, Greenwich 4E LLC, Greenwich 2F LLC, and Greenwich PHD LLC, the "Related Entity Unit Owners") represents itself to be the current or former owner of apartments 2D, 2F, 4E, 4H, and PHD in the Building. Avery Trust further represents itself to

be the sole member and owner of the limited liability companies that currently or formerly owned apartments 2D, 2F, 4E, 4H, and PHD in the Building.

BACKGROUND

History of the Building

30. The Building was originally constructed in 1883. During most of its history, the Building was occupied by various manufacturing and commercial uses including: a belt and bag factory; printers, publishers, and silk printing; a jewelry business; a photography business; a hardware corporation; motor production; metal spinning; steel wool manufacturing; toy manufacturing; an electrical supply company; a die cutting service; a watch band company; metal stamping; an asbestos and rubber company; an engraving company; and art studios. By the early 1990s, the Building was utilized as office space and was vacated on or about 2007.

31. Pursuant to public records, the Sponsor Defendants purchased the Building on or about July 19, 2012, for approximately $150 million.

The Offering Plan

32. The Sponsor Defendants filed the Offering Plan for the Condominium on or about July 1, 2014 (the "Offering Plan").

33. The Offering Plan set forth that the Sponsor Defendants were converting the Building to residential use, gut renovating all seven stories of the Building (including the cellar level), and constructing an entirely new penthouse level. Upon completion, the renovated Building would consist of 45 residential loft spaces, eight residential penthouses, a fitness room, an indoor pool, a wine cellar, storage rooms, a parking garage, and mechanical rooms.

34. In the Offering Plan, the Sponsor Defendants made myriad promises and representations regarding the Building and their renovation thereof. For example, the Sponsor Defendants promised, *inter alia*, that:

a. the entire Building would be "completely gut renovat[ed];"

b. "[t]he Sponsor will diligently, expeditiously and at Sponsor's own cost, complete the construction of the Units and Common Elements substantially in accordance with the plans and specifications" described in the Offering Plan; and

c. "any work shall be comparable to local standards customary in the particular trade and shall be done in accordance with (i) all applicable codes, and (ii) approved plans and specifications for the Building."

35. The Sponsor's Principals also certified that the Offering Plan would:

a. "set forth the detailed terms of the transaction and be complete, current and accurate;"

b. "afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;"

c. "not omit any material fact;"

d. "not contain any untrue statement of a material fact;"

e. "not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;"

f. "not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;" and

g. "not contain any representation or statement which is false, where [the Sponsor's Principals]: (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."

36. The Sponsor Defendants also explicitly adopted a report prepared by the Architect Defendants (the "Description of Property and Specifications"), which was incorporated into the Offering Plan's terms.

37. The Architect Defendants certified that the Description of Property and Specifications:

a. "sets forth in narrative form the description and/or physical condition of the entire Property as it will exist upon completion of construction and/or renovation, provided that construction and/or renovation is in accordance with the plans and specifications that we examined;"

b. "in our professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the Property as it will exist upon completion of construction and/or renovation in accordance with the plans and specifications that we examined;"

c. "does not omit any material fact;"

d. "does not contain any untrue statement of a material fact;"

e. "does not contain any fraud, deception, concealment, or suppression;"

f. "does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;"

g. does not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representations or statement made."

38. In the Offering Plan, the Sponsor also represented and obligated itself to deliver to the Board a set of final architectural plans, manufacturer's warranties for any equipment and appliances installed in the Building, and any maintenance manuals for the mechanical systems and equipment in the Building upon completion of the project.

39. Despite due demand, and in breach of its obligation under the Offering Plan, the Sponsor has failed and refused to deliver to the Board a complete set of the final architectural plans, certain maintenance manuals for the mechanical systems and equipment in the Building (including the maintenance manual for the green roof), and certain manufacturer's warranties for equipment and appliances installed in the Building.

40. In fact, Plaintiff has been unable to obtain a complete set of the "as-built" architectural plans from the from the DOB. Upon information and belief, this is because the Sponsor and/or the Architect Defendants failed to file a complete set of the "as-built" architectural plans with the DOB.

The Marketing and Sale of Condominium Units

41. Using the Offering Plan and the Description of Property and Specifications as promotional tools, the Sponsor Defendants commenced selling Units of the Condominium and continued selling Units of the Condominium through the completion of the Building's construction and thereafter.

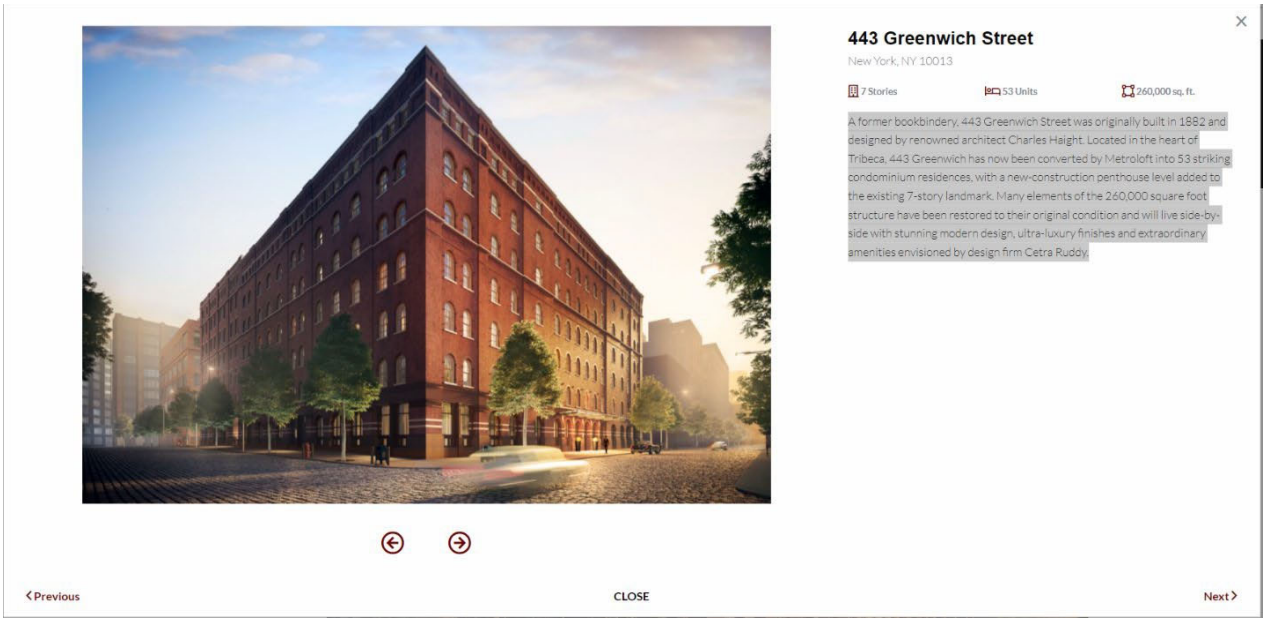
42. All of the residential Units at the Building were offered for sale by the Sponsor Defendants. The total value of the Sponsor Defendants' initial offering was $654,321,000.00. This figure was later amended to $731,398,000.00.

43. Upon information and belief, the Sponsor Defendants commissioned various marketing materials and made those materials available to the public-at-large in an effort to attract potential purchasers to the Condominium. Specifically, the Sponsor Defendants marketed the Building as being meticulously restored to provide unparalleled luxury by an elite team of architects, developers, and construction companies.

44. Even to this day, both the Sponsor Defendants and the Architect Defendants continue to tout the meticulous and "ultra-luxur[ious]" renovation and construction at the building. On the Sponsor Defendants' website, they continue to claim that the Building is:

> A former bookbindery, 443 Greenwich Street was originally built in 1882 and designed by renowned architect Charles Haight. Located in the heart of Tribeca, 443 Greenwich has now been converted by Metroloft into 53 striking condominium residences, with a new-construction penthouse level added to the existing 7-story landmark. Many elements of the 260,000 square foot structure have been restored to their original condition and will live side-by-side with stunning modern design, ultra-luxury finishes and extraordinary amenities envisioned by design firm Cetra Ruddy.[2]

[2] The language excerpted here, along with the photo below were taken from the Sponsor Defendants' website, last visited on December 10, 2021. https://metroloftnyc.com/projects/. The Architect Defendants similarly tout their work on the Building on their website, last visited on December 10, 2021. http://cetraruddy.com/project/443-greenwich



45. The first closing on the sale of a residential Unit of the Condominium occurred on or about June 16, 2016. The Sponsor Defendants have since sold each and every Unit in the Building.

46. Each Unit Owner of the Condominium who purchased a Unit from the Sponsor Defendants entered into a form written agreement with the Sponsor Defendants, as seller, for such purchase (the "Purchase Agreement").

47. The Purchase Agreement expressly provided that the Offering Plan is “incorporated herein by reference and made part of this Agreement with the same force and effect as if fully set forth herein.”

Plaintiff’s Investigation of the Building’s Conditions

48. In the summer of 2020, the owners of two penthouses discovered leaks in their Units.

49. While most of the Building was purportedly “gut renovated,” the penthouse level was entirely new construction executed by and under the direction of the Sponsor Defendants.

50. The Sponsor Defendants were immediately put on notice of these leaks but the Sponsor Defendants failed to take any action with respect to the leaks.

51. In the Summer of 2020, the Board retained Howard L. Zimmerman, Architects, P.C. ("HLZA") to investigate the leaks in the penthouse Units.

52. From the Summer of 2020 through the Summer and Fall of 2021, HLZA conducted dozens of on-site inspections of the Building. While HLZA initially focused its investigation on the leaks to Penthouses H and G, HLZA ultimately performed a thorough examination and investigation of the entire Building.

53. HLZA determined that the Sponsor Defendants' renovation and construction of the Building was riddled with defective and unsafe conditions, some of which HLZA considers life threatening. The defects were not just limited to the Penthouses but could be found in nearly every aspect of the Building.

54. As set forth further below, these defects reveal that the Sponsor Defendants failed to renovate and construct the Building as promised in the Offering Plan, failed to adhere to the relevant codes and regulations, and failed to renovate and construct the Building in a manner that is comparable to local standards.

Conditions and Features that Deviate Materially from Promises in the Offering Plan

55. In the Offering Plan, the Sponsor promised to complete the renovation and construction of the Building in accordance with the plans and specifications described in the Offering Plan (including the Description of Property and Specifications) and approved for the Building.

56. The Sponsor deviated from the Offering Plan with respect to numerous aspects of the Building.

57. Sponsor installed materials, fixtures, appliances and/or equipment which were of materially worse quality and design than those promised in the Offering Plan.

58. Sponsor also utilized construction procedures that were materially worse than those promised in the Offering Plan.

59. Specifically, the Offering Plan promised that an entirely new penthouse floor above the existing roof level would be constructed. The Offering Plan further indicated that a cavity wall system consisting of long thin brick, 2 inches of air space, 2 inches of insulation, water, and an air barrier tied back to a metal framed wall would all be constructed. However, the wall construction was not built in accordance with the Offering Plan. For example, in certain areas, the wall is missing insulation and/or the anchorage spacing exceeds the amount specified in the Offering Plan—material deviations from the Offering Plan.

60. The Penthouse walls that were constructed are of materially worse quality than those promised in the Offering Plan and do not comply with local industry standards. Specifically, the Penthouse walls suffer from the following defects:

a. The bricks were installed over an uneven mortar bed (causing the bricks to sit unevenly), were laid over an inconsistent and apparent improperly mixed mortar that appears to have been installed too dry and finished with raked joints set overly deep. Further there is a significant amount of voids and porosity in the final cured surface of bed and head joints. Such defective conditions have caused, and will continue to cause, excessive water infiltration within the masonry as well as entrapped water which will cause subsequent freeze and thaw damage leading to premature deterioration including cracking/spalling of masonry throughout the wall. These defects

will also invite water to enter the wall more than intended exacerbating defects in the underlying cavity waterproofing increasing the severity of damage and leaks into the penthouse units.

b. The wall's cavity is clogged full with debris, and the mortar net does not work as intended.

c. The hardboard insulation is missing from one side of the wall.

d. The brick ties were installed too far apart, which leads to a structural failure of the wall, and if the brick joints deteriorate, the bricks will get loose and might dislodge.

e. The cavity wall waterproofing behind the insulation is a self-adhesive, flexible membrane for air and vapor barrier applications, which is not recommended for vertical applications. The waterproofing also has cuts, holes, sags, and open lapping joints. The cumulative defects allow water to enter behind and saturate the substrate materials.

61. The Offering Plan also promised to demolish the Building's existing roof and to replace it with an entirely new penthouse level, equipped with a brand new green roof. Specifically, the Offering Plan stipulates that the Sponsor Defendants will provide a new roof consisting of (a) a vapor barrier over the structural concrete; (b) a taper insulation cover; (c) a liquid roofing Membrane ALT or Kemper; (d) a drainage board; (e) a rigid insulation and filter fabric, and (f) a finished overburden varies from a green roof, pavers, or an SBS granulated cap sheet.

62. The roof described in the Offering Plan, however, was not provided by the Sponsor Defendants. Instead, in breach of the Offering Plan, the Sponsor Defendants installed (a) one layer

of reinforced hot asphalt roofing membrane serving as a vapor barrier over the structural concrete; (b) one layer of asphalt membrane with sand granules serving as a protection sheet; (c) a drainage mat; (d) two layers of one and a half inch insulation; and (e) an overburden.

63. The non-conforming roof installed at the Building is inadequate for its intended purpose and was improperly installed. Specifically, the roof and installation are defective in the following ways:

a. The roofing system is not water-tight, and water gets under the vapor barrier. The leaking water causes the concrete to saturate and the vapor barrier to de-bond from the concrete. Upon information and belief, the infiltrating water will expand to dry areas and will lead to more leaks and additional concrete damage.

b. The protecting layer was improperly installed and does not provide any water tightness and is only intended to protect the vapor barrier.

c. The drainage mat installed is a mesh diamond pattern with filter fabric on top, which has pockets that retain the water and does not allow it to flow freely. This mat is intended for elevated surfaces where the water actually filters through and not for surface drainage.

d. There is a lack of spacers at the butt joints between the insulation panels, which prevents water from draining down and eventually evacuating the roof freely.

64. The highly-touted green roof was also installed without an irrigation system, which will cause vegetation to die out and soil to erode.

65. In the Offering Plan, the Sponsor Defendants promised to repair the existing parapet wall and to install new coping stones in the parapet wall. Upon information and belief, the Sponsor Defendants also installed a new flashing membrane in the parapet wall.

66. HLZA has determined that the Sponsor Defendants' construction and renovation of the parapet wall is defective and inconsistent with the Offering Plan, the construction documents for the Building, the applicable codes and regulations, and the standards customary in the industry.

67. For example, HLZA discovered that the recently installed flashing membrane is defective, partly due to the fact that the flashing is comprised of a rubberized EPDM membrane, which is a poor material choice for a through wall flashing. The membrane has already degraded, lost adhesion, and water infiltrates through it.

68. The flashing was also improperly installed. The flashing does not extend as a monolithic barrier through the entire parapet wall thickness. Instead, the membrane terminates approximately 4 to 6 inches inboard of the wall edges on either side whereas it should have extended outward fully to the wall edges. There are also separations in the membrane at vertical wall transitions where there is no membrane present. Portions of the flashings are also buried under Riverstone, preventing proper drainage. Accordingly, water continues to penetrate past the membrane at these exposed transitions.

69. The parapet walls were also improperly repaired. Upon information and belief, the Sponsor Defendants rebuilt the interior portion of the parapet wall but did not replace the exterior portion of the wall, which appears to consist of the original wall. The construction documents for the parapet wall indicated that the existing portion of the parapet wall would be repaired and the wall's conditions evidence that repairs were attempted. However, the repairs were not done as promised, were not done in a manner that is consistent with industry standards, were poorly

applied, and were not done at all in some portions of the wall. As a result, the parapet walls are highly deteriorated. Specifically, the bricks in the parapet wall have become loose and there are open, cracked, and spalling mortar joints along the outboard parapet wall surface.

70. The Offering Plan specified various demising walls of different construction types based on their location and rating. The demising walls were not constructed per the Offering Plan, however. Specifically, some walls have been found to have defects, including missing components, inadequate components, and inappropriate or improperly installed fire blocking and firestopping materials.

71. The Offering Plan indicated that walls enclosing the children's playroom amenity space would be constructed of non-combustible construction with a two hour fire-rating and a door of 45 minutes fire resistance. Instead, the wall and door separating the children's playroom is made out of non-fire-rated glass. These doors and walls also violate the applicable codes and regulations.

72. The Offering Plan also specified that the doors leading to the gym would be constructed of non-combustible construction and have 45 minutes fire resistance. Instead, the gym is accessible from the public corridor via a glass and metal door with a glass side-lite. The glass door and side-lite do not have a fire rating tag. Upon information and belief, these doors do not meet the promised fire rating.

73. The Offering Plan further indicated that a steel, goose-neck ladder to the penthouse bulkheads would be provided. The Building does not, however, have an access ladder of any kind to the penthouse roofs, in violation of not just the Offering Plan, but also the applicable codes and regulations.

74. The Offering Plan further detailed that two switchboards with several switches of various sizes from 600 amp to 4000 amp would be provided. The switchboard that was installed at the Building has a size of only 400 amps, below the minimum promised in the Offering Plan.

75. The Offering Plan states that noise from mechanical equipment shall not exceed NC40 in occupied spaces. Several exhausts throughout the building produce excessive noise exceeding the NC40 levels set forth in the Offering Plan.

76. The Offering Plan provides that the interior residential bathrooms will be ventilated with an exhaust ventilation system. Several interior bathrooms provide little or no ventilation from the exhaust diffusers.

77. The Offering Plan further spell out that the doors leading to the garage would be made of aluminum metal with infill glass with a 45 minute fire rating. Instead, these doors are made out of glass.

78. The Offering Plan also promised to provide a properly functioning drainage system in the courtyard. The courtyard drainage system provided by the Sponsor Defendants, however, is defective, inadequate for its purpose, inconsistent with the Offering Plan, does not comply with all applicable codes and regulations, and does not meet the standard custom in the industry. As a result, the courtyard floods during times of heavy rain, damaging the Building.

79. The Sponsor knew, or should have known, that the courtyard did not have proper drainage at the time of construction. The Sponsor Defendants hired landscape architects, HM White, to design the courtyard at the Building. HM White has informed Plaintiff that they recommended that the Sponsor Defendants install additional drainage in the courtyard at the time of construction. HM White has recently inspected the Building's courtyard and informed Plaintiff

that the additional drainage was not installed and, as a result, new drains must now be installed to prevent further damage to both the Building and the courtyard.

Conditions and Features in the Building that Violate Applicable Codes and Regulations

80. In the Offering Plan, the Sponsor Defendants explicitly promised that the newly renovated Building, as well as the newly constructed areas, would be in accordance with all applicable codes, ordinances, resolutions, restrictions, and/or regulations.

81. In addition to the items set forth above, the Sponsor Defendants fell well short of this promise and delivered a Building with numerous infractions of various provisions of New York law, including, but not limited to, the New York City Building Code, the New York City Mechanical Code, the New York City Plumbing Code, the New York City Fire Code, the Rules of the City of New York, the National Electrical Code, the New York City Electrical Code, and the Occupational Health and Safety regulations.

82. In particular, certain conditions in the Building do not meet the applicable codes and regulations regarding, *inter alia*, use of fire rated materials, means of egress within and exiting the Building, ventilation of common areas, common area ceilings, and location of mechanical and electrical components (both in common areas and within Units).

83. The applicable codes and regulations also require the Building to be designed and constructed to provide minimum protection to each dwelling Unit from extraneous noises emanating from other dwelling Units and from mechanical equipment. Certain demising walls constructed by the Sponsor are damaged and/or incomplete and, as a result, fail to meet applicable standards for extraneous noise.

84. Fire-rated walls separating public corridors from the Units or accessory spaces have been found with some form of internal damage. Upon information and belief, this damage was caused during construction. Typical damage includes unfinished walls missing sections of the

gypsum board from one side, large hole cutouts, broken gypsum board, missing insulation between studs, and gypsum board that does not extend to the top and bottom of the wall. The condition exists at various locations throughout the Building.

85. The applicable codes and regulations require that the Building's windows be constructed of incombustible material because the walls are masonry-bearing walls. The Sponsor Defendants violated the applicable codes and regulations by instead installing flammable wooden windows in each Unit.

86. The interior side of the exterior walls were not restored in compliance with applicable codes and regulations. Upon information and belief, the Sponsor failed to restore the exterior ornamental stones and the bluestone used in the windowsill as well.

87. The Sponsor Defendants did not install the rooftop equipment properly, including per the manufacturer's requirements. The rooftop equipment is too close to each other and the perimeter walls. Consequently, the rooftop lacks clear access and service clearances to its equipment, which makes the maintenance of the roof and its equipment difficult and costly.

88. The bulkhead roofs lack fall protection guardrails in places as required by the applicable codes and regulations. The lack of railings is a hazard and could lead to personnel falling leading to a horrific injury or fatality.

Conditions and Features in the Building that are not Comparable to Local Standards

89. The Offering Plan promised that all work done to the Building would be comparable to local standards customary in the particular trade. But the Sponsor Defendants failed to do this in many respects.

90. For example, National Fire Protection Association 80 states that door gaps should not exceed 1/8" at perimeters and 3/4" at the bottom of the door. Many of the doors at the Building were not installed properly, causing tapering gaps and a lack of plumpness, and do not meet local

industry standards. The lack of plumpness will cause a door to wear and fail much sooner than anticipated and might not work correctly during the event of a fire.

91. The Sponsor installed metal counter flashings in the parapet walls and the building walls at the main roof, but failed to do so in accordance with industry standards. At some locations, the flashings are not properly terminated at the corners and at the end of walls, holes in the wall are present, and the interior waterproofing can be seen through holes in the wall. Additionally, the flashings are buried under river stone at the building walls and prevent proper drainage of the system. Industry standards require the flashing to be 8" above the exposed roof surface.

92. Many Units in the building suffer from construction defects that cause the Units to not meet the Offering Plan and/or to be constructed in accordance with local standards, particularly with regard to installation of HVAC components, failure to properly install plumbing systems or hardware (including failure to wrap pipes with sound insulation), and installation of wood components, including flooring and baseboards (which are cracking and detaching from walls, respectively).

Other Defective Conditions in the Building

93. The retaining wall to the east of the southern driveway ramp, which is a fire barrier for the fire pump room compartment, is deteriorating and leaking. Upon information and belief, the mortar joints used in this wall are original and were not addressed during the Building conversion.

94. In some instances on the cellar floor and other mechanical spaces on the roof, the fire-rated masonry walls are not constructed to full height. Consequently, a gap approximately 12 inches in height exists between the underside of the floor deck and the top of the wall. The gap is a fire hazard because it permits fire and smoke to escape the room in a fire.

95. The terrace railings consist of glass and are attached to a curb at the bottom. The terrace railings also do not include any expansion joints, and will likely lead to a breakage of the glass from movement and stress. Additionally, the bottom of the railing is buried under the paver and river stone, which could also lead to the breakage of the glass.

96. There are a number of mezzanine level mechanical rooms in the bulkhead spaces. There are ladders and platforms that gain access to the rooms. However, once on the platforms there are no railings around the platforms and could be liability for workers, staff, and contractors.

97.

The Sponsor Defendants Misused the Repairs and Maintenance Budget

98. Not only did the Sponsor Defendants fail to renovate the Building as promised in the Offering Plan, they also breached their obligation to pay for the renovation at their own cost.

99. The By-Laws of the Condominium permit the Board to assess common charges against the Unit Owners for the maintenance of the common elements and the operating costs of the Building (the "Common Charges").

100. The Sponsor's Principals were members of the Board from on or about July 2014 to May 2019.

101. During these years, the Sponsor's Principals assessed Common Charges to the Unit Owners purportedly for the maintenance of the Building.

102. Considering that the Sponsor Defendants promised to completely gut renovate the Building at the Sponsor Defendants' own costs, the amount of maintenance and other minor repair work required at the Building while the Sponsor's Principals were on the Board should have been minimal.

103. Instead, the Sponsor's Principals, while acting as members of the Board, assessed significant Common Charges upon Unit Owners for repair and maintenance work.

104. Specifically, during the years 2016, 2017, and 2018, the Sponsor's Principals, acting as members of the Board, assessed Common Charges of approximately $1 million purportedly relating to the maintenance and repair of the sprinkler system, the alarm system, the doors, the locks, the windows, the plumbing, the boiler, and the elevator.

105. These charges reflect the Sponsor's Principal's fraudulent attempt to disguise the costs of renovating the Building as Common Charges, thereby passing on the cost of the renovation to Unit Owners, in violation of the Sponsor's Principal's fiduciary duties and the Offering Plan.

The Sponsor Defendants Failed to Obtain a Permanent Certificate of Occupancy

106. Residential buildings in New York City must obtain a certificate of occupancy from the New York City Department of Buildings ("DOB") before they are occupied.

107. The DOB issues two types of certificates of occupancy: temporary certificates of occupancy ("TCO") and permanent certificates of occupancy ("PCO").

108. Generally speaking, a building may receive a TCO once it can be occupied and maintained in a manner that will not endanger public safety, health, or welfare, and a PCO may be obtained once the construction is complete and substantially conforms to the plans previously filed with the DOB. To obtain a PCO, the applicant must certify that the building has been constructed in accordance with the approved construction documents and specifications and that the building complies with all applicable laws and regulations.

109. In the Offering Plan, the Sponsor Defendants promised to "undertake the responsibility for extending each TCO received prior to the expiration thereof."

110. The Sponsor Defendants further promised to "obtain a permanent Certificate of Occupancy for the entire project within two (2) years subsequent to the First Unit Closing or at such sooner time as the temporary Certificate of Occupancy, as same may be renewed, replaced or extended, expires."

111. The first unit closed on June 16, 2016. The Sponsor Defendants therefore had until June 16, 2018 to procure a PCO.

112. The Sponsor Defendants failed to timely obtain a PCO by June 16, 2018, as required by the Offering Plan.

113. In fact, it has now been more than five years since the first unit closed and the Sponsor Defendants still has not obtained a PCO.

114. Instead of obtaining a PCO, the Sponsor Defendants obtained a TCO on or about May 27, 2016 and has renewed the TCO multiple times since then. The continued renewal of the TCO, however, does not relieve the Sponsor Defendants of its contractual duty to obtain a PCO by June 16, 2018.

115. Sponsor Defendants cannot obtain a PCO in part because Sponsor's construction and renovation of the Building violated the applicable codes and regulations.

116. There is no excuse for Sponsor Defendants' direct breaches of the Offering Plan with respect to the PCO and the TCO.

FIRST CAUSE OF ACTION
Against the Sponsor
(Breach of Contract: Damages)

117. The Board repeats and realleges all prior paragraphs.

118. Each Unit Owner of the Condominium who purchased a Unit from the Sponsor entered into a Purchase Agreement with the Sponsor, as seller, for such purchase.

119. The Purchase Agreement expressly provided that all of the terms and conditions set forth in the Offering Plan are incorporated by reference into the Purchase Agreement.

120. The Sponsor obligated itself in the Offering Plan to deliver the Building in the conditions and with the features set forth in the Offering Plan and the Description of Property and

Specifications, that the Building would not be in violation of any applicable codes and regulations, and that the work done in the Building would be comparable to the local standard customary in the industry.

121. The Sponsor breached these obligations by failing to renovate the Building in a manner that was consistent with the Offering Plan and the Description of Property and Specifications, all applicable codes and regulations, and local industry standards.

122. The Sponsor further obligated itself to completely gut renovate the Building at its own cost.

123. The Sponsor breached this promise by using Common Charges to pass on the cost of the renovation to Unit Owners.

124. Plaintiff (including each of the Unit Owners) relied on the representations made by the Sponsor in the Offering Plan and the Description of Property and Specifications prior to signing the Purchase Agreement.

125. Plaintiff (including each of the Unit Owners) has fully performed all of its obligations under the Purchase Agreement, including under the Offering Plan.

126. By reason of the aforementioned breaches of contract, the Condominium (including the Unit Owners) has been injured in a sum to be determined at trial but believed to be well in excess of $25 million, together with interest thereon, for which sum the Sponsor is liable to Plaintiff.

SECOND CAUSE OF ACTION
Against the Sponsor
(Breach of Contract: Specific Performance)

127. Plaintiff repeats and realleges all prior paragraphs.

128. Each Unit Owner of the Condominium who purchased a Unit from the Sponsor entered into a Purchase Agreement with the Sponsor, as seller, for such purchase.

129. The Purchase Agreement expressly provided that all of the terms and conditions set forth in the Offering Plan are incorporated by reference into the Purchase Agreement.

130. In the Offering Plan, the Sponsor Defendants promised to "obtain a permanent Certificate of Occupancy for the entire project within two (2) years subsequent to the First Unit Closing or at such sooner time as the temporary Certificate of Occupancy, as same may be renewed, replaced or extended, expires."

131. The first unit closed on June 16, 2016. The Sponsor Defendants therefore promised to obtain a PCO by June 16, 2018.

132. The Sponsor breached this promise by failing to timely obtain a PCO and in fact still has not obtained a PCO.

133. Plaintiff has no remedy at law for this breach.

134. The Sponsor has or had the power to obtain a PCO.

135. Plaintiff (including each of the Unit Owners) has fully performed all of its obligations under the Purchase Agreement, including under the Offering Plan.

136. Plaintiff is therefore entitled to specific performance of the Offering Plan, thereby compelling the Sponsor to obtain a PCO for the Building.

137. In the Offering Plan, the Sponsor also represented and obligated itself to deliver to the Board a set of final architectural plans, manufacturer's warranties for any equipment and appliances installed in the Building, and any maintenance manuals for the mechanical systems and equipment in the Building upon completion of the project.

138. Despite due demand, and in breach of its obligation under the Offering Plan, the Sponsor has failed and refused to deliver to the Board a complete set of the final architectural plans, certain maintenance manuals for the mechanical systems and equipment in the Building (including the maintenance manual for the green roof), and certain manufacturer's warranties for equipment and appliances installed in the Building.

139. Plaintiff is therefore entitled to specific performance of the Offering Plan, thereby compelling the Sponsor to deliver to the Board a complete set of the final architectural plans, certain maintenance manuals for the mechanical systems and equipment in the Building (including the maintenance manual for the green roof), and certain manufacturer's warranties for equipment and appliances installed in the Building.

140. If the Court should find that there is an adequate remedy at law for the Sponsor's breach of its obligation to obtain a PCO and to deliver to the Board a complete set of the final architectural plans, certain maintenance manuals for the mechanical systems and equipment in the Building (including the maintenance manual for the green roof), and certain manufacturer's warranties for equipment and appliances installed in the Building, then Plaintiff has been injured in a sum to be determined at trial but believed to be well in excess of $500,000.00, together with interest thereon, for which sum the Sponsor is liable to Plaintiff.

THIRD CAUSE OF ACTION
Against the Architect Defendants
(Violations of General Business Law §§ 349 and 350)

141. Plaintiff repeats and realleges all prior paragraphs.

142. The Sponsor Defendants and the Architect Defendants each engaged in deceptive consumer practices and false advertising, in violation of New York General Business Law §§ 349

and 350, in connection with the renovation and construction of the Building and the sale of Units of the Building.

143. The Sponsor Defendants and the Architect Defendants each disseminated advertising and promotional information that had an impact on consumers at large because such information was broadly disseminated via the internet and other media to the general public and, particularly, to those members of the general public who also were potential home buyers.

144. The Sponsor Defendants and the Architect Defendants each disseminated advertising and promotional information that was false in material ways, including, without limitation, by misrepresenting the quality of construction of the Building and its primary features.

145. The Unit Owners have been injured as a direct result of the actions of the Sponsor Defendants and the Architect Defendants by being misled into purchasing Units of the Condominium that were of a different and substandard character and quality from, and substantially less valuable than, what they reasonably believed they were purchasing.

146. By reason of such violations of New York General Business Law §§ 349 and 350 by the Sponsor Defendants and the Architect Defendants, (a) the Unit Owners have been deprived of the homes they were promised, (b) the Unit Owners have been unable to fully use or enjoy their Units for the purposes for which they were purchased, including being displaced from their units, (c) the Unit Owners' investments in their Units (including the purchase price, closing fees, and associated costs that they paid) have been wholly or partially lost, and (d) the Unit Owners and/or the Condominium have incurred and must necessarily incur additional monetary costs to remediate the defective conditions (which include violations of the applicable codes and regulations) and to repair and rehabilitate the Building.

147. Accordingly, the Sponsor Defendants and the Architect Defendants are liable to Plaintiff (including the Unit Owners) for their violations of General Business Law §§ 349 and 350, in an amount, including treble damages and attorneys' fees, to be determined at trial but believed to be well in excess of $75 million, together with interest thereon, for which sum the Sponsor Defendants and the Architect Defendants are liable to Plaintiff.

FOURTH CAUSE OF ACTION
Against the Sponsor's Related Member Entities, the Sponsor's Principals, and the Related Entity Unit Owners
(Constructive Fraudulent Conveyances While Insolvent)

148. Plaintiff repeats and realleges all prior paragraphs.

149. Based on the Sponsor's liability to the Condominium and the Unit Owners, as set forth above, the Condominium and the Unit Owners are creditors of the Sponsor.

150. Upon information and belief, the Sponsor is a single purpose entity formed and existing solely in order to serve as the sponsor/developer of the Condominium.

151. Upon information and belief, the Sponsor has no business other than to have sponsored/developed and sold Units of the Condominium.

152. Upon information and belief, the Sponsor does not have and has never had any material assets other than the Units of the Condominium it was selling pursuant to the Offering Plan, and the proceeds of the sales of such Units.

153. The Sponsor sold its first Unit of the Condominium on or about June 16, 2016. The Sponsor since sold all of the Units in the Building.

154. At the time the Sponsor began closing on its sales of Units the Sponsor was indebted to an institutional lender named Deutsche Bank AG New York (the "Lender ") and was obligated under its loan agreements with the Lender to pay a substantial amount of the sales proceeds to the Lender.

155. On or about March 22, 2017 (the "Loan Repayment Date"), the Sponsor Defendants had closed on the sales of a sufficient number of Units so as to repay the Lender in full, and the Sponsor did so.

156. After the Loan Repayment Date, the Sponsor completed additional closings on sales of Units of the Condominium.

157. Upon information and belief, as the Sponsor completed additional closings, it retained little if any of the sales proceeds, instead distributing those proceeds pro rata to the other Sponsor Defendants in accordance with their equity interests in the Sponsor and/or the Condominium (the "Equity Distributions").

158. The Equity Distributions were transfers of the property of the Sponsor.

159. The Equity Distributions were made without fair consideration.

160. The exact dates of the Equity Distributions are within the exclusive knowledge of the Sponsor Defendants and other members and/or affiliates of the Sponsor who received them.

161. Upon information and belief, among the parties who received the Equity Distributions were the Sponsor's Related Member Entities and the Sponsor's Principals.

162. The Sponsor's Principals were Sponsor designated members of the Board from on or about July 2014 to May 2019. As members of the Board, the Sponsor's Principals owed fiduciary duties to Plaintiff and the Unit Owners.

163. Shortly after the Loan Repayment Date, the Sponsor began selling units in the building to the Related Entity Unit Owners.

164. These sales were made at steep discounts to the prices listed in the Offering Plan and advertised to the public.

165. Specifically, the Sponsor sold units 2D, 4D, 4H. 3F, 4E, 2F, and PHD (the "Related Entity Units") to the Related Entity Unit Owners at a price up to 71% lower than the prices listed in the Offering Plan and advertised to the public.

166. The Sponsor Defendants listed unit 2D as having an "Offering Price" of $13,200,000 in an amendment to the Offering Plan.

167. The Sponsor Defendants publicly advertised the apartment via www.StreetEasy.com at a price of $13,000,000.

168. But on or about June 2, 2017 (less than three months after the loan was repaid), the Sponsor Defendants sold unit 2D to Greenwich 2D LLC for only $8,440,917.

169. In other words, the sale of unit 2D to Greenwich 2D LLC was made at a discount of 35% compared to the price advertised to the public on www.StreetEasy.com and 36% compared to the price listed in the amendment to the Offering Plan.

170. Greenwich 2D LLC, or its agents, submitted filings with the NYC Department of Finance that describe the sale of unit 2D as a "Sale Between Related Companies or Partners in Business."

171. The Sponsor Defendants listed unit 4D as having an "Offering Price" of $13,650,000 in an amendment to the Offering Plan.

172. The Sponsor Defendants publicly advertised the apartment via www.StreetEasy.com at a price of $12,950,000.

173. But on or about July 20, 2017, the Sponsor Defendants sold unit 4D to Greenwich 4D LLC for only $8,361,731.

174. In other words, the sale of unit 4D to Greenwich 4D LLC was made at a discount of 35% compared to the price advertised to the public on www.StreetEasy.com and 39% compared to the price listed in the amendment to the Offering Plan.

175. Greenwich 4D LLC, or its agents, submitted filings with the NYC Department of Finance that describe the sale of unit 4D as a "Sale Between Related Companies or Partners in Business."

176. The Sponsor Defendants listed unit 4H as having an "Offering Price" of $13,900,000 in an amendment to the Offering Plan.

177. The Sponsor Defendants publicly advertised the apartment via www.StreetEasy.com at the same price.

178. But on or about August 10, 2017, the Sponsor Defendants sold unit 4H to Greenwich 4H LLC for only $7,275,233.

179. In other words, the sale of unit 4H to Greenwich 4H LLC was made at a discount of 49% compared to the price advertised to the public on www.StreetEasy.com and listed in the amendment to the Offering Plan.

180. Greenwich 4H LLC, or its agents, submitted filings with the NYC Department of Finance that describe the sale of unit 4H as a "Sale Between Related Companies or Partners in Business."

181. The Sponsor Defendants listed unit 3F as having an "Offering Price" of $11,500,000 in an amendment to the Offering Plan.

182. The Sponsor Defendants publicly advertised the apartment via www.StreetEasy.com at the same price.

183. But on or about April 23, 2018, the Sponsor Defendants sold unit 3F to Greenwich 3F LLC for only $6,803,802.

184. In other words, the sale of unit 3F to Greenwich 3F LLC was made at a discount of 41% compared to the price advertised to the public on www.StreetEasy.com and listed in the amendment to the Offering Plan.

185. Greenwich 3F LLC, or its agents, submitted filings with the NYC Department of Finance that describe the sale of unit 3F as a "Sale Between Related Companies or Partners in Business."

186. The Sponsor Defendants listed unit 4E as having an "Offering Price" of $13,400,000 in an amendment to the Offering Plan.

187. The Sponsor Defendants publicly advertised the apartment via www.StreetEasy.com at the same price.

188. But on or about October 4, 2018, the Sponsor Defendants sold unit 4E to Greenwich 4E LLC for only $5,486,267.

189. In other words, the sale of unit 4E to Greenwich 4E LLC was made at a discount of 59% compared to the price advertised to the public on www.StreetEasy.com and listed in the amendment to the Offering Plan.

190. Greenwich 4E LLC, or its agents, submitted filings with the NYC Department of Finance that describe the sale of unit 4E as a "Sale Between Related Companies or Partners in Business."

191. The Sponsor Defendants listed unit 2F as having an "Offering Price" of $9,150,000 in an amendment to the Offering Plan.

192. The Sponsor Defendants publicly advertised the apartment via www.StreetEasy.com at the same price.

193. But on or about October 4, 2018, the Sponsor Defendants sold unit 2F to Greenwich 2F LLC for only $3,789,855.

194. In other words, the sale of unit 2F to Greenwich 2F LLC was made at a discount of 59% compared to the price advertised to the public on www.StreetEasy.com and listed in the amendment to the Offering Plan.

195. Greenwich 2F LLC, or its agents, submitted filings with the NYC Department of Finance that describe the sale of unit 2F as a "Sale Between Related Companies or Partners in Business."

196. The Sponsor Defendants listed unit PHD as having an "Offering Price" of $21,000,000 in an amendment to the Offering Plan.

197. The Sponsor Defendants publicly advertised the apartment via www.StreetEasy.com at a price of $20,500,000.

198. But on or about November 15, 2018, the Sponsor Defendants sold unit PHD to one of the Related Entity Unit Owners (Greenwich PHD LLC) for only $6,065,471.

199. In other words, the sale of unit PHD to one of Greenwich PHD LLC was made at a discount of 70% compared to the price advertised to the public on www.StreetEasy.com and 71% compared to the price listed in the amendment to the Offering Plan.

200. Greenwich PHD LLC, or its agents, submitted filings with the NYC Department of Finance that describe the sale of unit PHD as a "Sale Between Related Companies or Partners in Business."

201. The Related Entity Units have generated considerable profits for the Related Entity Unit Owners.

202. For example, Greenwich PHD LLC began renting out unit PHD in or about October 2018 for $60,000 a month.

203. The Related Entity Unit Owners have also sold some of the Related Entity Units at considerable profits.

204. For example, Greenwich 2F LLC began renting out unit 2F in or about July 2018 for $37,500 per month.

205. In May 2022, Greenwich 2F LLC sold the unit to a third-party for $10,700,000.

206. This sale allowed Greenwich 2F LLC to realize a profit of 282% compared to the price it paid to Sponsor approximately three and a half years earlier.

207. Upon information and belief, the Sponsor was insolvent at the time that some or all of the Equity Distributions were made and/or the Related Entity Units were sold (the "Fraudulent Conveyances"), or in making the Fraudulent Conveyances rendered insolvent.

208. Accordingly, pursuant to §§ 273, 278, and 279 of the New York Debtor and Creditor Law ("DCL"), the Condominium (including the Unit Owners) is entitled to set aside the Fraudulent Conveyances, and the Sponsor's Related Member Entities, the Sponsor's Principals, and the Related Entity Unit Owners are each liable to Plaintiff for the Fraudulent Conveyances.

FIFTH CAUSE OF ACTION
Against the Sponsor's Related Member Entities, the Sponsor's Principals, and the Related Entity Unit Owners
(Constructive Fraudulent Conveyances Causing Unreasonably Small Capital)

209. Plaintiff repeats and realleges all prior paragraphs.Upon information and belief, some or all of the Fraudulent Conveyances were made while the Sponsor was engaged in, or was

about to be engaged in, a business or transaction for which the property remaining in its hands after such distribution would leave it with an unreasonably small amount of capital.

210. For example, before the Lender was repaid, the Sponsor set aside $38 million in reserves to obtain a PCO.

211. Three months after the loan was repaid (approximately the same time the Sponsor Defendants started selling units to the Related Entity Unit Owners), Sponsor reduced this amount to $3 million.

212. By December 2019, Sponsor only had $500,000 in reserves to obtain a PCO.

213. This amount is insufficient for the Sponsor to obtain a PCO in light of the many code violations in the Building.

214. The Sponsor is contractually obligated by the Offering Plan to obtain a PCO.

215. Therefore, the Fraudulent Conveyances left the Sponsor with unreasonably small capital to cover its obligations.

216. Accordingly, pursuant to DCL §§ 274, 278, and 279, the Condominium (including the Unit Owners) is entitled to set aside the Fraudulent Conveyances, and the Sponsor's Related Entities, the Sponsor's Principals, and the Related Entity Unit Owners are each liable to Plaintiff for the Fraudulent Conveyances.

SIXTH CAUSE OF ACTION

Against the Related Entity Unit Owners
(Actual Fraudulent Conveyance While Insolvent)

217. Plaintiff repeats and realleges all prior paragraphs.

218. Shortly after the Lender was repaid, the Sponsor began selling the Related Entity Units to the Related Entity Unit Owners.

219. The Related Entity Unit Owners are related companies or partners in business of the Sponsor.

220. The Sponsor sold the Related Entity Units to the Related Entity Unit Owners at steep discounts to the actual value of the Related Entity Units.

221. More specifically, the Sponsor sold the Related Entity Units to the Related Entity Unit Owners for up to 71% lower than the prices listed in the Offering Plan and advertised to the public.

222. The Sponsor sold the Related Entity Units to the Related Entity Unit Owners with actual intent to hinder, delay, or defraud the Sponsor's creditors.

223. The Sponsor's sale of the Related Entity Units exhibit several badges of fraud.

224. Specifically:

a. the Related Entity Units were transferred between parties with a close relationship;

b. the Related Entity Units were transferred for inadequate consideration; and

c. the Sponsor Defendants retained control of the Related Entity Units after they were transferred.

225. Accordingly, pursuant to §§ 276, 278, and 279 of the DCL, the Condominium (including the Unit Owners) is entitled to set aside the Fraudulent Conveyances and the Related Entity Unit Owners are each liable to Plaintiff for the Related Entity Units, plus attorneys' fees.

SEVENTH CAUSE OF ACTION
Against the Architect Defendants
(Fraudulent Inducement)

226. Plaintiff repeats and realleges all prior paragraphs.

227. The Architect Defendants signed and swore to a certification (the "Architect's Certification") in the Offering Plan and amendments to the Offering Plan.

228. The Architect's Certification contains express representations by the Architect Defendants that the Offering Plan (1) did not omit any material fact; (2) did not contain any untrue statement of a material fact; (3) did not contain any fraud, deception, concealment or suppression; (4) did not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances; and (5) did not contain any representation or statement which was false, where they knew the truth, could with reasonable effort have known the truth, made no reasonable effort to ascertain the truth, or did not have knowledge concerning the representations or statements made.

229. The Architect Defendants also prepared and/or examined the plans and specifications as referenced in the Offering Plan and amendments to the Offering Plan.

230. The Architect Defendants also prepared the Description of Property and Specifications contained in the Offering Plan, which describe the Building, its construction, and the property on which it is located.

231. The Architect Defendants also prepared the floor plans, architectural illustrations, and, upon information and belief, other sales and promotional materials that were provided to the Unit Owners before they purchased their units of the Condominium.

232. Upon information and belief, the Architect Defendants prepared and filed substantially all of the plans and specifications for the Building with the DOB.

233. Upon information and belief, the Architect Defendants continually had opportunities to confirm, through regular inspections of the Building during the course of its

construction, that it was in fact being constructed in accordance with the plans and specifications upon which the Description of Property and Specifications is based.

234. Upon information and belief, the Architect Defendants further certified through their regular inspections of the Building that it met prevailing local construction standards and that no violations of the applicable laws or regulations existed.

235. Upon information and belief, the Architect Defendants also certified the work performed at the Building for purposes of contractors' applications for payment. Upon information and belief, contractors who performed work at the Building have been paid and, hence, their work was approved by the Architect Defendants.

236. These affirmative representations, however, were false because there are numerous conditions and features in the Building that deviate materially from promises in the Description of Property and Specifications, that violate applicable codes and regulations, and do not meet local construction standards. For example:

a. the Description of Property and Specifications prepared by the Architect Defendants provided that the Building would have a new roof consisting of (a) a vapor barrier over the structural concrete; (b) a taper insulation cover; (c) a liquid roofing Membrane ALT or Kemper; (d) a drainage board; (e) a rigid insulation and filter fabric, and (f) a finished overburden varies from a green roof, pavers, or an SBS granulated cap sheet. The roof that was installed did not meet these specifications, was defective, was inadequate for its intended purpose, improperly installed, and fell short of local construction standards.

b. The Description of Property and Specifications also provided that the new penthouse walls would utilize a cavity wall system consisting of long thin brick, 2 inches of air space, 2 inches of insulation, water, and an air barrier tied back to a metal framed wall. The walls that were constructed, however, were defective, improperly installed, of materially worse quality than those promised in the Description of Property and Specifications, and did not comply with local industry standards.

c. The windows at the Building are made out of a combustible material, in violation of the applicable codes and regulations.

237. The Architect Defendants knew from inspections they performed of the ongoing and substantially completed renovation and construction that the Building, including its Units, could not and would not be delivered in accordance with the terms, conditions and representations set forth by the Architect Defendants in the Architect's Certifications and in the Description of Property and Specifications.

238. Accordingly, at the time the Architect Defendants made such representations in the Architect's Certification and in the Description of Property and Specifications, the Architect Defendants knew that the representations made therein were false.

239. Alternatively, the Architect Defendants knew or should have known that certain conditions at the Building (including, but not limited to, the conditions described above) were not accurately described in the Description of Property and Specifications. The Architect Defendants knew and intended, at the time they made the affirmative representations set forth in the Architect's Certifications and in the Description of Property and Specifications, and at all times thereafter, that these representations would, as part of the Offering Plan, be disseminated to prospective

purchasers, including the Unit Owners, and that such prospective purchasers would rely upon their truth and accuracy.

240. Upon information and belief, the affirmative representations made by the Architect Defendants in the Architect's Certifications; in the Description of Property and Specifications; the plans and specifications referenced in the Offering Plan and amendments thereto; the floor plans; the architectural illustrations; and, upon information and belief, other sales and promotional materials were made for the specific purpose of inducing the Unit Owners to purchase Units of the Condominium and the Unit Owners reasonably relied upon said representations and were thereby induced to purchase their Units.

241. The Unit Owners relied on the affirmative misrepresentations made by the Architect Defendants when purchasing their units.

242. By reason of such fraud on the part of the Architect Defendants, the Condominium (including the Unit Owners) has been injured in a sum to be determined at trial but believed to be well in excess of $25 million, together with interest thereon, for which sum the Architect Defendants are liable to Plaintiff.

243. In addition, the Condominium (including the Unit Owners) is entitled to an award of punitive damages against the Architect Defendants, in an amount to be determined at trial but in no event less than $75 million.

EIGHTH CAUSE OF ACTION
Against the Architect Defendants
(Breach of Contract)

244. Plaintiff repeats and realleges all prior paragraphs.

245. Upon information and belief, the Architect Defendants entered into one or more contracts with the Sponsor and/or the Sponsor Defendants (the "Design Contract"), pursuant to

which the Architect Defendants agreed, inter alia, to perform architectural services in connection with the renovation of the Building and the preparation of the Offering Plan, including but not limited to supervising and/or inspecting the Building's renovation and construction work, ensuring that the Building's renovation and construction work was performed in accordance with their plans and specifications (including the plans and specifications that were filed with the DOB), preparing and signing the Description of Property and Specifications and the Architect's Certification, and preparing the floor plans, architectural illustrations, and sales and promotional material regarding the Building.

246. Plaintiff (including the Unit Owners of the Condominium) is the successor-in-interest to the Sponsor and/or the Sponsor Defendants under the Design Contract, and as such has acquired all of the Sponsor's and/or the Sponsor Defendants' contractual rights under the Design Contract, including the right to enforce the contract terms and hold the Architect Defendants accountable for their breaches thereof.

247. The Condominium's Unit Owners were also the intended beneficiaries of the Architect Defendants' obligations and the performance thereof under the Design Contract.

248. The Architect Defendants breached their obligations under the Design Contract in that, among other things, they failed properly to supervise and/or inspect renovation and construction work at the Building, failed properly to ensure that the renovation and construction work at the Building was performed in accordance with its plans and specifications (including the plans and specifications filed with the DOB), failed to accurately prepare the Description of Property and Specifications, and failed to accurately prepare the floor plans and architectural illustrations upon which sales and promotional material for the Building were based.

249. The Condominium (including the Unit Owners) has been damaged by such breaches of the Design Contract in that, among other things, the Building suffers from numerous construction deficiencies described at length above.

250. By reason of such breaches of contract by the Architect Defendants, the Condominium (including the Unit Owners) has been injured in a sum to be determined at trial but believed to be well in excess of $25 million, together with interest thereon, for which sum the Architect Defendants are liable to Plaintiff.

NINTH CAUSE OF ACTION
Against the Architect Defendants
(Professional Malpractice)

251. The Board repeats and realleges all prior paragraphs.

252. Upon information and belief, the Architect Defendants were retained to perform architectural services in connection with the Building's renovation and construction, including, without limitation, preparing the Description of Property and Specifications, preparing plans and specifications for the Building, supervising the Building's renovation and construction, and inspecting the Building's renovation and construction.

253. Upon information and belief, the Architect Defendants accepted and undertook to perform said services, and to perform said services in a good and workmanlike manner, and pursuant to and in accordance with accepted practices and standards of the architectural professions, so that the Building's renovation and construction would be accomplished in a good and workmanlike manner and free of material defects.

254. Upon information and belief, the Architect Defendants did not perform said architectural services in a good and workmanlike manner, and pursuant to and in accordance with accepted practices and standards of the architectural professions, but rather performed said services

carelessly and negligently and contrary to accepted practices and standards of the architectural professions, as a consequence of which carelessness and negligence the defective conditions hereinabove described were present in the Building.

255. Thus, the Architect Defendants committed professional malpractice in their performance of architectural services.

256. By reason of such professional malpractice by the Architect Defendants, the Condominium (including the Unit Owners) has been injured in a sum to be determined at trial but believed to be well in excess of $25 million, together with interest thereon, for which sum the Architect Defendants are liable to Plaintiff.

TENTH CAUSE OF ACTION
Against the Architect Defendants
(Negligence)

257. The Board repeats and realleges all prior paragraphs.

258. Upon information and belief, the Architect Defendants were retained to perform architectural services in connection with the Building's renovation, including, without limitation, preparing the Description of Property and Specifications, preparing the plans and specifications for the Building, supervising the Building’s renovation and construction, and inspecting the Building's renovation and construction.

259. Upon information and belief, the Architect Defendants accepted and undertook to perform said services, and to perform said services in a good and workmanlike manner, and pursuant to and in accordance with accepted practices and standards of the architectural profession, so that the Building's renovation and construction would be accomplished in a good and workmanlike manner and free of material defects.

260. Upon information and belief, the Architect Defendants did not perform said architectural services in a good and workmanlike manner, and pursuant to and in accordance with accepted practices and standards of the architectural profession, but rather performed said services carelessly and negligently and contrary to accepted practices and standards of the architectural profession, as a consequence of which carelessness and negligence the defective conditions hereinabove described were present in the Building.

261. By reason of such negligence by the Architect Defendants, the Condominium (including the Unit Owners) has been injured in a sum to be determined at trial but believed to be well in excess of $25 million, together with interest thereon, for which sum the Architect Defendants are liable to Plaintiff.

ELEVENTH CAUSE OF ACTION
Against the Sponsor's Principals
(Breach of Fiduciary Duty)

262. The Board repeats and realleges all prior paragraphs.

263. The Sponsor's Principals were members of the Board from approximately July 2014 to May 2019.

264. As members of the Board, the Sponsor's Principals owed fiduciary duties of care and loyalty to the Condominium, including all Unit Owners.

265. The Sponsor's Principals were also principals of the Sponsor during this time. Accordingly, the Sponsor's simultaneously owed fiduciary duties to the Board and to the Sponsor.

266. The Sponsor's Principals breached the fiduciary duties of loyalty and care that they owed to the Board.

267. The Sponsor's Principals breached the fiduciary duty of loyalty that they owed to the Condominium by acting in bad faith, failing to act in the best interest of the Condominium, and failing to subordinate their personal interests to the interests of the Condominium.

268. Specifically, the Sponsor's Principals breached their duty of loyalty by renovating the Building in a manner that saved the Sponsor money instead of renovating the Building in a manner that was in the best interests of the Condominium, such as renovating the Building to be consistent with the bare minimum requirements of the relevant laws and regulations and of the local industry standards.

269. Additionally, the Sponsor's Principals breached their duty of loyalty by fraudulently using Common Charges to pass on the cost of renovating the Building from the Sponsor to the Unit Owners.

270. The Sponsor's Principals also breached the fiduciary duty of care they owed to the Condominium by acting in bad faith, without exercising the care that an ordinarily careful and prudent person would exercise in similar circumstances, in a manner that cannot be attributed to a rational business purpose, and with gross negligence or reckless indifference to the interests of the Condominium.

271. Specifically, the Sponsor's Principals breached their duty of care by failing to renovate the Building in a manner that met the bare minimum requirements for the renovation as set forth in the relevant codes and regulations and the local industry standards.

272. By reason of the aforementioned breaches of fiduciary duties, the Condominium (including the Unit Owners) has been injured in a sum to be determined at trial but in no event less than $25 million, together with interest thereon, for which sum the Sponsor's Principals are liable to Plaintiff.

273. In addition, Plaintiff (including the Unit Owners of the Condominium) is entitled to an award of punitive damages against the Sponsor's Principals in an amount to be determined at trial, but in no event less than $75 million.

WHEREFORE, the Board respectfully requests judgment as follows:

a. On the First Cause of Action for breach of contract, awarding money damages against the Sponsor in a sum to be determined at trial but in no event less than $25 million, together with interest thereon;

b. On the Second Cause of Action for breach of contract, awarding the remedy of specific performance of the Offering Plan, thereby compelling the Sponsor to (1) obtain a PCO; and (2) deliver to the Board a complete set of the final architectural plans, certain maintenance manuals for the mechanical systems and equipment in the Building (including the maintenance manual for the green roof), and certain manufacturer's warranties for equipment and appliances installed in the Building; or alternatively, if the Court finds that there is an adequate remedy at law for the Sponsor's breach of its obligation to obtain a PCO and to deliver to the Board a complete set of the final architectural plans, certain maintenance manuals for the mechanical systems and equipment in the Building (including the maintenance manual for the green roof), and certain manufacturer's warranties for equipment and appliances installed in the Building, then awarding money damages against the Sponsor in a sum to be determined at trial but believed to be well in excess of $500,000.00, together with interest thereon;

c. On the Third Cause of Action for violations of General Business Law §§ 349 and 350, awarding money damages against the Architect Defendants in a sum, including treble damages and attorney's fees, to be determined at trial but in no event less than $75 million, together with interest thereon;

d. On the Fourth Cause of Action for constructive fraudulent conveyances while insolvent against the Sponsor's Related Member Entities, the Sponsor's Principals, and the Related Entity Unit Owners, awarding the value of the Fraudulent Conveyances against the Sponsor's Related Member Entities, the Sponsor's Principals, and the Related Entity Unit Owners that Plaintiff is entitled to set aside, together with interest thereon;

e. On the Fifth Cause of Action for constructive fraudulent conveyances causing unreasonably small capital against the Sponsor's Related Member Entities, the Sponsor's Principals, and the Related Entity Unit Owners, awarding the value of the Fraudulent Conveyances against the Sponsor's Related Member Entities, the Sponsor's Principals, and the Related Entity Unit Owners that Plaintiff is entitled to set aside, together with interest thereon;

f. On the Sixth Cause of Action for constructive fraudulent conveyances causing unreasonably small capital against the Sponsor's Related Member Entities, the Sponsor's Principals, and the Related Entity Unit Owners, awarding the value of the Equity Distributions against the Sponsor's Related Member Entities, the Sponsor's Principals, and the Related Entity

Unit Owners that Plaintiff is entitled to set aside, together with interest thereon and attorneys' fees;

g. On the Seventh Cause of action for fraudulent inducement, awarding money damages against the Architect Defendants in a sum to be determined at trial but in no event less than $25 million, together with interest thereon, and punitive damages in an amount to be determined at trial but in no event less than $75 million;

h. On the Eighth Cause of Action for breach of contract, awarding money damages against the Architect Defendants in a sum to be determined at trial but in no event less than $25 million, together with interest thereon;

i. On the Ninth Cause of Action for professional malpractice, awarding money damages against the Architect Defendants in a sum to be determined at trial but in no event less than $25 million, together with interest thereon;

j. On the Tenth Cause of Action for negligence, awarding money damages against the Architect Defendants in a sum to be determined at trial but in no event less than $25 million, together with interest thereon; and

k. On the Eleventh Cause of Action for breach of fiduciary duty, awarding money damages against the Sponsor's Principals in a sum to be determined at trial but in no event less than $25 million, together with interest thereon, and punitive damages in an amount to be determined at trial but in no event less than $75 million.

Dated: New York, NY
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