
CONDOMINIUM OFFERING PLAN

THE 631 EAST 18TH STREET CONDOMINIUM
631 EAST 18TH STREET
BROOKLYN, NEW YORK 11226
KINGS COUNTY

Residential Units (26)	\$17,573,800.00
<u>Community Facility</u>	\$ 1,500,000.00
Total Amount of Offering	\$19,073,800.00

SPONSOR AND SELLING AGENT

631 E. 18th Street LLC
2753 Coney Island Avenue
Brooklyn, New York 11235

Date of Acceptance for Filing of this Plan is , 2019.
This Plan may not be used after , 2020, unless extended by a duly filed amendment.

THIS PLAN CONTAINS SPECIAL RISKS TO THE PURCHASER. SEE PAGE iii.

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

SPONSOR IS NOT OBLIGATED TO OFFER OR SELL ANY UNITS OTHER THAN THE FIFTEEN PERCENT (15%) NECESSARY TO DECLARE THE PLAN EFFECTIVE, AND MAY, IF IT CHOOSES, WITHHOLD ONE OR MORE OF THE UNITS FOR FUTURE SALE. IN THE EVENT SPONSOR CHOOSES TO WITHHOLD ANY UNITS FROM SALE, THE PLAN WILL BE AMENDED TO REFLECT SAME.

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

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SPECIAL RISKS

1) Pursuant to existing law and regulation, the Sponsor may declare the Offering Plan effective by entering into a contract for a minimum of fifteen percent (15%), which in this Plan is four (4) of the residential units in the building. Notwithstanding the fact that not all Purchasers used for purposes of declaring the Plan effective may actually close, Sponsor will re-declare the Plan effective if all purchase agreements are either rescinded or terminated prior to the date of the first unit closing, regardless of whether the condominium declaration has been filed. Please see Section of the Offering Plan entitled EFFECTIVE DATE OF THE PLAN.

2) The Sponsor is reserving an unconditional right to rent rather than sell Units after the Plan is consummated. Because Sponsor is not limiting the conditions under which it will rent rather than sell Units, there is no commitment to sell more Units than the fifteen percent (15%) of the units necessary to declare the Plan effective and owner-occupants may never gain effective control and management of the condominium after the Plan is consummated. Owner occupants and non resident owners including sponsor, may have inherent conflicts on how the Condominium shall be managed because of their different reasonings for purchasing (i.e. purchase as a home as opposed to an investment). Sponsor is not obligated to offer or sell any Units other than the fifteen percent (15%) necessary to declare the plan effective, and may, if it chooses, withhold one or more Units for future sale. In the event Sponsor chooses to withhold any Units from sale, the Plan will be amended to reflect same. See Section of The Offering Plan entitled INTRODUCTION.

3) Sponsor will not use the withholding of units to deceive the public about the percentage of units that have been sold (i.e. marketing brochures and other advertising material that contains percentages of units sold will refer to relevant percentage of the total units, and not the percentage of units being offered at that time.

Sponsor intent is to sell rather than rent the units.

Sponsor will not rent the withheld units, if any, prior to consummation (other than pursuant to interim lease/rental agreements).

If Sponsor chooses to withhold any units from sale, Sponsor will use 15% of the total residential units in the building, rather than 15% of the units being initially offered for sale in order to declare the plan effective.

Should Sponsor decide to withhold units, it will amend the Plan when it begins to offer further units, but such amendment can be a price change only amendment.

Sponsor does not currently plan on withholding any units from sale in this offering .

4) Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on purchase financing. Such restrictions include requiring that a certain percentage of units in the building or group of buildings be sold before a lender will consider making a loan thus, it may be possible for a purchaser to experience difficulty obtaining

a loan in a building or group of buildings where the sponsor has not sold a substantial percentage of units in building which in some cases may be as high as 70%. Moreover, some lenders will not provide financing in a building where an investor other than the original sponsor has an ownership interest of 10% or more. It also may be difficult for a Purchaser to re-sell a unit if prospective Buyers are unable to obtain a loan due to the same minimum sales and investment ownership restrictions. See PROCEDURE TO PURCHASE section of Offering Plan.

5) The Sponsor has made, and will use its best efforts to pursue, an application for abatement and exemption of taxes under the new program to 421-a of the Real Property Tax Law of the State of New York (also known as Affordable New York Housing Program), and shall make all filings necessary to obtain such benefits. Sponsor has received a preliminary certificate of eligibility for said tax abatement dated March 29, 2017. Upon closing, the Sponsor will make all tax benefit documents available to the Condominium for inspection and copying for the life of the benefits. The Sponsor will timely file all applications and timely comply with all procedures required to properly process and maintain the benefits. None of the tax benefits applied for and expected to be obtained by Sponsor will expire prior to the first closing, which is expected to take place on April 1, 2019. If the Sponsor rents any units prior to consummation of the Offering Plan, the following will occur: (1) the Sponsor must abandon the Plan; (2) the Sponsor must inform HPD of intent to operate as a rental building; and (3) all units will be subject to rent stabilization. Sponsor will make the initial application at his own cost and expense, **however all Purchasers shall be required to pay the Sponsor a fee of 1.5% of the purchase price for obtaining the 421-a tax abatement for the Condominium. For example, for a Unit that costs \$525,000.00, accordingly, the fee for obtaining the 421A abatement shall be \$7,875.00. This fee shall be paid at closing and is not reflected in the purchase price and therefore does not effect purchaser's transfer taxes.** Unit Owners will not be charged said fee if Sponsor does not obtain the 421-a (or its equivalent) abatement. See Section of this Offering Plan entitled CLOSING COSTS AND ADJUSTMENTS.

The Sponsor's projection of tax due for the first year of operation is based on the figures and assumptions in the accompanying expert's opinion as to real estate tax benefits. However, it is not possible to accurately determine what the increase and actual assessed valuation will be. Moreover, it is equally impossible to predict any future increases in real estate tax rates, which may affect the amount of tax due on the property.

Notwithstanding the foregoing, no guaranty or warranty is made as to when or whether the application for Section 421-a partial tax exemption benefits will, in fact, be approved, or as to the amount of any tax exemption benefits that may actually be received. In this regard, Purchasers should note that to the extent receipt of the Section 421-a benefits depend upon the date on which the construction of the Buildings are completed, such receipt would be jeopardized if construction is delayed due to causes within or beyond the Sponsor's control.

If, for any reason (including, without limitation, Sponsor's failure to satisfy any of the criteria for obtaining Section 421-a benefits for the Property, regardless of whether within or beyond Sponsor's control), Sponsor's application to obtain Section 421-a tax exemption benefits for the Property not approved, the Units will be subject to full taxation and will receive no benefits under Section 421-a. If such eventuality occurs, Purchasers under this Plan will have no right to rescind their Purchase Agreements, will continue to be obligated to pay their full

purchase prices without any offset or credit and will have no claim against the Sponsor by reason of the same. Consequently, Schedule A to the Plan contains projections of monthly real estate taxes and total monthly carrying charges assuming both that Section 421-a benefits will be available to the Property and assuming that such benefits will not be available.

The Sponsor represents that it will keep all records required by The New York City Department of Housing Preservation (“HPD”) and will make them available to HPD whenever requested to do so. HPD routinely conducts audits which can result in the reduction or revocation of benefits if proper documentation is not provided.

Upon closing, the Sponsor will make all tax benefit documents available to the Board of Managers for inspection and copying for the life of the benefits. Sponsor will file all applications and timely comply with all procedures required to properly process and maintain the tax benefits.

Any lease and renewals thereof to a residential unit that are required to be registered with DHCR shall contain at least 12 point type informing such tenant that the residential tenant shall be subject to deregulation upon the expiration of the 421-a tax benefit period and state the approximate date of the benefits. During such rent stabilization period, the unit shall not be subject to luxury decontrol. As of the time of submission of this Plan, A Final Certificate of Eligibility has not been issued.

HPD’s recent proposed Amendments to Rules Governing Tax Exemptions under 421-a of the Real Property Tax Law §421-a (6)(a)(ii) do not apply to this offering because the premises are not located in a Geographic Exclusionary Area and the project will be completed within the seventy two (72) months’ timeframe.

The Attorney General has recently issued a memo regarding disclosure of requirements and obligations of Sponsors and Unit Owners in Condominiums where the sponsor has applied or plans to apply for benefits under § 421-a of the N.Y. Real Property Tax Law. Purchasers may obtain more information about the 421-a application process, tax benefits and requirements associated therewith at <http://www.nyc.gov/html/hpd/html/developers/421a.shtml>.

In response to the memo, Sponsor makes the following disclosures:

- (i) The building that is the subject of this Offering Plan is not located in the statute’s geographic exclusion area and as such, Sponsor does not need to comply with the statute’s requirements for affordable units.
- (ii) The building is exempt from the prevailing wage requirement for Building Service Employees (as defined in N.Y. Real Prop. Tax Law §421-a[8](a)(i)) because the building contains less than fifty (50) residential units.
- (iii) Sponsor intends that the building shall be exempted from the statutory obligation to register the units as rent-stabilized by reason of its condominium status.

- (iv) If, prior to consummation, sponsor rents any residential unit (or portion thereof) to any person other than an interim lessee, the following will occur: (1) Sponsor is obligated to abandon the offering plan; (2) Sponsor must inform HPD of intent to operate as a rental building; and (3) all units will be subject to rent stabilization.
- (v) Sponsor has fifteen (15) months from the date of issuance of a final certificate of eligibility from the New York City Department of Housing Preservation and Development ("HPD") to declare its offering plan effective. Thereafter, Sponsor is obligated to register units in the building as rent-stabilized as they become occupied.

Prospective purchasers are urged most strongly to read the section entitled REAL ESTATE TAX BENEFITS OPINION included herein .

6) Closing will not take place, and no individual Condominium unit will be sold until a permanent Certificate of Occupancy has been obtained for the premises. If the anticipated date of commencement of condominium operation is to be delayed more than six months from the budget year projected in the offering plan, the plan must be amended to include a revised budget disclosing current projections. If such amended projections exceed the original projections by 25 percent or more, the sponsor must offer all purchaser the right to rescind and a reasonable amount of time that is not less than 15 days after the date of presentation to exercise the right, whether or not sponsor offers to guarantee the previous budget projection. Sponsor must return any deposit or downpayment to purchasers who rescind within a reasonable period of time. Sponsor may not declare the plan effective where there are any material changes to the budget if these changes have not been disclosed by a duly filed amendment to the offering plan. The Sponsor anticipates that the first closing will occur by April 1, 2019. Purchaser will be offered a right of rescission if : (i) the actual closing of title to the first unit; or (ii) the projected date of closing of title to the first unit occurs later than 12 months after the projected date for the first closing. If the Plan is amended to provide for a later projected date for the first closing, purchasers will be entitled to an offer of rescission if the first closing occurs more than 12 months beyond that amended, later date.

However, if the first unit closing occurs on or before March 31, 2020, the Sponsor may schedule the closings of title to other units significantly later than such date. Unless your Purchase Agreement contains an outside closing date, the Sponsor is not obligated to schedule closing within any specified time frame or to ensure that closing of title to your unit will occur by any date certain. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER SUCH RISKS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT. In the event Sponsor cannot convey title to the Unit on or before twelve months from the date of the Purchase Agreement, affected purchasers will be afforded the right of rescission.

Sponsor and its principals will undertake the responsibility for obtaining a PCO covering the entire building within two years. However, Sponsor and its principals make no representation or guarantee that the Department of Buildings will issue the PCO within two years, which is the time frame anticipated by the multiple dwelling law for issuance of a PCO. NOTWITHSTANDING THE FOREGOING, SPONSOR AND ITS PRINCIPALS ARE

OBLIGATED TO PROCURE THE PERMANENT CERTIFICATE OF OCCUPANCY FOR THE ENTIRE BUILDING, AND SHALL EXERCISE BEST EFFORTS TO OBTAIN THE PCO WITHIN SUCH TWO YEAR PERIOD.

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

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

<http://www.nyc.gov/html/dobb/downloads/pdf/cofactsheet.pdf>.

Please see PROCEDURE TO PURCHASE, RIGHTS AND OBLIGATIONS OF SPONSOR and PURCHASE AGREEMENT sections of Offering Plan.

- 7) It is contemplated that the building will be self-managing, and that no managing agent will be employed. The Sponsor shall manage the Condominium for the first year at no charge to the Unit Owners for the first year or until all the Units are sold, whichever comes first. Therefore, no amount has been included in the projected budget for the first year of operation for a management fee. In the event the Board of Managers determines that it is in the best interest of the Condominium to employ a managing agent, this item will represent an additional expense not included in the projected budget, and will require an increase in Common Charges of approximately 6 to 10%.

Sponsor will not be hiring a superintendant, but will be providing janitorial services including a 24/7 on call superintendant for the first year of operations. Unit Owners are advised that once the first year is up and Sponsor is no longer providing janitorial services they will be required to perform maintenance duties themselves. In the event Owners desire to hire a part-time superintendant, working approximately 3 days per week with on call services 24 hours per day, 7 days per week. The superintendant will be non-union. The budgeted figure includes an additional 15% (\$2,035) to cover and pay for all social security, disability, unemployment insurance, payroll taxes, and all other benefits required by local, state and federal law. Should the condominium board decide to hire a full time superintendant, the salary will be \$31,220 the additional costs, which meet with applicable wage laws, are as follows: Social Security tax \$2,386; federal unemployment tax \$42; state unemployment tax \$520; disability tax \$60; and workers compensation \$640. Such level staffing complies with all applicable housing labor laws. This item will represent an additional expense not included in the projected budget, and will require an increase in Common Charges. This figure is based on estimates received by Sponsor. See FOOTNOTES 8 and 9 to SCHEDULE B.

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

canceled, and lose his down payment. Similarly, a Purchaser who fails to notify the Sponsor in the event he has failed to obtain mortgage financing fifty (50) days after receipt of a fully executed Purchase Agreement, such purchaser will be required to proceed to closing, notwithstanding the fact that purchaser has failed to obtain mortgage financing; and, if such purchaser fails to proceed to closing, the down payment may be retained by the Sponsor. Purchasers should note that the Purchase Agreement includes a waiver of the right to a jury trial. Purchasers are advised to consult with their attorney concerning all terms of this offering. Please see section of this Plan entitled PROCEDURE TO PURCHASE, and the PURCHASE AGREEMENT set forth in Part II, for a statement of all applicable time limitations.

9) The terms of this Offering Plan transfer the statutory obligation to pay New York City Real Property transfer taxes, which sellers in general are obligated to pay (1.00% of purchase price for residential units under \$500,000.00 and 1.425% for units above \$500,000.00, and New York State Documentary Stamp Taxes (\$4.00 per thousand) to the Purchaser, so that the cost of such taxes represent an additional closing cost to the Purchaser, and an additional item of consideration on which transfer taxes must be paid. Additionally, the Purchaser shall pay to the Sponsor's Attorney at closing a fee of \$2,500.00 for the preparation of closing documents. If a Purchaser fails to close on the date set for first closing, or adjourns a scheduled closing date on less than three (3) days notice, there shall be a late closing adjournment fee of \$350.00 added to the above. If, at the request of the Purchaser, closing is held outside the office of the Sponsor's attorney, there shall be an additional attendance fee of \$350.00 for closings held within Kings County, and \$500.00 for closings outside of Kings County. In the event Purchaser fails to fulfill the terms of the Purchase Agreement and Sponsor's attorney mails a Notice of Default, there will also be a \$250.00 charge for such notice. Purchaser will also pay to the Sponsor \$4,500.00 as partial reimbursement for the cost of preparing the Offering Plan. See section of the Offering Plan entitled CLOSING COSTS AND ADJUSTMENTS.

10) Residential units will be equipped with a Samsung electric stove as part of the sale. Sponsor will not be providing a washer/dryer nor will individual units be equipped with washer/dryer hookups. There will be a common laundry room located in the cellar. Additional kitchen appliances and fixtures including additional gas ranges 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 listed above. See DESCRIPTION OF PROPERTY AND BUILDING CONDITION included in Part II of this Offering Plan.

11) At the earlier of the second anniversary of the first closing date, or such time as less than fifty percent of the Units of the Condominium are owned by Sponsor, control of the Condominium shall be transferred to a Board of Managers comprised of owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals. Prior to that time, the Condominium will be controlled by a Board of Managers elected by the Sponsor. There are certain limitations on actions which can be taken by the Sponsor while he remains in control of the Board of Managers, which limitations are set forth in the section of the Offering Plan entitled CONTROL BY SPONSOR.

Until the earlier of five (5) years from the date of closing, or at the time at which the Sponsor or other Holder of Unsold Units owns Units consisting of less than 50% of the Common Interest of

the Condominium, Sponsor may exercise veto power over any expenses other than those described in SCHEDULE B, or in Item 3 of the section entitled CONTROL BY SPONSOR in the Offering Plan. Additionally, so long as the Sponsor retains ownership of at least one Unit in the building, the By-Laws, Declaration, and Rules and Regulations of the Condominium, may not be amended or modified in any way so as to adversely affect the Sponsor without written consent by the Sponsor. See section of the Offering Plan entitled CONTROL BY SPONSOR for a more complete explanation.

12) Sponsor is liable for all Common Charges, special assessments, and real estate taxes with respect to unsold Units, and represents that Sponsor has financial resources to meet these obligations. However, no bond or other security has been furnished to secure the Sponsor's obligations. Please see section of the Offering Plan entitled OBLIGATIONS OF SPONSOR for a more detailed explanation.

13) All funds received by the Sponsor for upgrades or extras must initially be placed in the escrow account set forth herein. However, Purchaser should note that such funds may be released from the escrow account by the escrow agent as long as the Sponsor uses the funds for such upgrades or extras. As a result, in the event the Purchaser is entitled to a rescission, the Purchaser will not receive a refund of any funds used for upgrades or extras. However, in the event the Plan is abandoned by the Sponsor the Purchaser shall be entitled to the refund of all moneys paid for the upgrades. See PROCEDURE TO PURCHASE Section of this Offering Plan.

14) The cost of providing heat and hot water for individual Units is not included in the monthly Common Charges. Heat and hot water are separately provided to each Unit by its own heat and hot water facility; and the cost of fuel for providing such heat and hot water will be separately billed for each Unit. Thus, the cost of heat and hot water represents a cost in addition to the monthly maintenance. See FOOTNOTES TO SCHEDULE B and SCHEDULE B-1.

15) All down payments will be placed in an IOLA account and will be federally insured up to \$250,000, to the extent that the contract deposits exceed \$250,000, they will not be federally insured. Purchasers should note that if they have an account at the same bank that the escrow funds are being held, purchasers funds at said bank factor into the \$250,000 insurance limit. See PROCEDURE TO PURCHASE Section of this Offering Plan

16) If the obligation of a purchaser under a purchase agreement is not conditioned on obtaining financing, any prospective purchaser who executes and does not obtain financing may lose his or her deposit if he or she is unable to otherwise raise the monies for the balance of the purchase price. Prospective purchasers who require financing are advised to consult with a lending institution before execution of a purchase agreement. No representation is made by the sponsor as to the availability or cost of such financing. See PROCEDURE TO PURCHASE Section of this Offering Plan and PURCHASE AGREEMENT .

17) The approximate indoor floor area of each Unit has been measured from the exterior Building walls or glass windows at the Building line and/or Property line enclosing the Unit, or from the midpoint of the interior Demising Walls separating the Unit from another Unit, or from the public side of the interior Demising Walls separating the Unit from the public corridors or

public stairs, or from the mechanical space side of interior Demising Walls separating the Unit from mechanical equipment space or any other Common Elements. Columns and mechanical pipes and chases (whether along the perimeter or within the Unit) are not deducted from the square foot area of the Unit. The floor area occupied by Common Elements bordering or within a Unit (such as the Building's façade or exterior walls, vents, chase walls or areas, conduits, ducts, shafts or pipes) have been included in the computation of the floor area of the Unit, but such Common Elements are not part of the Unit. As a result, the square footages shown are taken from points behind the walls enclosing the Unit and significantly exceed the Unit's usable floor area. Immaterial inaccuracies in a Unit's square footage will not excuse a Purchaser from completing the purchase of a Unit without recourse against the Sponsor, or reduction in the price. The basis for calculating the percentage of common interest is made pursuant to Section 339-(i)(1)(iv) of the Real Property Law or applicable state Law. A decrease in a unit's area of 5% or less will not affect a purchaser's obligations unless such a decrease is determined to be a material change. There is a rebuttable presumption that an area that is diminished by 5% or less is not material. See Section of this Offering Plan entitled DESCRIPTION OF PROPERTY AND SPECIFICATIONS and FLOOR PLANS - set forth in Part II of this Offering Plan.

18) No bond or security has been furnished to secure Sponsor's obligations. See OBLIGATIONS OF SPONSOR.

19) Unit owners must notify the Managing agent or the president of the Board of Managers in writing when a Child or Children under the age of Eleven (11) years lives or resides (even temporarily) in the Unit. Each residential Owner shall install at the Residential Owner's expense, the required window guards in all windows of the unit and shall not be remove them until permitted by law in any event, without the full knowledge of the Managing Agent. See OBLIGATIONS OF SPONSOR.

20) The Insurance portion of the Operating Budget for the first year does not include Directors and Officers liability coverage. Should the condominium board elect to purchase such additional coverages, the cost will be borne by the unit owners through increased common charges. The total insurance coverage for the building is less than \$2,000,000.00. This coverage is adequate to rebuild the structure if it is completely destroyed by fire or other insured perils. See FOOTNOTES TO SCHEDULE B.

21) PURCHASER'S MAY NOT ASSIGN PURCHASE AGREEMENTS WITHOUT SPONSOR'S WRITTEN CONSENT. If Sponsor agrees, there will be a fee of \$350.00 payable to Sponsor's attory for each assignment. See PROCEDURE TO PURCHASE Section of this Offering Plan and PURCHASE AGREEMENT .

22) No closings will occur without procurement of a permanent certificate of occupancy. See OBLIGATIONS OF SPONSOR.

23) The Housing Merchant Implied Warranty does not apply to this Plan as it does not apply to residential units with more than five stories. Sponsor's obligation, regardless of any limitations in the warranty or in this Plan is to construct the premises in accordance with all applicable codes and filed plans and specifications, and that any conflict between the disclaimers

and Sponsor's obligation to construct the premises in accordance with all applicable codes and filed plans and specifications shall be resolved in favor of the latter.

24) No representation is made that the reserve fund will be adequate to cover current or future expenses including repairs or replacements of Common Elements. If additional funds are required over and beyond said fund, it may be necessary to increase the Common Charges payable by the Unit Owners or to collect a special assessment from each Unit Owner.

25) On January 1, 2018, the Tax Cuts and Jobs Act of 2017 went into effect. This federal law significantly changed the previously existing Internal Revenue Code, including the taxes and deductions related to homeownership. Accordingly, the tax information and projections disclosed in the tax opinion letter in this offering plan may be inaccurate because such opinion is based on federal tax law as it existed prior to 2018. Purchasers are advised to consult with a tax expert regarding whether the new law will affect the purchaser's taxes, property tax deductions, or mortgage interest deductions. Purchasers should not rely on any representations or opinion in this offering plan addressing taxes without first consulting a tax expert. See Section "Opinion of Counsel".

26) The expected life span of the roof type is ten (10) years. No bond or guarantee shall be furnished by Sponsor. Please be advised that the Sponsor is not providing "No Dollar Limit Manufacturers Warranty" (NDL) for new roof. The absence of NDL manufacturer's warranty may indicate that the roof membrane and appurtenance were not inspected for compliance with the manufacturer's specifications for installation. As such, a premature deterioration and replacement of the roof membrane may be anticipated and therefore should be budgeted for.

27) Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor, if Sponsor is the prevailing party, in defending Sponsor's rights under this Agreement, or in the event Purchaser defaults under this Agreement beyond any applicable grace period, in canceling this Agreement or otherwise enforcing either Seller's rights or Purchaser's obligations hereunder.

28) The Sponsor and Community Facility Unit Owner have the right to sub-divide the Community Facility unit.

29) On August 28, 2017, New York City Mayor Bill De Blasio signed Local Law 147 which the Administrative Code of the City of New York ("NYC Administrative Code") to require that all class A multiple dwellings—i.e., buildings with three or more residential dwelling units—adopt a written smoking policy for the building that is disclosed to all residents and incorporated into all leases, purchase agreements, and building governing documents. Local Law 147 does not dictate the contents of a building's smoking policy. Smoking is not allowed in the following areas (Take note that the Smoke-Free Air Act bans smoking tobacco or non-tobacco products, and using e-cigarettes in indoor common areas): Outdoor common areas, including play areas, rooftops, parking areas, or yards and the Community Facility Unit ; and Outdoors within 15 feet of entrances, exits, windows, and air intake units on property grounds. Smoking is allowed in one's unit and their limited common elements (i.e. balconies). The condominium's smoking policy will be distributed to each unit owner and their tenants, if any.

30) It is expected that the Community Facility will be used as a Kindergarten. There will be two separate entrances for this unit. The Sponsor and Community Facility Unit Owner have the right to sub-divide the Community Facility unit.

31) The use of the roof as a recreational space complies with all zoning and building requirements. No smoking is allowed on said common roof space.

32) The Sponsor has obtained financing from Ponce De Leon Federal Bank, 319 1st Avenue, New York, NY 10003. The lender will release each unit at closing upon receipt of 90% of total closing costs. The lender requires 15% of the units to be in contract before it will offer releases on the individual units. Sponsor is obligated to make all the mortgage payments until all units have been released and the loan is satisfied.

33) Each Unit Owner may sell or lease such Unit Owner's Unit provided such Unit Owner first gives the Condominium Board, on behalf of all Unit Owners the right of first refusal, by giving notice of such Unit Owner's intention to sell or lease such Unit and an opportunity to purchase or lease such Unit at the same price or rental and on the same terms as were offered in good faith by a prospective purchaser or lessee, as more specifically provided in the By-Laws.

34) a. There is a fee of \$750.00 which is paid at closing and deposited in the Working Capital Fund. See Section "Closing Costs and Adjustments".

35) The expected life span of the roof type is ten (10) years. No bond or guarantee shall be furnished by Sponsor. Please be advised the Sponsor is not providing "No Dollar Limit Manufactures Warrantee" (NDL) for new roof. The absence of NDL manufacturer's warrantee may indicate that the roof membrane and appurtunance were not inspected for comliance with the manufacturer's specifications for installation. As such, a premature deterioration and replacement of the roof membrane may be anticipated and therefore should be budgeted for. The use of the roof as a recreational space will have no impact on the procurement of certficate of occupancy for the building.

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

(1) the purchaser is a legal entity as defined in the GTO (geographic targeting order); (2) the purchaser purchases residential real property located in the Boroughs of Bronx, Brooklyn, Queens, Manhattan, and Staten Island; (3) the total purchase price is in excess of \$300,000 in the Borough of Manhattan Bronx, Brooklyn, Queens, or Staten Island; (4) such purchase is made without a bank loan or other similar form of external financing; and (5) the purchase is made, at least in part, using currency or a cashier's check, a certified check, a traveler's check, a personal check, a business check, a money order in any form, a funds transfer, or virtual currency. As long as the GTO remains in effect, its reporting requirements apply to all residential real property closings meeting the above criteria and occurring on or after November 17, 2018 (the revised GTO's effective date).

37) Purchaser shall accept title (without abatement in or credit against the purchase price or provision for escrow) notwithstanding that construction of (a) minor details of the Unit, including custom work, or the Building in which the Unit is located, or (b) other Units or (c) the landscaped areas and/or amenities of the Condominium or (d) other portions of the Common Elements of the Condominium have not been completed. Minor details referred to in (a) above shall include, but is not be limited to, any items which Purchaser may set forth or which are set forth on the Punchlist Inspection Statement excuted prior to closing.

38) Water is supplied to the building by the City of New York through a single water meter serving the entire building, including the community facility. The board will have the right, if they choose, to submeter the water for the community facility. See Schedule B and Footnotes thereto.

INTRODUCTION

This is an Offering Plan for the sale of Condominium units at 631 East 18th Street, Brooklyn, New York. The purpose of this Plan is to fully set forth all material terms of the Offer. This Plan may be amended from time to time, if such amendment is filed with the New York State Department of Law. Any such amendments will be served on all prospective Purchasers who have executed a Purchase Agreement for any unit, all Unit Owners, and all other persons entitled to service pursuant to local law or statute.

The Sponsor of this Offering is 631 E. 18th Street, LLC.

The principal of the Sponsor is Oleg Krasnitsky. The Sponsor acquired the property on November 4, 2015. Units will be conveyed free and clear of any mortgages, liens, or other encumbrances. Units will be conveyed by delivery of a UNIT DEED set forth in Part II of this Offering Plan.

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

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

This Plan, including all schedules and exhibits submitted herewith, constitutes the entire offering plan and all of the material terms of the transaction. Copies of the Plan and Parts A, B, C and D of the exhibits will be available for inspection to potential Purchasers and their attorneys at the office of the Sponsor indicated on the front cover of this Offering Plan, and the New York State Department of Law, Real Estate Finance Bureau, 28 Liberty Street, New York, New York, without charge; and for copying, at a reasonable charge.

The premises consists of a single building containing six (6) stories and a cellar, and located in the Ditmas Park section of Brooklyn. The building will contain 26 residential units and one community facility unit, which is expected to be used as a kindergarten, although it may be used for any legal purpose. There will be a common laundry room located at the Cellar and a common recreational area located on the roof. Sponsor will not be providing any washer/dryers as part of the sale. On the first floor there will be parking spaces for 13 bicycles.

The purchaser of the community facility will be responsible for submitting all applications and procuring all licenses and permits from The New York City Department of Health, New York City Department of Buildings, FDNY, New York City Department of Education and the Administration for Children's Services for the unit to be used as a kindergarten. There are no zoning restrictions that pertain to the building as a result of the kindergarten. This unit shall have separate entrances, one on East 18th Street and one on Foster Avenue and indoor and outdoor playground area. The projected number of children to be enrolled is eighty five (85) with eleven (11) adults. The age range of the children will be two (2) through five (5) years old. Purchasers should note that operating this unit as a kindergarten may result in additional noise and traffic in

the building. The Community Facility as described herein will be in accordance with the certificate of occupancy of the building and will not delay the procurement of same.

In the event the Sponsor sells all of its Units in a "Bulk Sale" to one Purchaser the that Purchaser shall assume the position of the Sponsor with respect to Sponsor's obligations under this Offering Plan

This Offering is made only to individuals over the age of 18.

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

Unit Owners have an unrestricted right to lease, sell or mortgage units. The Condominium Board does not have the right to approve or disapprove purchasers. There is no limit on the number of Owners who may purchase for investment rather than for personal occupancy and therefore there may always be a substantial percentage of Owners who are non-residents. Use of Units is limited to residential use, and appurtenant home office use. Owner occupants and non resident owners including sponsor, may have inherent conflicts on how the Condominium shall be managed because of their different reasonings for purchasing (i.e. purchase as a home as opposed to an investment).

This is a newly constructed building. Work on the building is scheduled for completion in July of 2018.

As of the date of submission of this Offering Plan to the Attorney General, all of the Units offered in the Plan are vacant.

The Sponsor has not entered into any contracts or agreements and no deposits or advances of funds have been accepted by the Sponsor as of the date the Plan is accepted for filing.

The Sponsor has obtained financing from Ponce De Leon Federal Bank, 319 1st Avenue, New York, NY 10003. The lender will release each unit at closing upon receipt of 90% of closing costs. The lender requires 15% of the units to be in contract before it will offer releases on the individual units. Sponsor is obligated to make all the mortgage payments until all units have been released and the loan is satisfied.

The Sponsor is reserving the unconditional right to rent rather than sell Units after the Offering Plan is consummated. In the event of a Unit being sold after same was rented out, Purchasers shall accept same in "as is" condition after the Offering Plan is consummated. Because Sponsor is not limiting the conditions under which it will rent or sell Units, there is no commitment to sell more than the fifteen percent (15%) necessary to declare the plan effective, Owner-Occupants may never gain effective control and management of the Condominium. Sponsor is not obligated to offer or sell any Units other than the fifteen percent (15%) necessary to declare the plan

effective, and may, if it chooses, withhold one or more Units for future sale. Sponsor will endeavor in good faith to sell Units rather than rent after the Offering Plan is consummated.

Sponsor intent is to sell rather than rent the units. Sponsor is not withholding any units from sale in this offering .

If Sponsor makes a bulk sale of all or some of its unsold Units, the transferee successor sponsor is bound by Sponsor's representation regarding its commitment to sell Units and by all of the terms of this Offering Plan.

Ownership of a Condominium Unit resembles in many ways ownership of a private home. Basic aspects of Condominium ownership include:

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

(2) Common Elements are parts of the Property, in addition to his/her own Unit, which a Unit Owner owns in common with the Owners of all other Units, such as entryways, stairways, hallways, utility areas, and similar elements of the building, which serve all Unit Owners. A Unit Owner will share the non-exclusive right to use the Common Elements with all other Unit Owners.

Limited Common Elements are those areas appurtenant to a particular Unit or Units, the use of which is restricted to the Owner(s) of such Unit or Units, but which are not owned by that Unit Owner. Thus, in this Condominium, each unit's balcony are Limited Common Elements.

Units 2A-5A, 2B-5B, 2C-5D, 2D-5D and 6A will each have a balcony allocated as a limited common element to their unit.

(3) Each Unit may be separately taxed and mortgaged; each Unit Owner may deduct from adjusted gross income for income tax purposes real estate taxes and mortgage interest subject to limitations and requirements further discussed in the Counsel's Tax Opinion section of the Plan;

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

(5) Each Unit Owner must pay Common Charges in accordance with the New York Condominium Act, any applicable state or local law. The Common Charges payable under the By-Laws will be based strictly on the projected cash requirements of ownership and operation of the Property and may include an allowance for contingencies, replacements, and/or repairs. Furthermore, the Board of Managers may impose special assessments in order to meet

emergencies, contingencies, or other unforeseen events, which will become the financial obligation of each Purchaser of a Condominium Unit. These assessments will be levied in direct proportion to the percentage of Common Interest allocated to each unit.

(6) Individual Purchasers should explore obtaining insurance coverage, which would be at their own cost and expense, to insure them for such risks as fire and casualty losses in their units to their personal contents therein, as well as liability insurance for each occurrence which might occur within their respective units. Unit Owners are responsible for maintenance and repairs to their individual Units.

(7) Each Unit Owner is obligated to comply with the Declaration, By-Laws, rules and regulations, and any other requirements of the Board of Managers.

(8) Each Unit Owner may sell or lease such Unit Owner's Unit provided such Unit Owner first gives the Condominium Board, on behalf of all Unit Owners the right of first refusal, by giving notice of such Unit Owner's intention to sell or lease such Unit and an opportunity to purchase or lease such Unit at the same price or rental and on the same terms as were offered in good faith by a prospective purchaser or lessee, as more specifically provided in the By-Laws._

The Board of Managers has the authority to manage the Condominium. The rights and responsibilities of the Board of Managers include, the maintenance and repair of the Common Elements (i.e. changing lightbulbs, cleaning hallways, landscaping and trash removal), collection of Common Charges from the Unit Owners (if no managing agent is hired), promulgating Rules and Regulations, obtaining insurance, and all other duties that may be required in connection with the operation of the Condominium. Sponsor will be providing janitorial services and management services for the first year of operations. Unit Owners are advised that once the first year is up and Sponsor is no longer providing janitorial services they will be required to have a 24/7 on call superintendent.

Each Unit Owner will have the right to vote for the members of the Board of Managers. Unit Owners will have one vote for each Unit that they own. Each Unit Owner must pay common charges in accordance with the New York Condominium Act, RPL Sections 339(i) and (m) and must comply with the Declaration, By-Laws, Rules and Regulations and any other requirements of the Board of Managers.

The estimated Common Charges for the first year of Condominium operation are set forth in SCHEDULE A.

The projected budget for the first year of Condominium operation is set forth in SCHEDULE B.

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

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The structure, which is the subject of this Offering Plan, consists of a single building containing six (6) stories and a cellar laid out as per the attached floor plans and containing 26 residential and 1 Community Facility Unit. The prior use of the premises was residential.

Residential units will be equipped with a Samsung electric stove, as part of the sale. Sponsor will not be providing a washer/dryer nor will individual units be equipped with washer/dryer hookups. There will be a common laundry room located in the cellar. Additional kitchen appliances and fixtures including additional gas ranges 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 listed above. See DESCRIPTION OF PROPERTY AND BUILDING CONDITION included in Part II of this Offering Plan.

On the first floor there will be parking spaces for 13 bicycles. There is no on site parking for motor vehicles. This is a newly constructed building; work on the building is scheduled for completion in July of 2018.

The Units, the Building containing them and all other improvements will comply with all applicable rules, regulations, laws and other requirements of all governmental authorities having jurisdiction thereof including those governing zoning and construction, and the sponsor and all other persons engaged by the sponsor in connection with this plan have complied and will comply with all applicable laws, rules, regulations and other governmental requirements pertaining thereto including but not limited to the City of New York. The Sponsor must obtain at least a temporary certificate of occupancy prior to the closing of title to a Unit.

The Sponsor may make changes in design, layout, and arrangement of units, and substitute equipment and materials, except that the Sponsor may not (i) substitute materials or equipment of lesser quality or design; or, (ii) change the size, location, or value of any Units, or of other improvements or public areas, if such changes adversely affect the percentage of common interest, or adversely affect the value of any Unit to which title has been closed, or for which a Purchase Agreement has been fully executed and is in effect, unless any affected Unit Owners, and the Board of Managers (if applicable) consent in writing to such changes, and unless an amendment setting forth such changes in detail is duly filed with the New York State Department of Law.

The Sponsor hereby adopts the detailed description of property and building condition set forth in the section entitled DESCRIPTION OF PROPERTY, SPECIFICATIONS, and BUILDING CONDITION of this offering plan. With reference to such material, a licensed architect prepared the description of property and building condition contained therein. Prospective Purchasers are urged to refer to said Section for a more complete understanding of the physical condition of the subject property and building.

LOCATION AND AREA INFORMATION

The premises are located in the Ditmas Park section of Brooklyn. This is a highly developed area essentially residential in character, but served by a rich and diverse assortment of shopping, recreational, medical, religious, and educational facilities, as well as a network both of streets and roads, and urban transportation. Police, Fire, Water, Sanitation, snow removal, and road maintenance are provided by the City of New York. Police Precinct serving the community includes the 70th precinct. The building is served by FDNY Engine 281/Ladder 147. Police and fire stations are located approximately 1 mile from the project. Medical needs of the community are served by King County Hospital located 2.3 miles from the building. Students living in this project will be eligible to attend a Public School several blocks away.

The site is zoned R7A. Zoning of the site is residential. There is no landmark designation of the site. To Sponsor and its principals knowledge, there are no adjoining undeveloped areas of the site which may impact the condominium. Neither the Sponsor, nor any principals of the Sponsor, own in whole or in part, or have an optional right to acquire in whole or in part, any adjacent areas which are not fully developed.

SCHEDULE A – OFFERING PRICES AND RELATED INFORMATION THE 631 EAST 18TH STREET CONDOMINIUM
ESTIMATED COSTS FOR THE FIRST YEAR OF CONDOMINIUM OPERATION EXPECTED TO COMMENCE ON April 1, 2019- March 31, 2020

Unit	(1) Bedrooms And Baths	(2) Approx. Total Square Footage (habitable space)	(2) Approx. Total Square Footage (uninhabitable space)	(2) Percentage of Common Interest	(3) Offering Price	(4) Projected Monthly Common Charges for 1st Year	(5) Projected Monthly/Annual Real Estate Taxes for 1st Year Without 421-a Benefit	(6) Projected Total Monthly Carrying Charges without 421-a Benefit	(5) Projected Monthly/Annual Real Estate Taxes with 421- a Benefits for 1st Year	(6) Projected Total Monthly Carrying Charges with 421-a Benefit
C1		4597	2589	16.97%	\$1,500,000.00	1,031.13	3,327.56/39,930.75	4,358.69	564.50/6,774	1,595.63
2A	1BDRM/1BTH	619	28	3.23%	\$680,900.00	196.29	633.35/7,600.25	829.58	10.89/130.55	207.18
2B	1BDRM/1BTH	504		2.64%	\$554,400.00	160.44	517.66/6,211.97	678.10	8.89/106.71	169.33
2C	2BDRM/1BTH	772	55	4.04%	\$849,200.00	245.51	792.18/9,506.20	1,037.69	13.61/163.29	259.12
2D	2BDRM/1BTH	795	31	4.16%	\$874,500.00	252.80	815.71/9,788.52	1,068.51	14.01/168.15	266.81
2E	1BDRM/1BTH	525	33	2.73%	\$577,500.00	165.90	535.31/6,423.74	701.21	9.20/110.35	175.10
2F	0BDRM/1BTH	400		2.10%	\$440,000.00	127.62	411.77/4,941.34	539.39	7.07/84.88	134.69
3A	1BDRM/1BTH	619	28	3.23%	\$680,900.00	196.29	633.35/7,600.25	829.58	10.89/130.55	207.18
3B	1BDRM/1BTH	504		2.64%	\$554,400.00	160.44	517.66/6,211.97	678.10	8.89/106.71	169.33
3C	2BDRM/1BTH	772	55	4.04%	\$849,200.00	245.51	792.18/9,506.20	1,037.69	13.61/163.29	259.12
3D	2BDRM/1BTH	795	31	4.16%	\$874,500.00	252.80	815.71/9,788.52	1,068.51	14.01/168.15	266.81
3E	1BDRM/1BTH	525	33	2.73%	\$577,500.00	165.90	535.31/6,423.74	701.21	9.20/110.35	175.10
3F	0BDRM/1BTH	400		2.10%	\$440,000.00	127.62	411.77/4,941.34	539.39	7.07/84.88	134.69
4A	1BDRM/1BTH	619	28	3.23%	\$680,900.00	196.29	633.35/7,600.25	829.58	10.89/130.55	207.18
4B	1BDRM/1BTH	504		2.64%	\$554,400.00	160.44	517.66/6,211.97	678.10	8.89/106.71	169.33
4C	2BDRM/1BTH	772	55	4.04%	\$849,200.00	245.51	792.18/9,506.20	1,037.69	13.61/163.29	259.12
4D	2BDRM/1BTH	795	31	4.16%	\$874,500.00	252.80	815.71/9,788.52	1,068.51	14.01/168.15	266.81
4E	1BDRM/1BTH	525	33	2.73%	\$577,500.00	165.90	535.31/6,423.74	701.21	9.20/110.35	175.10
4F	0BDRM/1BTH	400		2.10%	\$440,000.00	127.62	411.77/4,941.34	539.39	7.07/84.88	134.69
5A	1BDRM/1BTH	619	28	3.23%	\$680,900.00	196.29	625.51/7,506.13	965.88	10.74/128.88	351.11
5B	1BDRM/1BTH	504		2.64%	\$554,400.00	160.44	517.66/6,211.97	678.10	8.89/106.71	169.33
5C	2BDRM/1BTH	772	55	4.04%	\$849,200.00	245.51	792.18/9,506.20	1,037.69	13.61/163.29	259.12
5D	2BDRM/1BTH	795	31	4.16%	\$874,500.00	252.80	815.71/9,788.52	1,068.51	14.01/168.15	266.81
5E	1BDRM/1BTH	525	33	2.73%	\$577,500.00	165.90	535.31/6,423.74	701.21	9.20/110.35	175.10

5F	0BDRM/1BTH	400			2.10%	\$440,000.00	127.62	411.77/4,941.34	539.39	7.07/84.88	134.69
6A	1BDRM/1BTH	612	28		2.70%	\$673,200.00	164.08	529.43/6,353.15	693.51	9.09/109.13	173.17
6B	2BDRM/2BTH	905			4.73%	\$995,500.00	287.45	1,768.69/21,224.24	2,056.14	15.93/191.85	303.38
TOTAL		9660	1643		1.00%	\$19,073,000.00	6077.10	19,608.50/235,302	25,685.60	336.83/4,042.00	6,413.93

NOTES: a. There is a fee of \$750.00 which is paid at closing and deposited in the Working Capital Fund. See Section "Closing Costs and Adjustments".

b. Units 2A-5A, 2B-5B, 2C-5C, 2D-5D and 6A will each have a balcony allocated as a limited common element to their unit. These limited common elements may not be legally used as a bedroom or living room, to do so may result in a building code violation issued for the building.

THE 631 EAST 18TH STREET CONDOMINIUM

FOOTNOTES TO SCHEDULE A

1. The number of rooms listed for each Unit is based upon the "Recommended Room Count" of the Real Estate Board of New York, Inc. For more details regarding the rooms within the Units, please consult the floor plans in Part II for the layout of each Unit.
 - 2-3. The approximate indoor floor area of each Unit has been measured from the exterior Building walls or glass windows at the Building line and/or Property line enclosing the Unit, or from the midpoint of the interior Demising Walls separating the Unit from another Unit, or from the public side of the interior Demising Walls separating the Unit from the public corridors or public stairs, or from the mechanical space side of interior Demising Walls separating the Unit from mechanical equipment space or any other Common Elements. Columns and mechanical pipes and chases (whether along the perimeter or within the Unit) are not deducted from the square foot area of the Unit. The floor area occupied by Common Elements bordering or within a Unit (such as the Building's façade or exterior walls, vents, chase walls or areas, conduits, ducts, shafts or pipes) have been included in the computation of the floor area of the Unit, but such Common Elements are not part of the Unit. As a result, the square footages shown are taken from points behind the walls enclosing the Unit and significantly exceed the Unit's usable floor area. Immaterial inaccuracies in a Unit's square footage will not excuse a Purchaser from completing the purchase of a Unit without recourse against the Sponsor, or reduction in the price. The basis for calculating the percentage of common interest is made pursuant to Section 339-(i)(1)(iv) of the Real Property Law or applicable state Law. A decrease in a unit's area of 5% or less will not affect a purchaser's obligations unless such a decrease is determined to be a material change. There is a rebuttable presumption that an area that is diminished by 5% or less is not material.
- Units 2A-5A, 2B-5B, 2C-5C, 2D-5D and 6A will each have a balcony allocated as a limited common element to their unit. The square footage of "habitable space" does not include "uninhabitable spaces (limited common elements)". See Section of this Offering Plan entitled DESCRIPTION OF PROPERTY AND SPECIFICATIONS and FLOOR PLANS - set forth in Part II of this Offering Plan.
4. No change in the sales price will be made other than pursuant to a duly filed amendment, except that the Sponsor reserves the right to decrease the sale prices below the Offering Plan prices without filing an amendment to the Plan at any time during the Offering where a reduction in sales price does not constitute a general offering but is rather the result of an individually negotiated Unit purchase. See Section X "Changes In Prices Or Layouts And Substitution of

Materials". See Section XI, "Procedure to Purchase." See Section XIV "Closing Costs and Adjustments" for estimated closing costs and adjustments, which costs purchasers are obligated to pay in addition to the sale prices set forth herein.

5. Common Charges have been estimated by the Sponsor and include fire and liability insurance for the Units and Common Elements, landscape maintenance and maintenance and operation of the Common Elements which will not be performed by unit owners. Common Charges exclude repair and decoration to the inside of a Unit, electricity for each Unit and insurance for personal belongings. See Schedule B-1 for estimated heating and electrical costs for each Unit.
6. The Sponsor has applied for real estate tax benefits in accordance with Section 421-A of the Real Estate Property Law and has received a preliminary certificate of eligibility on March 27, 2017. The Sponsor will use its best efforts to obtain the benefits. In short, if 421-A tax benefits are obtained, during the construction period and during ten (10) years following the first taxable status date immediately following completion of the construction, 100% of the increased assessed value of each residential unit, up to an expected assessed value of \$89,975.00, resulting from improvements thereon will be exempt from taxation. The exemption will decline to 80% of the increased assessed value for the eleventh (11) year and will be further reduced by an additional 20% for each of succeeding years. The abatement will not apply to any portion of the assessed value of the property that exceeds the estimated \$89,975.00 per unit, although no unit is expected to exceed that cap.

NO GUARANTEE CAN BE, OR IS MADE, THAT SAID BENEFITS WILL BE OBTAINED, OR WILL CONTINUE TO BE AVAILABLE. Purchasers will not be entitled to rescission in the event tax benefits are not obtained. Therefore, the Sponsor has projected in Schedule A real estate taxes in the event no such benefits are obtained. After the Condominium is divided into individual tax lots, each unit will be taxed as a separate lot for real estate tax purposes and the unit owner will not be responsible for the payment of, nor will the unit be subject to, any lien arising from the non-payment of taxes on other units.

Section 421-A of the Real Property Tax Law and the New York City Department of Preservation and Development ("HPD") require that if the Offering Plan is not declared effective for filing at a time fifteen months after HPD has issued a Final Certificate of Eligibility for the 421-A tax benefits, as of such date ("Such date") the building and all the units, as they become occupied, shall become rent stabilized and subject to the rent stabilization laws applicable thereto for the entire period during which the property is receiving 421-A tax benefits. As of Such Date, the Sponsor must register the building and all residential units as they become occupied with the New York State Department of Housing and Community Renewal ("DHCR"). Any leases and renewals thereof to a residential unit that are required to be registered with DHCR shall contain at least 12 point type informing such tenant that the residential tenant shall be subject to

deregulation upon the expiration of the 421-A tax benefit period and state the approximate date of the benefits. During the rent stabilization period, the unit shall not be subject to luxury decontrol.

The Sponsor has obtained an opinion from MGN Consulting, with offices at 18 Bridge Street, Suite 2D, Brooklyn, New York, as to the likely effects of the Sponsor's application for real estate tax benefits. Purchasers are directed to "Real Estate Tax Benefits Opinion" Section of the Plan, for complete explanation.

Calculation of real estate taxes are arrived at by applying the current tax rate to the assessed value, in direct proportion to the allocation of the Common Interest of the Unit. In the event the benefits are obtained, the assessed value will be based on the pre-construction assessed value of \$292,500.00. In the event the benefits are not obtained, the assessed value used for calculation will be the \$1,850,000.00 post-construction assessed value estimated by the Sponsor real estate tax exemption expert, and set forth in the Real Estate Taxes section for further disclosure regarding 421-a tax benefits. In either case, the tax rate used for calculation is 13% per \$100.00 of assessed value.

With regards to the Community Facility Unit, a preliminary application for certificate of eligibility for industrial and commercial abatement (ICAP) has been filed. Calculation of the real taxes are arrived by calculation 115% of the pre-construction value (\$404) which is \$465.00. Calculating the unit post-completion is arrived at by subtracting the 115% of pre-construction tax from post-completion tax ($\$35,747 - 465 = \$35,282$).

Due to the Tax Cuts and Jobs Act of 2017 (the "Law"), which was passed by Congress in January 2018, Purchasers should consult with their tax professional to make sure they fully understand what amounts of real estate taxes and mortgage interest can be deducted from their income taxes.

The Law capped the amount an owner of a residential property may deduct from his otherwise taxable income for mortgage debt eligible for deductions from \$1 million to \$750,000 (in the aggregate) and eliminates deductions for home equity debt (currently capped at \$100,000), unless the homeowner uses the money for home improvements, in which case the \$100,000 cap will still apply.

The deduction for second homes, with the \$750,000 cap applying in aggregate to mortgage debt. New mortgage debt caps will apply only to new mortgages, but all deductions for home equity loans will be eliminated (unless the money is used for home improvements).

The Law also capped the deduction amounts paid for certain state and local taxes to \$10,000 per year (\$5,000 for a married taxpayer filing a separate return).

Unit Owners will be entitled to deduct real property taxes and mortgage interest paid on the Unit for income tax purposes. Said amount shall vary depending on the amount of Real Estate taxes paid by the Unit owner (which amount shall increase upon the expiration of the real estate tax benefits) as well as changes in the amount of interest paid on the Unit Owner's mortgage. See "Opinion of Counsel" and "Sponsor's Tax Expert Opinion" Section of the Plan for more complete discussion.

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

VI. SCHEDULE B
The 631 EAST 18TH STREET CONDOMINIUM
Projected Budget for the First Year of Operation
Beginning April 1, 2019

INCOME:

Common Charges (Note 1).....	\$72,925.23
Total Estimated Income	\$72,925.23

ESTIMATED EXPENSES:

(2) Electricity (Note 2)	\$12,813.00
(3) Heating (Gas) (Note 3).....	\$ 1,218.48
(4) Insurance (Note 4).....	\$4,152.00
(5) Water & Sewer (Note 5).....	\$ 23,041.75
(6) Accounting (Note 6).....	\$1,700.00
(7) Legal Fees.....	\$ 500.00
(8) Management/Labor.....	\$ 00
(9) Repairs, Maintenance & Supplies.....	\$6,000.00
(10) Contingencies.....	\$ 500.00
(11) Reserves.....	\$8,000.00
Total Expenses.....	\$ 72,925.23

The budget year is projected to commence on April 1, 2019. If the projected commencement date differs by Six months or more from the anticipated commencement date, the Plan will be amended to include a revised budget disclosing current projections. If such amended projections exceed the original projections by 25% or more, or if the first closing is delayed 12 months or more from the projected date of the first closing, the Sponsor will offer all Purchasers the right, for a period of 30 days thereafter, to rescind their Offer to Purchase and have their deposits refunded within a reasonable period of time (see NYCRR §20.3(h)(1)). Sponsor may not declare a Plan effective where there are any material changes to the budget if these changes have not been disclosed by a filed amendment to the Plan.

FOOTNOTES TO SCHEDULE B

1. Common Charges: This figure is based upon the Annual Residential and Commercial Space Owners Common Charges which are 100% of the Common Charges.
2. Based on the opinion by Igor Gurevich of Forest Brook Electrical Inc., dated December 11, 2018. Mr. Gurevich has been an electrician for for 10 years and has installed and serviced electricity and wiring in about 50 buildings. The estimate assumes average yearly usage of 49,296 KWH at an estimated cost of electricity of \$0.239 per KWH. The estimate is for the cost of electricity in the Common Areas only including heat and air conditioning in said areas, and does not include the cost of electricity for each Unit, which shall be individually metered and billed directly to each Unit Owner. The charges are based on the current cost of electricity plus a 10% increase. See attached letter (Schedule B1).
3. Heat and hot water for each Unit are provided by separate facilities serving each Unit. Each Purchaser will pay separately for the heat and hot water supplied to their Unit. Heat will be provided to the common areas of the building. See Schedule B-1 hereinafter set forth for an estimate of individual heat and hot water charges.
4. Insurance coverage is estimated based upon a June 28, 2017 projection from D & Y Brokerage Inc., Brooklyn, New York 11229 providing for the following coverages:

DESCRIPTION AND COVERAGES:

Total Complete Values:	\$4,850,000.00
Deductible:	\$5,000.00 per occurrence

Comprehensive general liability Broad Form Endorsement including:

1 - BUILDING PROPERTY COVERAGE - \$2,000,000 Limit

2 - COMPREHENSIVE GENERAL LIABILITY BODILY INJURY AND
PROPERTY DAMAGE - \$1,000,000 PER OCCURRENCE LIMIT

The premium has been estimated for the complete and occupied condominium based on Standard New York Policy and forms. The policy will provide that each Unit Owner is an additional insured; there will be no cancellations without notice to the Board of Managers and Unit owners; waive subrogation; waive invalidity because of the acts of the insured and Unit owners, and waive pro-rata reductions if additional Unit owners obtain coverage.

The foregoing insurance will be adequate to replace the Buildings in the event of total loss and will eliminate the standard co-insurance requirement. Public liability insurance will be in effect at the time of closing. Insurance coverage meets the requirements of any mortgage lender procured by the Sponsor. The policy will provide:

- (a) that each Unit Owner is an additional insured party;
 - (b) that there will be no cancellation without notice to the Board of Managers;
 - (c) will waive subrogation;
 - (d) will waive invalidity because of the acts of the insured and Unit Owners;
- and
- (e) will waive pro-rata reduction if Unit Owners obtain additional coverage.

Unit Owners are advised to obtain additional insurance at their own cost to cover such risks as fire and casualty losses to Unit contents, replacements, additions, fixtures and improvements, and liability coverage for occurrences within the Unit or, where applicable, on Limited Common Elements. In addition, no excess liability coverage or boiler and machinery insurance is included in the coverage provided above. Prospective Purchasers should consult their attorney or insurance agent to determine the advisability of obtaining, at their own cost, insurance coverage for their own risk of liability and fire and casualty and water damage losses for occurrences within their respective Unit and for losses relating to Unit contents, replacements, additions, upgraded fixtures and improvements contained therein. The insurance coverage meets the requirements of any mortgage lender procure by Sponsor. The Insurance portion of the Operating Budget for the first year does not include Directors and Officers liability coverage

5. Water is supplied to the building by the City of New York through a single water meter serving the entire building, including the community facility. The board will have the right, if they choose, to submeter the water for the community facility. Projected water and sewer costs in an opinion by Nakdos Inc., are based upon 1,799,085 gallons of water annually or 24,0519.38 cubic feet of water, current charges of \$3.70 per 100 cubic feet of water and \$5.88 per sewer charges of water consumed. Projected figure also includes a 10% allowance for inflation.
6. This figure reflects the estimated cost of retaining an accountant to prepare an audited year-end fiscal statement and federal and state tax returns for the first calendar year of Condominium operation. This estimate is based upon the fee quotation of Wisdom Professional Services Inc.
7. This figure also reflects the estimated cost of retaining an attorney (of the Board's own choosing) to advise the Board of Managers on legal issues that may arise in connection with the Condominium's normal business operations. The amount reflected covers one hour of attorney's time and does not cover extraordinary costs or expenses for additional services rendered or costs incurred to conduct litigation on behalf of the Condominium. This figure is based on an estimate from Michael Michael PLLC.
8. It is contemplated that the building will be self-managing, and that no managing agent will be employed. The Sponsor shall manage the Condominium for the first year at no charge to the Unit Owners for the first year or until all the Units are sold, whichever comes first. Therefore, no amount has been included in the projected budget for the first year of operation for a management fee. In the event the Board of Managers determines

that it is in the best interest of the Condominium to employ a managing agent, this item will represent an additional expense not included in the projected budget, and will require an increase in Common Charges of approximately 6 to 10%.

Sponsor will not be hiring a superintendant, but will be providing janitorial services including a 24/7 on call superintendant for the first year of operations. Unit Owners are advised that once Sponsor is no longer providing janitorial services, they will be required to perform maintenance duties such as changing lightbulbs, taking out trash, cleaning common areas and landscaping/snow removal themselves. After the first year of operation the condominium must have a superintendant residing within 200 feet of the building or a 24/7 janitorial service. In the event Owners desire to hire a part-time superintendent, working approximately 3 days per week with on call services 24 hours per day, 7 days per week. The superintendent will be non-union. The budgeted figure includes an additional 15% (\$2,035) to cover and pay for all social security, disability, unemployment insurance, payroll taxes, and all other benefits required by local, state and federal law. Should the condominium board decide to hire a full time superintendent, the salary will be \$31,220 the additional costs, which meet with applicable wage laws, are as follows: Social Security tax \$2,386; federal unemployment tax \$42; state unemployment tax \$520; disability tax \$60; and workers compensation \$640. Such level staffing complies with all applicable housing labor laws. This item will represent an additional expense not included in the projected budget, and will require an increase in Common Charges. This figure is based on estimates received by Sponsor.

9. This budget amount is reserved for routine general repairs and maintenance necessary to maintain the building, including painting of common areas, repairs to common areas, plumbing, electrical repairs, exterior repairs (including roofing, walls, foundations, windows, doors and locks) and grounds maintenance, exterminating as needed, at an approximate cost of \$3,500.00 and also includes janitorial supplies at a cost of approximately \$2,500.00. The projected amount does not include repairs, painting, maintenance, or supplies for the interior of the Units, all of which are the responsibility of the individual Unit Owners. The condominium board will decide for themselves who will be the contract vendors for waste removal, landscaping, cleaning common areas, etc. Sponsor will not be hiring a superintendant, but will be providing janitorial services including a 24/7 on call superintendant for the first year of operations. Unit Owners are advised that once Sponsor is no longer providing janitorial services, they will be required to perform maintenance duties themselves. In addition, no amount is budgeted for a superintendent or custodian and, in the event the Board of Managers determines that it is in the best interest of the Condominium to enter into a service contract or employ a superintendent or custodian, this will also result in an increase in Common Charges. Unit owners will be responsible for their share of any additional common charges. The condominium board will be responsible for the routine maintenance and operation of the premises and will be obligated to take care of such matters as rubbish removal, cleaning, snow removal, and the collection of common charges and payment of expenses. This estimate also includes a proposal from MD Elevator Inc. for \$450.00 per month for elevator maintenance. This figure is based on estimates received by Sponsor.

10. These contingency funds are to provide for any unanticipated expenses. This fund on an annual basis should be sufficient to pay for major capital repairs or replacement items likely to be needed within the first five years of Condominium operation. The Contingency shall also cover all Federal and New York City and State income and corporation taxes applicable to the Condominium with respect to the First Year of Condominium Operation. New York City and State income and corporation taxes are projected to be covered by the "minimum" corporation taxes. There can be no assurance that the Contingency Fund will be sufficient to pay for all of the aforesaid expenses. If additional funds are required over and above these funds, it may be necessary to increase Common Charges or separately assess all Unit Owners. The cost of this budget item will be borne by all Unit Owners in accordance with the respective Common Interests allocated to their respective Units.
11. The reserve fund is intended to provide for any unanticipated expenses or unanticipated increases in the projected expenses. The contingency fund is not intended as a reserve for capital expenditures, except that \$1,000 per year will be held for any future roof replacement. According to a letter from F & L Construction and Roofing, the life expectancy of the roof installed is at least 19 years and the cost of relacing said roof would be approximately \$18,000. However any surplus amounts will be used to add to the capital reserve fund. No representation is made that this fund will be adequate to cover current or future expenses including repairs or replacements of Common Elements. If additional funds are required over and beyond said fund, it may be necessary to increase the Common Charges payable by the Unit Owners or to collect a special assessment from each Unit Owner.

IN THE OPINION OF THE CONSULTANT, (SET FORTH IN "CERTIFICATION OF SPONSOR'S EXPERT CONCERNING ADEQUACY OF BUDGET," IN PART II OF THIS PLAN), THE PROJECTED RECEIPTS APPEAR REASONABLE AND ADEQUATE BASED ON PRESENT PRICES (ADJUSTED TO REFLECT CONTINUED INFLATION AND PRESENT LEVELS OF CONSUMPTION FOR COMPARABLE UNITS SIMILARLY SITUATED) TO MEET THE ESTIMATED EXPENSES FOR THE FIRST YEAR OF CONDOMINIUM OPERATION, ASSUMING SUCH FIRST YEAR TO BE THE YEAR COMMENCING JANUARY 1, 2019. THE FOREGOING BUDGET, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A REPRESENTATION OR WARRANTY THAT THE ANNUAL COMMON CHARGES OR COMMON EXPENSES FOR THE FIRST OR ANY SUBSEQUENT YEAR OF OPERATION OF THE PROPERTY BY THE CONDOMINIUM BOARD WILL BE AS SET FORTH IN THE SAID BUDGET.

IT IS LIKELY THAT THE ACTUAL COMMON EXPENSES FOR THE FIRST YEAR OF CONDOMINIUM OPERATION WILL VARY FROM THE AMOUNTS SHOWN IN THE BUDGET. IF SUCH AMENDED PROJECTIONS EXCEED THE ORIGINAL PROJECTIONS BY 25% OR MORE, SPONSOR WILL OFFER ALL PURCHASERS FOR A PERIOD OF 30 DAYS THEREAFTER, TO RESCIND THEIR OFFER TO PURCHASE AND HAVE THEIR DEPOSITS REFUNDED.

FOREST BROOK ELECTRICAL, INC

Date: 12/11/18

2201 Neptune Ave
Brooklyn, NY 11224
Ph#917-589-6925
Email:gurevich_igor@yahoo.com

To: Mr. Oleg Krasnitsky
631 East 18 Street, LLC

Re: 631 East 18 Street Condos
631 East 18 Street
Brooklyn, NY 11226

Dear Mr. Krasnitsky

You have requested me to estimate the cost of electricity to the above referenced condominium.

Unit	KWH Used	Cost of Electricity	Tax	Monthly Cost	Annual Cost
Comm unity facilit y	3.760	680.56	8.875	740.95	8.891
2A	870	157.47	8.875	171.47	2.057
2B	870	157.47	8.875	171.47	2.057
2C	1050	190.05	8.875	207.00	2.484
2D	1050	190.05	8.875	207.00	2.484

2E	870	157.47	8.875	171.47	2.057
2F	790	142.99	8.875	155.68	1.868
3A	870	157.47	8.875	171.47	2.057
3B	870	157.47	8.875	171.47	2.057
3C	1050	190.05	8.875	207.00	2.484
3D	1050	190.05	8.875	207.00	2.484
3E	870	157.47	8.875	171.47	2.057
3F	790	142.99	8.875	155.68	1.868
4A	870	157.47	8.875	171.47	2.057
4B	870	157.47	8.875	171.47	2.057
4C	1050	190.05	8.875	207.00	2.484
4D	1050	190.05	8.875	207.00	2.484
4E	870	157.47	8.875	171.47	2.057
4F	790	142.99	8.875	155.68	1.868
5A	870	157.47	8.875	171.47	2.057
5B	870	157.47	8.875	171.47	2.057
5C	1050	190.05	8.875	207.00	2.484
5D	1050	190.05	8.875	207.00	2.484
5E	870	157.47	8.875	171.47	2.057
5F	790	142.99	8.875	155.68	1.868
6A	870	157.47	8.875	171.47	2.057
6B	1050	190.05	8.875	207.00	2.484
TOTAL	27.680	5.009.00		5.455.00	65.460.00

Price per KWH \$0.181

Residential			
	Studio	1 Bedroom	2 Bedroom
Lighting and Receptacles	101	122	171
(4.5 Hours/Day) (30 Days)(0.3)	2.5KW	3KW	4KW
Appliances	206	216	216
(4.5 Hours/Day) (30 Days)(0.8)	2KW	2KW	2KW
AC Units Cold/Heat	240	289	420
(600 Full Load Hrs)(0.8)	4KW	5KW	7KW
Water Heater	108	108	108
(3 Hr/Day)(30 Days)(0.6)	2KW	2KW	2KW
Cooking Stove	135	135	135
(3 Hr/Day)(30 Days)(0.6)	2.5KW	2.5KW	2.5KW
Total	790	870	1050
Estimated Monthly Cost per Units	\$ 155.68	\$ 171.47	\$ 207.00
Estimated Annual Cost Per Unit	\$1,868.16	\$2,057.64	\$2,484.00

Community Facility	Monthly	Cost	Annual	Cost
Lighting & Receptacles(4.5 Hours/Day) (30 Days)(6KW)(0.3)	252	\$49.90	3024	\$ 598.80
Appliances (4.5 Hours/Day)(30 Days)(3KW)(0.8)	360	\$70.89	4320	\$ 850.68
AC Units Cold(600 Full Load Hrs)(6KW)(0.8)	2880	\$567.36	34560	\$ 6,808.32
Water Heater(3 Hr/Day)(30 Days)(2KW)(0.6)	124	\$24.43	1488	\$ 293.14
Cooking Stove(3 Hr/Day)(30 Days)((2.5KW)(0.6)	144	\$28.37	1728	\$ 340.42
Estimated Cost	3760	\$740.95	45120	\$ 8,891.4

The condominium will consist of 26 units and according to our estimates will consume 287040 KWH of electricity annually and will be charged a total of \$65460.00

Gurevich Igor



FOREST BROOK ELECTRICAL, INC

2201 Neptune Ave
Brooklyn, NY 11224
Ph#917-662-7021
Email:gurevich_igor@yahoo.com

December 11, 2018
Re: 631 East 18 Street
Brooklyn NY, 11226

Dear Mr. Krasnitskiy,

You have requested me to estimate the cost of providing electricity to common area. The above figures have been determined by the cost of electricity of \$0.239 Per KWH used as set forth by Consolidated Edison of New York.

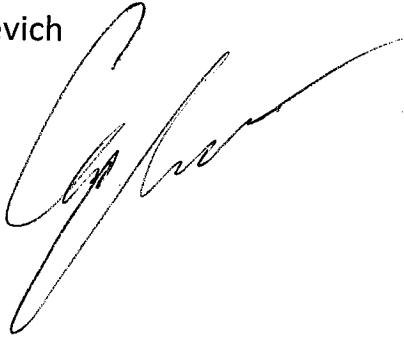
UNIT	KWH used monthly	Cost of elect	TAX	Monthly cost	Annual cost
Lighting	633	151	13.15	164.15	1.970
Heating	780	163.9	16.2	202.6	2.431
Elevator big	1005	240.2	21	261	3.132
Elevator small	615	147	13	160	1.920
Pumps	1075	257	22.4	280	3.360
Total price for 12 month					12.813

Consumption Estimated Calculations

Common Area		Monthly	Cost	Annual	Cost
Light Fixtures LED	3KW	632	\$164.15	7600	\$ 1,970.00
Elevators(1000 Hr/Yr)(72KW)(0.27)	72KW	1620	\$421.00	19440	\$ 5,052.00
Heating Units (15KW/hr)(52 Days)(0.5)	15KW	780	\$202.60	9360	\$ 2,431.00
Pumps/Fans(5000Hrs/yr)(12.9KW)(0.2)	13KW	1075	\$280.00	12900	\$ 3,360.00
		4107	\$1,067.75	49300	\$ 12,813.00

Please call me if you have any question.

Igor Gurevich



Although the Sponsor is under obligation to provide accurate information to prospective Purchasers, factors beyond its control may substantially affect the cost of electricity and/or gas after the purchase of a Home or in subsequent years. Sponsor represents however, that it has followed the plans and specifications provided by the manufacturer of the appliances together with the recommendation of the manufacturer and other experts to enable these items of equipment to operate at optimum efficiency at the lowest cost. Further, that it has not been induced to select the appliances etc. described herein on the basis of any financial inducement other than the cooperative advertising and price of the system made to it by the manufacturer or distributor of the system or by the supplier of energy to be used in connection therewith or by any of their agents or employees.

Law Offices of Michael Michael, PLLC
Attorneys at Law

1795 Coney Island Avenue
Brooklyn, New York 11229
Telephone (718)998-9888
Facsimile (718) 645-7555

Michael H. Michael, Esq.

February 18, 2018

New York State Department of Law
120 Broadway - 23rd Floor
New York, New York 10271

Re: THE 631 EAST 18TH STREET CONDOMINIUM
Compliance With Real Property Law Section 339 (i)

Sir/Madam:

The Sponsor of the Condominium Offering Plan for the referenced property has retained this writer to review the percentage of common interest applied to the Units contained in Schedule A to the Offering Plan.

My experience in this field includes the following:

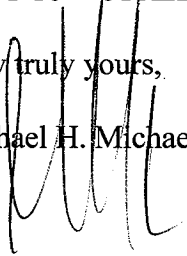
I have been actively involved the field of real estate as a real estate attorney for over 19 years representing buyers, sellers, developers and lending institutions. I have prepared over 25 Condominium Offering Plans and have extensive experience working with Condominium Developers and Sponsors in the New York City area.

In reviewing said Schedule A, the percentage of common interest for each Unit as contained therein has been determined based upon the approximate proportion that the floor area of the Unit at the date of the declaration bears to the then aggregate floor area of all the Units, but such proportion shall reflect the substantially exclusive advantages enjoyed by one or more but not all Units in a part or parts of the common elements. Said method of determining the percentage of common interest in a condominium complies with and is pursuant to S339-i(1)(iv) of the Real Property Law of the State of New York.

I hereby authorize inclusion of this opinion in the Offering Plan for THE 631 EAST 18TH STREET CONDOMINIUM to be filed with the Department of Law.

Very truly yours,

Michael H. Michael



INTERIM LEASE

This Offering Plan will not permit Interim Leases.

COMMUNITY FACILITY UNIT

There one Community Facility Unit in the Building. The Community Facility Unit designated Unit C1, is intended to be used as a kindergarten and will consist of 4441 square feet of interior space and 2514 square feet of recreation space as limited common elements located at the cellar and first floor. There will be an indoor and outdoor playground area. There will be three (3) toilets and for (4) sinks to be used by this unit. There will be two entrances, one on Foster Avenue and one on East 18th Street. Floor plans of the Community Facility Unit are included in Part II.

Although the intended use of the Community Facility is as a kindergarten, Sponsor is not limited-with respect to: (a) the uses to which the Community Facility Unit or any part thereof may be put at any time; or (b) who will operate, or occupy as Community Facility Unit Owner or tenant, the Community Facility Unit or any part thereof at any time. Except as otherwise provided in the By-Laws, the Community Facility Unit or any part thereof may be used by the Community Facility Unit Owner (or any tenant or tenants thereof) for any lawful purpose under the New York City Zoning Resolution. The Board of Managers and the Residential Unit Owners will not have the right to approve any change in the use or the Community Facility Unit or any part thereof or any amendment to the Building's Certificate of Occupancy to authorize a different use, without the consent of the affected Community Facility Unit Owner. Per applicable zoning laws this nit may be used as a doctor's office, a non profit organization or childcare facility.

The purchaser of the community facility will be responsible for submitting all applications and procuring all licenses and permits from The New York City Department of Health, New York City Department of Buildings, FDNY, New York City Department of Education and the Administration for Children's Services for the unit to be used as a kindergarten. There are no zoning restriction that pertain to the building as a result of the kindergarten. This unit shall have separate entrances. The projected number of children to be enrolled is eighty five (85) with eleven (11) adults. The age range of the children will be two (2) through five (5) years old. Purchasers should note that operating this unit as a kindergarten may result in additional noise and traffic in the building.

The Sponsor and/or Owner of the Community Facility Unit shall have the right, without the consent of the Board of Managers, other Unit Owners or the holders of mortgages on Units, whether before or after the recording of the Declaration of Condominium, to (a) make alterations, additions or improvements, structural and non-structural, interior and exterior, ordinary and extraordinary into and upon their Units; and (b) alter or improve any Community Facility Limited Common Elements; provided, however, that in each instance the Community Facility Unit Owner shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom.

The Owner of the Community Facility Unit shall have easements for (i) the installation, maintenance, repair and replacement of signs, flues, vents, air-conditioning, heating,

ventilation water and other mechanical lines and fixtures and equipment on the exterior walls, the roof and through the common elements of the Building, and in, through, under and over any Community Facility Unit; (ii) through the common elements of the Building for access to the roof for the purpose of installing, repairing, maintaining and replacing any fixtures and equipment now or hereafter located on the roof, provided, however, that except in the case of an emergency, the right of access may be exercised only after prior notice to the Board of Managers. The Community Facility Unit shall be subject to easements in favor of any other Units for the installation, maintenance, repair and replacement of gas, electricity, heating, air-conditioning, ventilating and water and other mechanical lines and fixtures and equipment serving the Community Facility Unit. The Owner and tenant of the Community Facility Unit shall have the right at their sole expense to install separate heating systems for the Community Facility Unit and an easement is granted in, over, under and through the basement of the Building for the installation, maintenance repair and replacement of the heating systems and all necessary pipes, lines, conduits, ducts, water lines and flues in connection therewith if such right is exercised; and (iii) for access to any equipment that services the Community Facility Unit and which is located in the Residential portion of the Building or the Residential Limited Common Elements.

The Community Facility Unit Owner and/or its tenant shall have an easement to erect, maintain and replace one or more signs on the property permitted by law for the purpose of advertising the operation of any business conducted therein. Any such signs shall be of reasonable size. At the request of the Community Facility Unit Owner, the Board will execute any application or other document required to be filed with any governmental agency having or asserting jurisdiction in connection with any addition, alteration, improvement, or repair of the Community Facility Unit or the operation thereof. The Community Facility Unit Owner shall indemnify and hold the Board and the Unit Owners harmless from any liability resulting therefrom.

The Community Facility Unit Owner shall have the right, without the payment of any fees or charges to the Board, to sell or lease the Community Facility Unit without the Board having any right of first refusal to purchase or lease, or to procure a third party to purchase or lease, the same, and all sales and rental proceeds shall belong solely to the Community Facility Unit Owner.

The Sponsor and Community Facility Unit Owner have the right to sub-divide the Community Facility unit.

The rights and obligations of the Community Facility Unit Owner will not have a material adverse impact upon the Condominium.

The owner of the Community Facility Unit shall be responsible for payment of the common charges and real estate taxes allocated against, and interest and amortization on all mortgages affecting said Unit and the entire cost of maintaining, repairing and replacing the Community Facility Limited Common Elements. No bond or other security will be posted for this obligation and the Owner's ability to perform will depend upon its

financial condition at the time it may be called upon. If the Owner fails to pay the common charges and expenses the Board of Managers will have the same rights and remedies against it as against any other defaulting Unit Owner. In addition, the Owner of the Community Facility Unit shall be responsible for its prorated share of the General Common Elements of the Building. The Common Charges payable by the Community Facility Unit Owner are sufficient to cover expenses fairly attributable to such Unit.

The Community Facility Unit Owner shall have no difference in rights or obligations with regards to the Board of Managers or the Condominium.

The percentage of interest in the common elements applicable to all Units have been based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit pursuant to Section 339-i (1) (iv) of the Real Property Law of the State of New York.

CHANGES IN PRICES AND UNITS

The offering prices, as set forth in SCHEDULE A, may only be increased or decreased by a duly filed Amendment to the Plan when the change in price is an across-the-board change affecting one or more lines of Units, or Unit models, or is to be advertised, or represents a price increase for any individual Unit. However, prices are negotiable, and Sponsor may enter into an agreement with a Purchaser to sell one or more Units at prices lower from those set forth in SCHEDULE A without filing an Amendment prior to entering such agreement, as per FOOTNOTES TO SCHEDULE A.

No change will be made in the size or number of Units, and/or their respective percentage of Common Interest; and no material change will be made in the size or quality of Common Elements; except by Amendment to the Plan and when applicable, to the Declaration. Unless an effected Purchaser consents, no material change will be made in Unit size, layout or percentage of Common Interest, if a Purchase Agreement has been executed and delivered to the Sponsor for that Unit and the Purchaser is not in default. Unless all Purchasers consent, no material change will be made in the size, and no material adverse change will be made in the quality, of Common Elements. No change of any type set forth in this paragraph shall be made except by Amendment duly filed with the New York State Department of Law.

PROCEDURE TO PURCHASE

Persons desiring to purchase Condominium Units will be required to execute a Purchase Agreement and Transferee Affidavit in the form contained in Part II of this Plan and return it to the Selling Agent, together with a check in the amount of 10% of the purchase price, as a down payment, drawn to the order of LAW OFFICES OF MICHAEL MICHAEL, PLLC, AS ATTORNEYS. Sponsor reserves the right to accept a lesser down payment to accommodate Purchaser, but in no case will down payment be less than 5%. Purchasers should be aware that contract deposits of less than 10% may give rise to an investigation by the Attorney General's Office as to the bona fides of the transaction and may delay the acceptance of the amendment declaring the plan effective. If Purchaser's have accounts at the same bank that holds escrowed funds, purchaser's funds at the escrow bank factor into the \$250,000.00 insurance limit.

THE PURCHASE AGREEMENT MAY NOT BE ASSIGNED WITHOUT SPONSOR'S WRITTEN CONSENT

The prospective Purchaser must have the Offering Plan and all filed Amendments in his possession at least three (3) business days prior to executing the Purchase Agreement. In the event Purchaser has not had said Offering Plan in his possession for at least three (3) business days prior to execution, Purchaser may rescind the Purchase Agreement by, mailing Notice of Rescission to Sponsor or Selling Agent, or by hand delivering notice, within seven (7) days after executing same. Notice by mail will be effective if it postmarked within seven (7) days of executing Purchase Agreement. Purchase Agreement shall not be binding on any party until accepted by the Sponsor. Within twenty (20) days after the prospective Purchaser has delivered to the Selling Agent a signed Purchase Agreement, together with the required down payment, the Sponsor must either accept the Purchase Agreement and return a fully executed counterpart, or reject the Purchase Agreement and refund in full any down payment taken. The Plan will expire twelve (12) months from the date of acceptance unless extended by a duly filed Amendment.

All down payments will be placed in an account in conformity with the disclosure contained in this Plan.

The Sponsor will comply with the escrow and trust fund requirements of General Business Law Sections 352-3(2-b) and 352-h, and Lien Law section 71-a(3) and the Attorney General's regulations promulgated, pursuant thereto.

Any provision of any Contract or Agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the Escrow Agent holding trust funds is absolutely void. The provisions of the Attorney General's regulations concerning escrow/trust funds shall prevail over any purchase. Purchasers shall not be obligated to pay any legal or other expense of the Sponsor in connection with the establishment, maintenance, or defense of obligations arising from the handling or disposition of trust funds.

All deposits, down payments, or advances, made by Purchasers 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 the Agreement is signed by all necessary parties, in a segregated special escrow account of LAW OFFICES OF MICHAEL MICHAEL, PLLC, ESCROW ACCOUNT whose address is 1795 Coney Island Avenue, Brooklyn, New York 11230 and telephone number is (718) 998-9888. The signatory on this account authorized to withdraw funds is: MICHAEL H. MICHAEL, Esq.,. The name of the account is IOLA- LAW OFFICES OF MICHAEL MICHAEL, PLLC, located in JPMorgan Chase Bank, 1501 Avenue M, Brooklyn, New York 11230. This bank is covered by federal bank deposit insurance to a maximum of \$250,000.00. To the extent deposits in the account exceed \$250,000.00 they will not be federally insured. If the Escrow Agents are replaced or funds are transferred to a new escrow account, the Plan will be amended to reflect same.

This account will be an IOLA account with no interest accrued to the benefit of either the Purchaser or the Sponsor.

All instruments shall be made payable to or endorsed to the order of LAW OFFICES OF MICHAEL MICHAEL, PLLC, As Escrow Agent.

The Purchase Agreement is attached hereto in Part II of this Offering Plan. The relevant escrow trust fund provisions are included in section 16 of the purchase agreement, which must be executed by the Escrow Agent.

Within five (5) business days after the Purchase Agreement has been tendered to Escrow Agent along with the deposit, the Escrow Agent shall sign the Purchase Agreement and place the Deposit into the Escrow Agreement. Within ten (10) business days of placing the deposit in the Escrow Account, Escrow Agent shall provide written notice to Purchaser and Sponsor, confirming the Deposit. The notice shall provide the account number and the initial interest rate, if applicable.

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

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

All funds received by the Sponsor for upgrades or extras must initially be placed in the escrow account set forth herein. However, Purchaser should note that such funds may be released from the escrow account by the escrow agent as long as the Sponsor uses the funds for such upgrades or extras. As a result, in the event the Purchaser is entitled to a rescission, the Purchaser will not receive a refund of any funds used for upgrades or extras. However, in the event the Plan is abandoned by the Sponsor the Purchaser shall be entitled to the refund of all moneys paid for the upgrades.

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

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

- (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, non-appealable order or judgement of a court.

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

The Sponsor will not object to the release of the escrowed funds to:

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

In no event shall the Escrow Agent release funds in dispute, other than a payment of such funds with the court, until such dispute is finally resolved either by determination of the court of competent jurisdiction, or by written agreement with the Sponsor and Purchaser.

The Escrow Agent will maintain all records concerning the escrow account for seven years after the release of funds. The Department of Law may perform random reviews and audits of all such records involving escrow accounts to determine compliance with the statute and regulations.

The Sponsor may apply to the Attorney General to use security in the form of surety bonds or a letter of credit, in accordance with the regulations of New York State Department of Law, in lieu of escrow of such funds. In the event the Sponsor elects to use such alternative security, an Amendment to that effect will be filed in the Offering Plan fully complying with all provisions of the Department of Law for proof of satisfactory insurance of said funds. The application for surety bonds must be approved by the Attorney General.

Risk of loss from fire or other casualty remains with the Sponsor until title has passed

Purchase Agreements may be contingent on Purchaser obtaining a firm written commitment for financing. Purchaser may seek and accept mortgage financing from any mortgage broker or other financial institution. Purchaser shall apply for said loan within seven (7) days after receipt of a fully executed copy of the Purchase Agreement and Purchaser shall have 50 days from the date on which a signed and executed Purchase Agreement is delivered to such Purchaser within which to obtain such financing. If a Purchaser fails to obtain a firm written commitment for financing within such 50 day period, and fails to notify Sponsor's attorney within 7 days thereafter, time being of the essence thereto, Purchaser shall conclusively be deemed to have waived the financing contingency and will be required to proceed to closing, or forfeit his down payment, whether or not a mortgage commitment is obtained. If Purchaser, after a good faith attempt to do so, fails to obtain a firm written commitment for financing, and notifies Sponsor within the prescribed time period, then Sponsor will return the down payment or deposit within 10 days after receipt of such notice. In the event Purchaser obtains a firm written commitment for financing, and the terms of such commitment are changed prior to closing, such change in terms shall not be an allowable reason for Purchaser to cancel the contract. Similarly, if the commitment expires prior to closing, Purchaser shall be under a good faith duty to take all required actions necessary to extend such commitment, including the payment of any extension fee required by the lending institution; however in the event Purchaser has made such good faith effort to extend the commitment, and is unable to do so, then, provided that Purchaser notifies Sponsor within 10 days after receipt of a notice from a lending institution that it will not under any circumstances extend the commitment, that Purchaser is exercising his right to rescind the Contract, Sponsor will return the down payment. Purchaser's failure to provide information to the lending institution promptly upon request, or failure to accept the commitment offered shall be a default for which the Seller shall have the right to cancel the Purchase Agreement and retain the downpayment. Once a bank commitment is issued, Purchaser will be required to use due diligence in obtaining any and all extensions necessary to maintain such commitment in force, notwithstanding that such extension may be at a higher interest rate or required payment of additional fees, or include other changes.

Failure to maintain such commitment will constitute a default under the Purchase Agreement except if the lending institution refuses to extend such commitment on any rates or terms, Purchaser may cancel the Purchase Agreement and receive return of the downpayment hereunder within a reasonable period of time. In no event shall the amount of the financing contingency be greater than eighty percent (80%) of the Total Purchase Price for the Unit unless agreed to in writing by Seller.

The obligations of a purchaser under a purchase agreement are not conditioned on obtaining financing. Any prospective purchaser who executes and does not obtain financing may lose his or her deposit if he or she is unable to otherwise raise the monies for the balance of the purchase price. Prospective purchasers who require financing are advised to consult with a lending institution before execution of a purchase agreement. No representation is made by the sponsor as to the availability or cost of such financing.

Certain provisions of the Purchase Agreement are "Time Of The Essence". This means that failure to strictly comply with the time requirements of said provision may result in the Purchaser losing his right to complete the purchase, and forfeiting his down payment hereunder. Thus, a Purchaser who fails to cure a default within thirty (30) days after notice of said default, will both have the Contract canceled, and lose his down payment; however, Sponsor must make written demand for payment after default at least 30 days before forfeiture of the deposit may be declared. Similarly, a Purchaser who fails to notify the Sponsor in the event he has failed to obtain mortgage financing within fifty (50) from the date on which a signed and executed purchase agreement is delivered to such purchaser will be required to proceed to closing, notwithstanding the fact that Purchaser has failed to obtain mortgage financing; and, if such Purchaser fails to proceed to closing, the down payment may be retained by the Sponsor.

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

After the Plan has been declared effective, the Sponsor will fix dates for closing title to all Units for which Purchase Agreements have been executed by serving notice on each Purchaser stating the date of the first closing and setting such Purchaser's closing date. Such notice will be served in compliance with the Attorney General's rules no less than 30 days prior to the closing date set therein. Purchasers may waive this 30 day provision if Sponsor has included such waiver in the Plan or in an Amendment thereto. Purchasers who enter into a purchase agreement after said amendment would be entitled to an offer

of rescission if the first closing occurs more than 12 months beyond that later amended date.

The first closing of a Unit is expected to occur on or about April 1, 2019. If such closing is delayed more than twelve (12) months beyond the originally scheduled date, Purchaser will be offered the right to rescind this contract. On closing, Purchaser will be required to sign a Power of Attorney in favor of the Board of Managers as otherwise set forth in this Offering Plan.

The Purchase Agreement may not contain, or be modified to contain, a provision waiving Purchaser's rights or abrogating Sponsor's obligations under the Offering Plan or Article 23-A of the General Business Law. Any conflict between the Purchase Agreement and the Offering Plan shall be resolved in favor of the Offering Plan. **Sponsor will not permit the assignment or transfer of Purchase Agreement** contained in part II of the Offering Plan, without Sponsor's written consent. Sponsor and its agents will not deny such assignment nor discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law.

At Closing each Purchaser shall sign a Power of Attorney to the Board of Managers Of the Condominium. See Part II for the form of the Power of Attorney.

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

(1) the purchaser is a legal entity as defined in the GTO (geographic targeting order); (2) the purchaser purchases residential real property located in the Boroughs of Bronx, Brooklyn, Queens, Manhattan, and Staten Island; (3) the total purchase price is in excess of \$300,000 in the Borough of Manhattan Bronx, Brooklyn, Queens, or Staten Island; (4) such purchase is made without a bank loan or other similar form of external financing; and (5) the purchase is made, at least in part, using currency or a cashier's check, a certified check, a traveler's check, a personal check, a business check, a money order in any form, a funds transfer, or virtual currency. As long as the GTO remains in effect, its reporting requirements apply to all residential real property closings meeting the above criteria and occurring on or after November 17, 2018 (the revised GTO's effective date).

Any conflict between the Purchase agreement and the Offering Plan shall be resolved in favor of the Plan.

EFFECTIVE DATE OF THE PLAN

The offer to sell embodied in this Offering Plan is contingent upon the Plan being declared effective in accord with its terms and conditions, and the terms and conditions imposed by law.

The Plan shall be declared effective by personal service of notice on each Purchaser, or by commencement of service by regular mail, registered or certified mail with or without return receipt addressed to the Purchaser at the last known residence of such Purchaser; or if the Purchaser has provided written information of an alternative address for notices, addressed to the Purchaser at the alternative address (if Sponsor has no information of the last known residence address, but has written information of the place of business or employment of such Purchaser the mailing shall be addressed to such last business or employment address). The notice shall state that the Plan was declared effective on a particular date, the percentage of sales used to declare the Plan effective, and a list of Units being counted to meet the minimum percentage under the terms of the Plan to declare it effective.

Within five days of declaring the Plan effective, an effectiveness amendment must be submitted to the Department of Law and no closing shall take place until the amendment is accepted for filing

The Plan may be declared effective upon the execution of Purchase Agreements for 15% (in number, not Common Interest) of the Residential Units in the building to bona fide Purchasers, including investors. A minimum of four (4) residential Units must be sold to declare the Plan effective. Notwithstanding the fact that not all purchasers used for purposes of declaring the Plan effective may actually close, sponsor will re-declare the plan effective if all purchase agreements are either rescinded or terminated prior to the date of first unit closing, regardless of whether the condominium declaration has been recorded. The count of Purchase Agreements towards the minimum number for effectiveness shall not include those: signed by Purchasers granted a right of rescission which has neither expired nor has been waived; a Purchaser who has not been afforded the protections required by 13NYCRR20.3(o)(15) (i.e., a Purchaser who has not been afforded seven days after executing a Purchase Agreement to rescind same, or a Purchaser who has had fewer than three business days prior to executing the Purchase Agreement to review the Plan and all filed amendments) with any Purchaser who is the Sponsor, the Selling Agent, or the Managing Agent, or is a Principal for the Sponsor, the Selling Agent, or the Managing Agent, or is related to the Sponsor, Selling Agent, or the Managing Agent, or to any Principal of the Sponsor, or the Selling Agent, or the Managing Agent by blood, marriage, or adoption, or as a business associate, employee, shareholder, or a limited partner; except that such a Purchaser, other than the Sponsor or a Principal of the Sponsor, may be included if the Sponsor has submitted proof satisfactory to the Department of Law establishing that the Purchaser is bona fide.

The Plan must be declared effective upon the execution of Purchase Agreements for 80% (in number, not Common Interest) of the Units, which, in the case of this Plan means

twenty one (21) Units. Prior to the sale of 80% of such Units, or prior to being declared effective, the Sponsor at his option may abandon the Plan. In such case, the Sponsor will return all monies paid by Purchasers, together with interest earned, if any, within ten business days. The Sponsor will also file with the New York State Department of Law an Amendment abandoning the Plan and form RS-3, detailing why the Plan was abandoned, and explaining all disbursements of funds.

The Sponsor may not abandon the Plan after it has been declared effective for any reason other than: a defect in title which cannot be cured without substantial litigation, or expenditure of an amount in excess of one-half (1/2) of one percent (1%) of the total offering price, or substantial casualty damage, which cannot be cured for less than one-half (1/2) of one percent (1%) of the total offering price, or the taking of any material portion of the property by condemnation or eminent domain; however, such title defects or determinations of any authority or regulatory association which exist on the date of presentation of the plan and are either known to the Sponsor, or are a matter of public record, shall be excluded from calculations under this section. Additionally, any dollar amount relied on as a basis for abandonment after effectiveness must exclude any attorney's fees.

Notwithstanding the fact that not all purchasers used for purposes of declaring the plan effective may actually close, sponsor must re-declare the plan effective in order to consummate the offering plan in accordance with 13 NYCRR 20.1(c)(6). If all purchase agreements are either rescinded or terminated prior to the date of first unit closing, regardless of whether the condominium declaration has been recorded, sponsor must re-declare the offering plan effective.

TERMS OF SALE

On closing, Sponsor will deliver to Purchaser a Bargain and Sale Deed with Covenants against Grantor's Acts in the proper form for recording as set forth in Part II of this Offering Plan. Title, together with the appurtenant interest in the Common Elements will be conveyed at closing, free and clear of all mortgages, liens, encumbrances, and title exceptions other than any easement set forth in the aforementioned Deed, the Condominium Declaration (Section 17), and any state of facts an accurate survey may show, provided same does not render title unmarketable.

Risk of loss from fire or other casualty remains with the Sponsor until title is passed, at that time, all risk of loss passes to Purchaser, and Sponsor shall not thereafter be responsible to repair any damage, which occurs before closing. No closing will occur unless and until a permanent Certificate of Occupancy for the Unit to be closed has been issued.

The Sponsor will repair any damage from a casualty or other cause that occurs prior to the closing of any Unit; and no Purchaser shall be required to accept a damaged Unit.

All personal property located within the Unit on the date the Purchase Agreement is signed, or located within the Common Elements on the date the Declaration is filed, which property is owned by the Sponsor or the Owner of the property, is included in the conveyance unless specifically excepted elsewhere in this Offering Plan.

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

The Sponsor has obtained financing from Ponce De Leon Federal Bank, 319 1st Avenue, New York, NY 10003. The lender will release each unit at closing upon receipt of 90% of closing costs. The lender requires 15% of the units to be in contract before it will offer releases on the individual units. Sponsor is obligated to make all the mortgage payments until all units have been released and the loan is satisfied.

Notwithstanding the above, the existence of unpaid taxes or liens of any kind at the time of title closing shall not constitute an objection to title, provided that a reputable title insurance company licensed to do business in the State of New York shall be willing to insure against collection of same from the Unit herein described. The parties agree that the Seller may pay and discharge any liens and encumbrances upon the property, not provided for in the Plan or this Agreement, out of the monies to be paid by the Purchaser at the time of closing title. Provided however, Purchaser shall not be obligated to close title on a unit in the event Sponsor is unable to **fully** discharge any such liens or encumbrances upon the property before closing.

CLOSING COSTS AND ADJUSTMENTS

As set forth in the Purchase Agreement, the Purchaser will pay the following estimated closing costs at the time of Closing of Title for the Purchaser's Unit. These estimates are based on current costs and charges, which are subject to change:

(a) If a Purchaser elects to obtain fee title insurance, the Purchaser will pay the premium thereof that will vary depending upon the Purchase Price of the Unit. Rates set by the New York Board of Title Underwriters are currently \$1,210.00 on a Purchase Price up to \$200,000.00 and approximately \$4.00 for each additional thousand dollars or fraction thereof; or alternatively, where a mortgage title policy is simultaneously issued, the reduced rate set by the title company. However, notwithstanding anything herein to the contrary, a Purchaser may elect to obtain title insurance and/or a title report from any other title insurance company and/or abstract company without incurring a penalty. Pursuant to a New York State Department of Insurance advisory opinion, New York does not permit the seller to dictate the title company to be used or to infer that a given company should be selected because of a bulk or discount rate. The insurance rates or fees for recording documents are uniform and will be the same regardless of the company used.

(b) Fees for recording the Deed and Power of Attorney are from approximately \$100.00-\$300.00 per document. Additionally, there is a \$125.00 charge for recording the Real Property Transfer Tax Return along with the deed;

(c) If the Purchaser obtains a mortgage loan under \$500,000.00, the Purchaser will pay a mortgage tax of 1.8% of the principal of the mortgage; for a mortgage loan over \$500,000.00, the Purchaser will pay a mortgage tax of 1.925% of the principal of the mortgage. If a mortgage tax credit is or becomes available pursuant to Section 339-ee(2) of the Condominium Act, such credit will inure to the benefit of the Sponsor. Accordingly, at closing, the Purchaser will reimburse the Sponsor for any mortgage tax credit allowed; and will pay the balance of the mortgage recording tax as provided by law.

(d) New York City Real Property Transfer Taxes, currently one (1%) percent of the Purchase Price of a Unit for units up to \$500,000.00, 1.425% on units over \$500,000.00 and 2.625% on the community facility, will be the sole responsibility of the Purchaser. Payment of the New York City Real Property Transfer Tax by the Purchaser is deemed an additional consideration to the Seller, and so is in itself taxable and will result in a "tax on a tax" effect.

(e) New York State Documentary Stamp Taxes presently \$4.00 per \$1,000.00 of the Purchase Price of a Unit less existing and continuing mortgage will be the sole responsibility of the Purchaser. Payment of the New York State Documentary Stamps

Tax by the Purchaser is deemed an additional consideration to the Seller, and so is in it of itself taxable and will result in a "tax on a tax" effect.

(f) Each Purchaser will be required to make a contribution to the Working Capital Fund in the amount of \$750.00.

(g) Each Purchaser shall be required to pay the Sponsor a fee of 1.5% of the purchase price for obtaining the 421-a tax abatement for the Condominium. However, purchasers will not be charged said fee if Sponsor fails to obtain the 421-a tax abatement.

(h) Purchasers shall pay to the Sponsor's Attorney at closing a fee of \$2,500.00 for the preparation of closing documents. If a Purchaser fails to close on the date set for first closing, or adjourns a scheduled closing date on less than three (3) days notice, there shall be a late closing adjournment fee of \$350.00 added to the above. If, at the request of the Purchaser, closing is held outside the office of the Sponsor's attorney, there shall be an additional attendance fee of \$350.00 for closings held within Kings County, and \$500.00 for closings outside of Kings County. In the event Purchaser fails to fulfill the terms of the Purchase Agreement and Sponsor's attorney mails a Notice of Default, there will also be a \$250.00 charge for such notice.

(i) Purchaser will also pay to the Sponsor \$4,500.00 as partial reimbursement for the cost of preparing the Offering Plan.

(j) All costs with regard to any mortgage that the Purchaser will place on his/her Unit (i.e. loan origination fees, commitment fees, application fees, appraisal fees, credit reports, survey fees, bank attorney fees, tax service fees, bank document preparation fees, etc.) will be his own and sole responsibility.

(k) All legal costs, fees and expenses charged by the Purchaser's attorney will be the sole responsibility of each Purchaser.

ALL COSTS FOR RECORDING CHARGES, MORTGAGE, TRANSFER, AND OTHER TAXES, ARE SUBJECT TO CHANGE. THESE CHARGES ARE NOT SET BY THE SPONSOR, AND SPONSOR SHALL NOT BE LIABLE ON ACCOUNT OF ANY INCREASE IN SUCH CHARGES.

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

If the Units have not been separately assessed for real estate tax purposes prior to the Closing of Title to the first Unit, the Sponsor will place in escrow, in the name of the Board of Managers, an amount equal to the unpaid real estate taxes (or estimates thereof based on current assessments) due for the next ensuing six months (or until the Units are separately assessed, whichever is shorter), provided, however, that as closings occur, the portion of such funds held in escrow which represent the portion allocable to the Unit being sold shall be released; and interest accrued on such escrow, if any, shall inure to the

benefit of, and belong to, the Sponsor. The Board of Managers will pay the real estate taxes from the escrow account when taxes are due and payable and is entitled to reimbursement from Unit Owners.

Except as specifically set forth in herein, the Sponsor will pay all costs and expenses incurred in connections with this Plan, the creation of the Condominium and the initial sale of Units.

A numerical example of closing costs allocable to a typical Unit in which the 421-a tax abatement was obtained is set forth below.

SAMPLE CLOSING COSTS

\$775,000- Purchase Price with \$620,000.00 - Mortgage

A. Title Insurance including Lender	\$3,455.00
B. Deed and Power of Attorney Recording	\$525.00
C. Mortgage Recording Tax	\$11,966.00
D. New York City Transfer Tax	\$3,116.00
E. New York State Documentary Stamp Tax	\$11,101.00
F. Working Capital Fund Contribution	\$ 750.00
G. 421-a Reimbursement	\$11,625.0
H. Document Preparation Fee	\$2,500.00
I. Reimbursement Fee for Offering Plan	\$4,500.00
Total:	<u>\$49,538.00</u>

In addition to the foregoing, the Purchaser will, of course, be responsible for any fees charged by his own bank; his own Attorney; and additional fees incurred because of Default or failure to close at the scheduled time or place. All of the above closing costs shall be paid before or at closing.

RIGHTS AND OBLIGATIONS OF SPONSOR

The Sponsor intends, and will endeavor in good faith, to sell all of the Units in a reasonably timely manner. Sponsor is reserving the unconditional right to rent rather than to sell Units to non-purchasers after the Plan is consummated. If Sponsor makes a bulk sale of all or some of its unsold Units, the transferee successor sponsor is bound by Sponsor's representation regarding its commitment to sell Units.

Sponsor will not use the withholding of units to deceive the public about the percentage of units that have been sold (i.e. marketing brochures and other advertising material that contains percentages of units sold will refer to relevant percentage of the total units, and not the percentage of units being offered at that time.

Sponsor intent is to sell rather than rent the units.

Sponsor will not rent the withheld units, if any, prior to consummation (other than pursuant to interim lease/rental agreements).

If Sponsor chooses to withhold any units from sale, Sponsor will use 15% of the total residential units in the building, rather than 15% of the units being initially offered for sale in order to declare the plan effective.

Should Sponsor decide to withhold units, it will amend the Plan when it begins to offer further units, but such amendment can be a price change only amendment.

Sponsor does not currently plan on withholding any units from sale in this offering .

The Sponsor has obtained financing from Ponce De Leon Federal Bank, 319 1st Avenue, New York, NY 10003 to pay for the proper work involved in the construction, establishment and sale of the condominium. The lender will release each unit at closing upon receipt of 90% of net closing costs. The lender requires 15% of the units to be in contract before it will offer releases on the individual units. Sponsor is obligated to make all the mortgage payments until all units have been released and the loan is satisfied.

The Sponsor will complete the work set forth in this Plan relating to the building and the units contained therein in conformity with and in accordance with the Building Plans and Specifications, and all applicable New York City Administrative Code requirements, and subject to procurement of all applicable and proper permits which are required, if any. Insofar as this is a newly constructed building, there are currently no housing, building, or fire department violations; however, in the event any housing, building or fire department violations arise prior to closing, all such violations, if any, will be cured prior to closing. The Sponsor may make changes in design, layout, and arrangement of units, and substitute equipment and materials, except that the Sponsor may not (i) substitute materials or equipment of lesser quality or design, or (ii) change the size, location, or value of any Units, or of other improvements or public areas, if such changes adversely affect the public areas, or effect the percentage of Common Interest, or adversely effect

the value of, any Unit to which title has been closed, or for which a Purchase Agreement has been fully executed and is in effect, unless all affected Purchasers consent in writing to such change, and all affected contract vendees are given the opportunity to rescind their contracts and receive a refund of the deposit or down payment given to the Sponsor. All representations under the Offering Plan, and all obligations pursuant to the GBL, and any additional obligations under the Offering Plan which are to be performed subsequent to the closing date, will survive delivery of the Deed.

Closing will not take place, and no individual Condominium unit will be sold until a permanent Certificate of Occupancy has been obtained for the premises. If the actual or anticipated date of commencement of condominium operation is to be delayed more than six months from the budget year projected in the offering plan, the plan must be amended to include a revised budget disclosing current projections. If such amended projections exceed the original projection by 25% or more, the sponsor must offer all purchasers the right to rescind and a reasonable period of time that is not less than 15 days after the date of presentation to exercise the right, whether or not sponsor offers to guarantee the previous budget projection. Sponsor must return any deposit or downpayment to purchasers who rescind within a reasonable period of time. Sponsor may not declare a plan effective where there are any material changes to the budget if these changes have not been disclosed by duly filed amendment to the offering plan.

The Sponsor anticipates that the first closing will occur by April 1, 2019. Purchaser will be offered a right of rescission if : (i) the actual closing of title to the first unit; or (ii) the projected date of closing of title to the first unit occurs later than 12 months after the projected date for the first closing. If the Plan is amended to provide for a later projected date for the first closing, purchasers will be entitled to an offer of rescission if the first closing occurs more than 12 months beyond that amended, later date.

However, if the first unit closing occurs on or before March 31, 2020, the Sponsor may schedule the closings of title to other units significantly later than such date. Unless your Purchase Agreement contains an outside closing date, the Sponsor is not obligated to schedule closing within any specified time frame or to ensure that closing of title to your unit will occur by any date certain. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER SUCH RISKS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT. In the event Sponsor cannot convey title to the Unit on or before twelve months from the date of the Purchase Agreement, affected purchasers will be afforded the right of rescission.

Sponsor and its principals will undertake the responsibility for obtaining a PCO covering the entire building within two years. However, Sponsor and its principals make no representation or guarantee that the Department of Buildings will issue the PCO within two years, which is the time frame anticipated by the multiple dwelling law for issuance of a PCO. NOTWITHSTANDING THE FOREGOING, SPONSOR AND ITS PRINCIPALS ARE OBLIGATED TO PROCURE THE PERMANENT CERTIFICATE OF OCCUPANCY FOR THE ENTIRE BUILDING, AND SHALL EXERCISE BEST EFFORTS TO OBTAIN THE PCO WITHIN SUCH TWO YEAR PERIOD.

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

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

<http://www.nyc.gov/html/dob/downloads/pdf/cofactssheet.pdf>.

Each prospective Purchaser may have the building and units therein inspected by an architect or engineer of their own choosing, and at their own expense, to determine the quality of materials and workmanship.

The Sponsor will pay for the authorized and proper work involved in the conversion of the property that the Sponsor is obligated to complete under the Plan. All mechanic's liens and building/construction violations that are lodged against the property by virtue of work done by the Sponsor, or in the Sponsor's behalf, will be promptly discharged or appropriately bonded. Sponsor guarantees payment of all Common Charges and assessments with respect to unsold Units. Such guarantees will remain in effect until all Units are sold. Sponsor warrants and represents that he has adequate financial resources to meet its obligations with respect to any unsold Unit.

The Sponsor agrees to pay all Common Charges, special assessments, and real estate taxes with regards to unsold Units, and has financial resources to meet its obligations with respect to such unsold Units, which source of funding includes both proceeds of the sale of Units and existing financial resources of the Sponsor. **No bond or other security has been furnished to secure Sponsor's obligations.** In the event of dissolution or liquidation of the Sponsor, or transfer of 20% or more of the total number of residential Units in the Condominium, the principals of the Sponsor will provide financially responsible entities or individuals who will assume the status and all obligations of the Sponsor for those Units under the Offering Plan, applicable laws, or regulations.

The Housing Merchant Implied Warranty does not apply to this Plan as it does not apply to residential units with more than five stories. Sponsor's obligation, regardless of any limitations in the warranty or in this Plan is to construct the premises in accordance with all applicable codes and filed plans and specifications, and that any conflict between the disclaimers and Sponsor's obligation to construct the premises in accordance with all applicable codes and filed plans and specifications shall be resolved in favor of the latter.

At closing of the Units Sponsor will assign any manufacturer's warranties with respect to equipment and appliances installed in the Unit to the unit owner. There is no equipment or appliances installed in the common areas.

Sponsor shall be obligated to defend any suits or proceedings arising out of sponsors acts or omissions and to defend the board of managers and the unit owner. All representations

under the offering plan, all obligations pursuant to the GBL, and such additional obligations under the offering plan which are to be performed subsequent to the closing date will survive delivery of the deed.

In the event the work on the building as set forth herein is not fully completed at the time the building becomes occupied, the Sponsor will have the right to enter the premises to complete its obligations under the Plan. Such entry shall be conducted in such a manner so as to produce a minimum of discomfort to those Purchasers already in possession.

In the event the Sponsor finds it necessary to enter the property after closing of title to complete work, then such work will be performed between 8 A.M. and 6 P.M. on weekdays and non-holiday weekends. Damage caused by such work will be repaired in a good and workmanlike manner.

Sponsor will secure, and provide at closing, an agreed amount replacement value multi-peril hazard policy which will prevent the Condominium from being a co-insurer. The cost of such policy will be paid by the Condominium, and is provided for in Schedule B. **Sponsor also agrees to deliver a set of "As Built" plans to the Board of Managers upon election of the first Board of Managers after closing of the first Unit.** Sponsor will assign any manufacturer's warranties with respective equipment and appliances installed in any individual unit to the Unit Owner, and with respect to equipment and appliances installed in the Common Elements, same will be assigned to the Board of Managers.

The property will be conveyed free and clear of all liens. The Sponsor will not dissolve or liquidate for a minimum of six (6) years. Copies of the Plans, exhibits and documents referred to herein shall be kept on file at the office of the Attorney for the Sponsor for a period of six years after filing of the Declaration of Condominium. No bond or other security has been furnished to secure Sponsor's obligations hereunder. The Sponsor will repair any damage from a casualty or other cause that occurs prior to the closing of any Unit; and no Purchaser shall be required to accept a damaged Unit.

In the event a Unit is rented or otherwise occupied by someone other than the Purchaser, then the Purchaser shall be obligated to accept the Unit in "AS IS" condition. However, Seller warrants that all appliances shall be delivered in working condition.

At closing of the Units Sponsor will assign any manufacturer's warranties with respect to equipment and appliances installed in the Unit to the unit owner. There is no equipment or appliances installed in the common areas.

The Sponsor will repair any damage from a casualty or other cause that occurs prior to the closing of any Unit; and no Purchaser shall be required to accept a damaged Unit.

Sponsor will not permit the assignment or transfer of Purchase Agreement contained in part II of the Offering Plan, without Sponsor's written consent. Sponsor and its agents will not deny such assignment nor discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law.

Sponsor shall procure fire and casualty insurance pursuant to an agreed amount replacement value policy or in an amount sufficient to avoid coinsurance.

CONTROL BY THE SPONSOR

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

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

The Sponsor shall control the board of managers until 14 of the 26 Residential Units offered for sale have closed, but for no more than 2 years. Upon such closing, a meeting will be held to elect new board members unrelated to the Sponsor within thirty (30) days of the expiration of the control period. At the time of the First Closing there will be three Managers designated by the Sponsor.

The By-Laws provide that at such time as the Unsold Units constitute less than Fifty (50%) percent of the Common Interests, but in no event later than the second anniversary of the Closing Date, a majority of the Board of Managers to be elected at all subsequent annual meetings of Unit Owners shall be elected by Unit Owners other than the Sponsor and must be owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals. A meeting to elect a new Board of Managers will be held within thirty (30) days of 50% of the Common Interests being sold, or within thirty (30) days of the second anniversary of the Closing Date, whichever is sooner.

The Sponsor will have voting control of the Board of Managers until the second anniversary of the closing of the first Unit or until the unsold Units constitute less than fifty percent (50%) of the common interests, whichever occurs first. After the Sponsor control period, Sponsor may not designate a majority of the Board of Managers but may cast its votes to one of the members of the Board of Managers.

So long as a majority of the Board of Managers consists of managers designated by the Sponsor, the board:

1. Shall not eliminate or reduce the number of employees, insurance coverage or any service to a level less than that provided in Schedule B unless a majority of Board Members elected by bona fide Unit Purchasers vote in favor thereof.

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

3. Shall not veto expenditures required to comply with applicable laws or regulations and/or expenses necessary to remedy notice of violations of law or work orders of an insurance carrier.

The Sponsor may exercise veto power over expenses other than those described in Item 3 above for a period ending not more than five years after closing of the first Unit, or whenever the Unsold Units constitute less than 25% of the Common Interest, whichever is sooner. Sponsor may also not exercise veto power over expenses described in Schedule B. See 13 NYCRR §20.3(u)(2).

All Board members shall serve without compensation. The Board managers shall have a fiduciary duty to unit owners when they contract or deal with sponsor or its affiliates.

At the earlier of the second anniversary of the first closing date, or such time as less than fifty percent of the Units of the Condominium constitute unsold Units, control of the Condominium shall be transferred to a Board of Managers comprised of owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals. Prior to that time, the Condominium will be controlled by a Board of Managers elected by the Sponsor. There are certain limitations on actions which can be taken by the Sponsor while he remains in control of the Board of Managers, which limitations are set forth in this section of the Offering Plan entitled CONTROL BY SPONSOR

BOARD OF MANAGERS

The Condominium shall be governed according to the By-Laws in Part II.

The By-Laws limit the number of Managers to not less than three (3) members. The first Board of Managers shall consist of three (3) members designated by the Sponsor and they are Oleg Krasnitsky Principal of Sponsor, Eugene Krasnitsky and Boris Tursky, who are business associates of principal of Sponsor. Within 60 days of the closing of title to the 1st^{4th}-Residential Unit, a meeting of the Unit Owners shall be held at which time a Unit Owner-Occupant who is independent of the Sponsor shall be elected to the first Board of Managers by majority vote of the Unit Owners. Until succeeded by the Managers elected at the first annual meeting of the Unit Owners, Managers need not be Unit Owners; thereafter, all Managers other than designees or nominees of the Sponsor must be Unit Owner-Occupants or members of a Unit Owner-Occupant's household who are unrelated to the Sponsor and its principals. The By-Laws include a provision that a majority of the Board of Managers must be Owner-Occupants or members of an Owner-Occupant's household who are unrelated to the Sponsor and its principals, after the end of the initial Sponsor control period.

Managers shall be elected by a plurality of the votes at a meeting at which a quorum shall be present. When voting for Managers, each Unit Owner shall be entitled to cast one vote for each 1% of Common Interest in the Condominium appurtenant to such Owner's Unit, which may be cast all for one nominated manager or divided among any number of candidates. At such time as the Unsold Units constitute less than fifty percent of the Condominium, but in no event later than the second anniversary of the Closing Date, not less than a majority of Managers shall be residents of the Building and unrelated to the Sponsor. Members of the Board of Managers shall serve without compensation, except for reimbursement for expenses actually incurred in the course of any furtherance of business for the Board of Managers.

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

The Board of Managers will be responsible for the operations of the affairs of the Condominium including, but not limited to, the fiscal operation, repairs and maintenance of the common areas of the Property, replacement and capital improvements to the common areas of the Property; the hiring, supervisions and discharging of employees and Managing Agent (if any), and the enforcement of the provisions of the By-Laws, and shall have the powers and duties necessary for the administration of such affairs. The Managers shall serve without compensation or remuneration.

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

vote of a majority of the Unit Owners or without cause by the Holders of the Unsold Units.

The members of the Board of Managers shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for willful misconduct or bad faith. The Unit Owners shall severally indemnify the members of the Board of Managers against any liability or claims except those arising out of the bad faith or willful misconduct of a member of members of the Board of Managers. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers, or out of the aforesaid indemnity in favor of the members of the Board of Managers, shall be limited to such proportion of the total liability there under as his/her interest in the Common Elements of all Unit Owners.

The principal officers of the Condominium shall be the President and the Vice President, who are automatically Board Members, the Secretary and the Treasurer, all of whom shall be elected by the Board of Managers. The President and Vice-President, but no other officers, need be members of the Board of Managers. All officers shall serve without compensation or remuneration. The Board of Managers shall elect the officers annually; and, each officer shall hold office at the pleasure of the Board of Managers or until succession, resignation, or death. Upon the vote of a majority of the Board of Managers, any officer may be removed, with or without cause.

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

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

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

The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for: keeping full and accurate financial records and books of account; and, deposit of all moneys and other valuable effects in the name of the Board of Managers, or the Managing Agent, in such depositories as may from time to time be designated by the Board of Managers.

The Board of Managers, or the Secretary, shall keep detailed records of the actions and minutes of the meetings of the Board of Managers, minutes of the meetings of the Unit Owners, and, financial records and books of account of the Condominium. In addition, an annual audited financial statement of the Condominium, and an income tax deduction statement certified by an independent Certified Public Accountant, shall be rendered by the Board of Managers to all Unit Owners March 1 of each calendar year.

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

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

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

The Board of Managers shall be required to maintain hazard and casualty insurance on the building in an amount sufficient to ensure that the Condominium shall not be a co-insurer (which generally means that the policy must be retained at replacement value); and it shall also maintain liability insurance in an amount which it deems appropriate. The proceeds of the hazard and fire insurance policy shall be payable to the Condominium Board in the event of a loss amounting to \$100,000 or less and to the insurance trustee, if the loss exceeds \$100,000. Such proceeds shall be applied to the repairing, restoring or rebuilding the building unless otherwise determined by Unit Owners. In no event shall the proceeds of any such insurance policy be paid to the holder of any mortgage on a Unit unless there has been a determination by Unit Owners not to rebuild the building. The insurance trustee, if any, shall be a bank or trust company having an office in the City and State of New York.

The Condominium shall continue, unless terminated by reason of casualty, loss, or by condemnation, until such time as the Condominium shall be legally abandoned and terminated as a result of the vote of Unit Owners owning at least eighty (80%) percent of the total votes of the Condominium, at which time the Property shall be subject to an action for partition by any Unit Owner, or any lienor, as if owned in common, and the net proceeds of the sale resulting therefrom shall be divided among all Unit Owners in proportion to their respective interests in the Common Elements, after first applying the share of the net proceeds of such sale otherwise payable to each Unit Owner to the payment of any liens on his/her Unit in the order of the priority of such liens.

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

RIGHTS AND OBLIGATIONS OF UNIT OWNERS

Each Unit Owner may sell or lease such Unit Owner's Unit provided such Unit Owner (the "Transferor") first gives the Condominium Board, on behalf of all Unit Owners the right of first refusal, by giving notice of such Unit Owner's intention to sell or lease such Unit and an opportunity to purchase or lease such Unit at the same price or rental and on the same terms as were offered in good faith by a prospective purchaser or lessee, as more specifically provided in the By-Laws. If the Condominium Board does not elect to purchase or lease the Unit within twenty (20) days after receipt of the offering Unit Owner's notice, or waives such election in writing, the Transferor will have an additional sixty (60) days to enter into a written agreement with the prospective purchaser or lessee, as the case may be, embodying the terms set forth in said notice. In the event such written agreement is not executed by the Transferor within said sixty-day period or such sale or lease is not consummated within an additional sixty days following the expiration of said sixty-day period, the Transferor will be required to again first offer the same to the Condominium Board, provided that the Condominium Board shall be entitled to waive, or to permit an extension of, either or both of such sixty day periods. The Condominium Board may not exercise its option to purchase or lease any Unit without prior approval of a majority in interest of Unit Owners present in person or by proxy and voting at a meeting at which a quorum is present. In any vote of all the Unit Owners, the Transferor shall have the right to vote in any vote conducted by the Condominium Board for the purpose of determining whether the Condominium Board shall exercise its right of first refusal to purchase or lease the Transferor's Unit. Any such deed given by a Transferor 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. Any such lease shall be consistent with the By-Laws and shall provide that it may not be materially modified, amended, or extended without the prior consent in writing of the Condominium Board, that the tenant shall not assign the lease or sublet the demised premises or any part thereof without the prior consent in writing of the Condominium Board, and that the Condominium Board, if permitted by applicable law, shall have the power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of default by the tenant in the performance of such lease. The form of any such lease shall be a printed, reasonably applicable form of residential lease approved by the Condominium Board which is generally accepted in New York City such as an appropriate Real Estate Board of New York, Inc. or Blumberg form, except for such changes therein as provided in the By-Laws and with such riders as the Condominium Board deems appropriate in its sole discretion.

Any purported sale or lease of a Unit in violation of this section shall be voidable at the election of the Condominium Board.

A Unit Owner may lease, sell or convey the Unit to a spouse, domestic partner, their children (natural and adopted), stepchildren, grandchildren, siblings, nieces, nephews, parents, stepparents, parents-in-law and grandparents of a Unit Owner, may convey such Unit Owner's Unit by gift, may devise such Unit Owner's Unit by will, or

have it pass by intestacy, without complying with the foregoing restrictions; provided, however, that each succeeding Unit Owner shall be bound by, and such Unit Owner's Unit shall be subject to, the preceding restrictions. In addition, any Unit Owner may lease, sell or convey the Unit to a related or controlled individual or entity, as more particularly set forth in the By-Laws. The Condominium Board shall have the discretion to require documentation relating to any such lease, sale or transfer be provided to the Condominium Board for its approval, in advance for the Board's attorney to review and any and all fees and expenses thereof shall be the responsibility and obligation of the Unit Owner to pay. Any lease entered into with a Unit Owner, as landlord, should not be subject to state or local rent laws with respect to rent or other terms but will be subject to laws applicable to all rental leases in the State and City of New York, such as requirements regarding warranties of habitability. Purchasers are advised to consult with their own attorneys regarding the legal ramifications of leasing a Unit.

The restrictions upon the sale and lease of Units shall not apply to Sponsor or its designee with respect to any Unsold Units or to Units acquired by a mortgagee in foreclosure or by deed in lieu of foreclosure, and they shall be free to sell or lease without first offering to sell or lease to the Condominium Board.

A Unit Owner may only sell or lease such Unit Owner's entire Unit. In addition, each conveyance of a Unit by a Unit Owner shall include, as part of the property to be conveyed, (a) such Unit Owner's undivided interest in the Common Elements, (b) any Unit or Units acquired by the Condominium Board on behalf of all Unit Owners, or any proceeds of the sale or lease thereof and (c) any other assets of the Condominium. No part of the Unit Owner's interest in the Common Elements may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit or as part of a sale, transfer or other disposition of the specific interest in the Common Elements by all affected Unit Owners.

A Unit may not be conveyed unless all unpaid Common Charges and liens against such Unit (other than Permitted Mortgages) are paid and/or satisfied at or prior to closing. In addition, the Condominium Board may establish reasonable fees for the processing of sale and lease notices, which shall be payable by the selling or leasing Unit Owner, as the case may be, to the Managing Agent.

Notwithstanding anything contained herein to the contrary, prior to the closing of title to a Unit, Purchasers are expressly prohibited from advertising, listing the Unit with a broker or otherwise offering, promoting or publicizing the availability of the Unit for sale or lease ("Advertising Activities"). If any Purchaser engages in any of the foregoing Advertising Activities, it shall be considered an event of default under the terms of the Purchase Agreement, thereby entitling Sponsor any and all remedies under the terms of the Purchase Agreement. Purchasers are referred to the Purchase Agreement set forth in Part II of the Plan for further details.

Residential Units shall be used only as a residence (except as described below). The Board, may in its sole discretion, permit a Unit to be used for other purposes provided such use is permitted by Law, does not violate the then existing Certificate of Occupancy and complies with all applicable governmental regulations.

Notwithstanding the preceding paragraph, Sponsor or its designee may, without the permission of the Condominium Board (a) use or grant permission for the use of any Unsold Unit as a professional office or for any other purpose, provided such use is permitted by law, does not violate the then existing Certificate of Occupancy covering such Unit and the user of such Unit complies with all applicable governmental regulations and (b) retain ownership of one or more Units for use as models and sales, rental and/or promotion offices in connection with the sale or rental of other Units in the Condominium or in buildings in the vicinity in which principals of Sponsor may have an interest, if any.

Each Unit Owner shall notify the Condominium Board and the Managing Agent in writing when a child or children under the age of ten (10) years lives or resides (even temporarily) in the Unit. Each Unit Owner shall install at such Unit Owner's expense, the required window guards in all windows of the Unit. The Unit Owner shall Maintain all window guards installed in the Unit and shall not remove same until permitted by applicable Law and in any event, without full knowledge of the Condominium Board and the Managing Agent.

No nuisance, immoral, improper, offensive or unlawful use shall be allowed in the Building or any portion thereof. All valid Laws of governmental bodies having jurisdiction thereof relating to any portion of the Property shall be complied with at the sole expense of the respective Unit Owners or the Condominium Board, whoever or whichever shall have the obligation to Maintain or repair such portion of the Property.

It is the responsibility of each Unit owner to notify the Managing Agent, or the Sponsor in the event there is no Managing Agent in place at the time of closing, in writing, when a child or children under the age of eleven (11) years lives or resides (even temporarily) in the Unit. Except as may otherwise be provided by applicable Law, it is the responsibility of each Unit owner to maintain in proper repair (and not remove), the window "stops", if any, in all windows of the Unit which have been installed in lieu of window guards. Sponsor makes no representations whether Unit owners will comply with the foregoing obligations.

No "For Sale," "For Rent," "For Lease" sign, or any other sign evidencing a similar purpose, or other window display or advertising shall be maintained or permitted in any Unit, except that these sign restrictions shall not apply with respect to Unsold Units.

No awnings, air conditioning equipment or ventilators shall be installed or modified in the Building without prior written approval of the Condominium Board. No

radio or television aerial, satellites or other similar device shall be erected by Unit Owners on the roof or exterior walls, windows or terraces of the Building or on the Property, without obtaining in each instance the written consent of the Condominium Board.

No pets other than dogs, caged birds, cats and fish (which do not cause a nuisance, health hazard or unsanitary condition, in the Condominium Board's sole discretion) may be kept in a Unit without the consent of the Condominium Board or the Managing Agent. In no event will a Unit Owner be entitled to maintain more than two (2) pets in any Unit without the consent of the Condominium Board. Each Unit Owner who keeps any type of pet in such Unit Owner's Unit will be required to abide by any and all reasonable Rules and Regulations of the Condominium Board adopted with respect thereto and may be required to enter into an agreement with the Condominium Board governing the maintenance of such pets and indemnifying and holding harmless the Condominium, all Unit Owners and the Managing Agent from all claims and expenses resulting from acts of such pet.

Each Unit Owner shall keep such Unit Owner's 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 such Unit Owner's own Unit in accordance with the provisions of the By-Laws and the rules and regulations of municipal departments or agencies having jurisdiction thereof. The Rules and Regulations concerning the use of Units may be amended from time to time by the Condominium Board in accordance with the By-Laws provided that copies thereof are furnished to Unit Owners prior to the time that they become effective (except that no amendment thereof affecting the Unsold Units may be made unless agreed to by the Sponsor or its designee, as the case may be). Further restrictions on the use and leasing of Units are set forth in the By-Laws and Rules and Regulations.

Each Unit Owner may mortgage such Unit Owner's Unit, provided that the conditions with respect thereto set forth in the By-Laws are first complied with by him. As more fully set forth in the By-Laws, these conditions include the requirements that (a) the mortgage be substantially in the form of the New York Board of Title Underwriters form of mortgage, or such other form customarily used by lenders making loans secured by individual Units, and (b) the owner making such mortgage first satisfies all unpaid liens against such Unit Owner's Unit, other than Permitted Mortgages.

In certain instances the consent of the Mortgage Representative is necessary in order to amend the Declaration, By-Laws or Rules and Regulations. The By-Laws provide that no more than three Mortgage Representatives shall be designated by the holders of mortgages (a) which satisfy the conditions set forth in the By-Laws (as described above) and (b) which holders of such mortgages are (i) Sponsor or its designee, (ii) a bank, trust company, insurance company, real estate investment or mortgage trust or (iii) a governmental or union employee, welfare, pension or retirement fund or system.

Common Expenses, which are payable by Unit Owners are included in their Common Charges, and are allocated among Unit Owners in proportion to their respective Common Interests. Common Charges shall also be deemed to include any special assessment imposed by the Board. The respective Common Interests of each Unit, as estimated by Sponsor, are based upon interior floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit.

Common Expenses include, among other things, all costs and expenses associated with operation of the Condominium, as determined by the Condominium Board, including but not limited to, the cost and expenses (including the payment of wages) in connection with the Maintenance to the Common Elements and certain other expenses common to all Unit Owners, electricity to the Common Elements, insurance premiums, management fees, service contract fees, legal and accounting fees, and contingencies. Any other costs associated with the operation of the Condominium shall be a Common Expense. Common Expenses may include amounts for certain other items as the Condominium Board may deem proper, such as amounts for reserves or in connection with the purchase or lease by the Condominium Board of any Unit.

In the event that the annual receipts levied against Unit Owners during the first year of condominium operation commencing on the date of First Closing exceed the actual expenses less income from sources other than Unit Owners for that period accounted for on an accrual basis by an amount in excess of \$100,000, the receipts from Unit Owners over and above such amount may be rebated to the Unit Owners by the Condominium Board in proportion to each Unit's percentage of Common Interest. Rebates, if any, attributable to Units purchased from Sponsor during the first year of condominium operation will be distributed by the Condominium Board to Sponsor and the Unit Owner(s) in proportion to the amount of time Sponsor and each Unit Owner owned such Unit. Sponsor makes no representations that there will be any excess receipts for rebate to Units Owners or, if rebates are made, what the tax consequences of such rebates would be to Unit Owners. See the Tax Opinion in Part I of the Plan for further discussion regarding the income tax consequences of the ownership of Units by individual Unit Owners.

At least annually the Condominium Board will prepare a budget for Common Expenses and allocate, as aforesaid, and assess among all Unit Owners, Common Charges to meet such Common Expenses. Unit Owners shall be responsible to pay Common Charges to the Condominium as provided in the By-Laws with or without having received a bill from the Managing Agent or the Condominium Board.

The Condominium Board will furnish copies of each budget on which Common Charges are based to all Unit Owners and advise such Unit Owners of the amount of Common Charges payable by them. Unless otherwise determined by the Board to which they are payable, Common Charges will be payable monthly in advance on the first day of each month.

Smoking is not allowed in the following areas of the building (Take note that the Smoke-Free Air Act bans smoking tobacco or non-tobacco products, and using e-cigarettes in indoor common areas):

Outside of areas that are part of residential units, including balconies, patios and porches; Outdoor common areas, including play areas, rooftops, parking areas, or yards ; and Outdoors within 15 feet of entrances, exits, windows, and air intake units on property grounds.

There is no smoking allowed in the Community Facility Units.

Smoking is permitted in individual units and their limited common elements.

RIGHTS AND OBLIGATIONS OF THE BOARD OF MANAGERS

The Board of Managers shall from time to time, but at least annually, prepare a budget for the Condominium determining the amount of the Common Charges payable by the Unit Owners. Common Charges will be established by determining the operating budget for the coming year of Condominium operation and allocating to each Unit Owner a percentage of that budget in accordance with their percentage of ownership for Common Interest in the Condominium. The Common expenses include, among other things, the cost of all insurance premiums on all policies of insurance required to be, or which have been, obtained by the Board of Managers. The Common Expenses may also include such amounts as the Board of Managers may deem proper for the operation and maintenance of the Property including, without limitation, an amount of working capital and a general operating reserve. The Board of Managers shall advise all Unit Owners promptly, in writing, of the amount of Common Charges payable by each of them, and shall furnish copies of each budget on which such Common Charges are based to all Unit Owners and to their mortgagees of record, if requested.

Under the provisions of Section 339-z of the Condominium Act, the Board of Managers on behalf of the Unit Owners shall have a lien on each Unit for unpaid Common Charges assessed against such Unit by the Board of Managers, together with interest thereon. Such lien shall be subordinate only to liens for real estate taxes on the Unit and to any sums unpaid on the first mortgage or record of such Unit. Any lien for unpaid Common Charges against a Unit shall be effective from and after the filing of a notice thereof in the Kings County Office of the City Register, and until all sums secured thereby with the interest thereon shall have been fully paid, or until six years from the date of filing (unless foreclosure of such lien is started within such six year period), whichever may be earlier. Such lien may be foreclosed by a suit brought in the name of the Board of Managers acting on behalf of the Unit Owners in like manner as the foreclosure of a mortgage on real property, or an action may be brought by the Board of Managers to recover the Unpaid Common Charges without foreclosing the lien. In the event the Sponsor is more than thirty (30) days in arrears on Common Charges for any unsold Unit during the time the Sponsor is in control of the Board of Managers, Sponsor will cause the Board of Managers to file a lien as provided for in section 339-aa of the Real Property law.

Under section 339-kk of the Real Property Law, the Board of Managers has the right to require the tenant in an unit owned by a non-occupying Owner to make rental payments directly to the Board of Managers where such non-occupying Owner is in default on payments of Common Charges, assessments or late fees for such unit, for a period of 60 days after the expiration of any grace period after they are due. Payments by such rental tenant to the Condominium pursuant to this statute relieves such rental tenant from the obligation to pay such rent to such non-occupying owner, and is an absolute defense in any nonpayment proceeding commenced by such non-occupying Owner. The procedures by which the Board of Managers may enforce this right, including required notice, means of protest, and termination are set forth in the aforementioned section which is recited at page J-1 of this Offering Plan.

No Unit Owner may exempt himself from liability for Common Charges or Expenses by waiver of the use, or enjoyment of any of the Common Elements, or by abandonment of his Unit. The liability of each Unit Owner for the payment of the Common Charges and Expenses thereafter assessed or becoming due against the Unit shall terminate upon a permissible sale, transfer or other conveyance of such Unit, and the appurtenant interests in the Common Elements. In addition, any Unit Owner may, subject to the terms and conditions specified in the By-Laws, convey his/her Unit together with the said appurtenant interests to the Board of Managers or its nominee on behalf of all other Unit Owners, and in such event will be exempt from all Common Charges and Expenses thereafter assessed.

All maintenance or any repair to any Unit, ordinary or extraordinary, and to the doors and windows (except the painting and decoration of the side of the elevator doors and stairwell doors which do not face into a Unit, and the exterior side of windows), electrical (except Common Elements) within the Unit or belonging to the Unit Owner, shall be at the Unit Owner's expense, except for structural elements as specifically required herein. All maintenance, repairs, and replacements to the Common Elements (including the exterior walls of the Building and exterior sides of the windows) and the painting and decorating of the side of the elevator doors and stairwell doors which do not face into a Unit shall be made at the direction of the Board of Managers, and be proportionately charged to all the Unit Owners as a Common Expense, except to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner. Unit Owners who enjoy use of a Limited Common Element are responsible for regular repair and maintenance of such Limited Common Element such as cleaning, painting, repair to surface damage, etc. Damage to the structural or mechanical systems serving such Limited Common Element (except where directly caused by act or omission of the Unit Owner, their agents, employees or invitees) are the responsibility of the Condominium through the Board of Managers.

No Unit Owner may make any structural addition, alteration or improvement in his Unit, or do any work which would jeopardize the soundness or safety of the Building, reduce the value thereof, or impair any easement or hereditament of the Property, without the prior written approval of the Board of Managers. As a condition of the granting of its consent to the above acts, the Board of Managers may require the Unit Owner to execute an agreement in form and substance satisfactory to the Board of Managers setting forth the terms and conditions under which such alteration, addition, improvement, or repair, may be made, including without limitation, the days and hours during which any work may be done. No application shall be filed with any governmental authority for a permit covering an addition, alteration, or improvement to be made in a Unit, unless approved and executed by the Board of Managers; such approval, however, shall not result in liability on the part of the Board of Managers or any of them, to a contractor, subcontractor, materialman, architect or engineer, by reason of such addition, alteration, or improvement, or to any person having any claim for injury to person, or damage to property arising therefrom. The provisions of this paragraph shall not apply to an Unsold Unit, provided that any alterations to such Unsold Units shall be in accordance with, and

only as permitted, by the Condominium Act and all governmental regulations. Non-structural alterations and improvements to Residential Units that do not affect the exterior of the Building, or the value of other Units, may be made without prior approval of the Board of Managers.

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

The Board of Managers shall obtain and maintain, to the extent determined by them to be appropriate; (1) hazard insurance, with extended coverage, insuring the Building and Units (but not including furniture, furnishings or other personal property supplied to, or installed by, Unit Owners), together with all service machinery contained therein covering the interests of the Condominium, The Board of Managers, and all Unit Owners and their mortgagees, as their interest may appear, in an amount equal to the full replacement value of the insured property without deduction for depreciation; (2) machinery insurance; (3) water damage legal liability insurance; (4) liability insurance for personal injury or property damage in an amount not less than one million dollars; (5) Omitted; and (6) such other insurance as the Board of Managers may determine. Each of the policies shall contain a New York standard mortgage clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interests may appear, subject, however, to the loss payment provisions in favor of the Board of Managers in the event of casualty or condemnation. Unit Owners shall be entitled to carry casualty insurance protection for their furniture and the interior of their Units and for personal liability coverage for their own benefit at their own expense, provided that such policies contain waivers of subrogation, and further provided that the liability of the carriers issuing insurance procured by the Board of Managers shall not be affected or diminished by reason of any other insurance carried by a Unit Owner.

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

the exercise of such right of entry. Each Unit Owner will deposit with the President of the Board of Managers a key to his/her Unit to allow for entry in an emergency. The Board of Managers may designate responsible individual(s) to hold such keys.

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

As part of purchase of the Unit, Purchaser will be required to execute a Power of Attorney in favor of the Board of Managers of the Condominium. This Power of Attorney will give the Board of Managers the right to acquire and otherwise administer defaulted, abandoned or foreclosed Units in the name of the Condominium. It will also give the Board of Managers the right to execute amendments to the Condominium Declaration, Deeds conveying Condominium property, filing for severance of tax lots and other functions reasonable or necessary to effectuate the purposes set forth in the Condominium Declaration, on behalf of all of the Unit Owners. Please see the POWER OF ATTORNEY set forth in Part II of this Offering Plan.

REAL ESTATE TAXES

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

If the Units have not been separately assessed for real estate tax purposes prior to closing of title to the first Unit, Sponsor shall place in escrow, in the name of the Board of Managers, an amount equal to the unpaid real estate taxes which will be levied against the parcel for the six-month period following the first closing or until the Units are separately assessed, whichever is shorter. The Board of Managers will pay the real estate taxes from the escrow account when taxes are due and payable and shall receive reimbursement from Unit Owners at closing of title.

Until Units are separately assessed, real estate taxes and thus the partial tax exemption will be allocated among the Units based on their respective percentages of Common Interest. However, once Units are separately assessed, there is no assurance that the New York City taxing authority will allocate taxes and the tax exemption among the Units in accordance with their percentages of Common Interest.

The tax expert and counsel consulted for the disclosure in this section are not purchaser's attorney or expert. Purchasers should consult his/her own counsel or expert before signing an agreement to purchase a condominium.

Real Estate Taxes Without Benefit of Section 421-a

The estimated monthly costs and charges to be incurred by the owner of each Unit in the first year in which the property will be fully subject to real estate taxes are set forth on Schedule A. The estimate of real estate taxes for the projected first year of operation is based upon the following as determined by Moseson and Associates Corp., the Sponsor's real estate tax consultant. Such estimates are also based upon valuation amounts and tax rates following completion of the construction of the Building. The estimates are (i) a taxable assessed valuation estimate in the amount of \$1,548,000, and (ii) a projected tax rate of 12.719%. Should benefits not be obtained, the projected tax for the condominium is estimated to be \$235,302.00.

The actual taxes for the Property for the 2017/18 tax year are \$37,176 based on a taxable assessed valuation of \$292,500.00 and a tax rate of 12.719% which valuation and tax rate are based upon the condition of the Property as of January 2017. The assessing authority that determines the tax rate and the assessed valuation is the New York City Department of Finance.

Real Estate Taxes with Partial Exemption Under Section 421-a

The Sponsor has applied for, and will use its best efforts to obtain a partial exemption from real estate taxes with respect to the Property pursuant to Section 421-a of the New York Real Property Tax Law. Assuming that the criteria set forth in Section 421-a and elsewhere for the receipt of these benefits (see below) are met, the Units will be eligible for a partial real estate tax exemption during the construction of the Buildings and for a period of fifteen (15) years after the Buildings are considered to be completed for purposes of the statute.

According to MGNV Consulting., the Sponsor's real estate tax consultant, 100% of tax increased assessed value of the Property resulting from the improvement therein (i.e. the assessed value above the pre-construction assessed value) should be exempt from taxation during construction (not to exceed three (3) years) and during the eleven (11) years following completion of construction. Beginning in the twelfth (12th) year following completion of construction, the percentage of exemption decreases by 20% each year for a period of four (4) years. Full taxes are payable in the sixteenth (16th) year following completion of construction. The following schedule illustrates the percentage of benefits for the duration of the exemption:

Year(s)	% of original exemption
1-11	100%
12	80%
13	60%
14	40%
15	20%

Projected real estate taxes for Units during the first year of Condominium ownership, assuming the Property receives Section 421-a benefits, are based upon an estimate that the aggregate real estate taxes for the Units for such first year will be approximately \$30,405. These estimates are based upon a (i) pre-construction taxable assessed valuation of \$292,500 and (ii) a tax rate of 12.719%, which tax rate has been estimated by MGNV Consulting.

The Sponsor represents that it will keep all records required by The New York City Department of Housing Preservation ("HPD") and will make them available to HPD whenever requested to do so. HPD routinely conducts audits which can result in the reduction or revocation of benefits if proper documentation is not provided.

Upon closing, the Sponsor will make all tax benefit documents available to the Board of Managers for inspection and copying for the life of the benefits. Sponsor will file all applications and timely comply with all procedures required to properly process and maintain the tax benefits.

Notwithstanding the foregoing, no guaranty or warranty is made as to when or whether the application for Section 421-a partial tax exemption benefits will, in fact, be approved, or as to the amount of any tax exemption benefits that may actually be

received. In this regard, Purchasers should note that to the extent receipt of the Section 421-a benefits depend upon the date on which the construction of the Buildings are completed, such receipt would be jeopardized if construction is delayed due to causes within or beyond the Sponsor's control.

If, for any reason (including, without limitation, Sponsor's failure to satisfy any of the criteria for obtaining Section 421-a benefits for the Property, regardless of whether within or beyond Sponsor's control), Sponsor's application to obtain Section 421-a tax exemption benefits for the Property is either not submitted or is not approved, the Units will be subject to full taxation and will receive no benefits under Section 421-a. In the event the benefits are not obtained, the assessed value used for calculation will be the \$1,850,000 post-construction assessed value and the tax rate used for calculation is 12.883% per \$100.00 of assessed value. If such eventuality occurs, Purchasers under this Plan will have no right to rescind their Purchase Agreements, will continue to be obligated to pay their full purchase prices without any offset or credit and will have no claim against the Sponsor by reason of the same. Consequently, Schedule A to the Plan contains projections of monthly real estate taxes and total monthly carrying charges assuming both that Section 421-a benefits will be available to the Property and assuming that such benefits will not be available.

MGNY Consulting, has opined, but does not guaranty, that predicated upon the assumptions and representations stated in his opinion letter and subject to the caveats and conditions described above and in such opinion letter, the Units will be entitled to receive the partial real estate tax exemption benefits available under the Section 421-a program. MGNY Consulting, opinion letter is based solely on the facts and documents referred to therein. The Sponsor, MGNY Consulting, and Law Offices of Michael Michael PLLC, counsel to the Sponsor, strongly advise each person who is contemplating the purchase of a Unit to consult with his or her own attorney, accountant, or other financial advisor as to all of such matters (including the partial tax exemption benefits discussed above and in Law Offices of Michael Michael PLLC's opinion letter). Neither the Sponsor, the Selling Agent, nor MGNY Consulting, guaranty that such partial tax exemption benefits will be allowed to any Unit Owner or Owners. No warranties are made that the laws, the regulations or rulings issued thereunder, or any judicial interpretation thereof, upon which MGNY Consulting, has based their opinion letter, will not change. In no event will the Sponsor, the Selling Agent, MGNY Consulting, Law Offices of Michael Michael PLLC or any other person or firm connected with the offering be liable if it is determined that the Units do not qualify for tax exemption benefits under the Section 421-a program, or, if granted, if such benefits are later reduced or revoked.

The Attorney General has recently issued a memo regarding disclosure of requirements and obligations of Sponsors and Unit Owners in Condominiums where the sponsor has applied or plans to apply for benefits under § 421-a of the N.Y. Real Property Tax Law. In response to the memo, Sponsor makes the following disclosures:

- (vi) The building that is the subject of this Offering Plan is not located in the statute's geographic exclusion area and as such, Sponsor does not need to

comply with the statute's requirements for affordable units.

- (vii) The building is exempt from the prevailing wage requirement for Building Service Employees (as defined in N.Y. Real Prop. Tax Law §421-a[8](a)(i)) because the building contains less than fifty (50) residential units.
- (viii) Sponsor intends that the building shall be exempted from the statutory obligation to register the units as rent-stabilized by reason of its condominium status.
- (ix) If, prior to consummation, sponsor rents any residential unit (or portion thereof) to any the following will occur: (1) Sponsor is obligated to abandon the offering plan; (2) Sponsor must inform HPD of intent to operate as a rental building; and (3) all units will be subject to rent stabilization.
- (x) Sponsor has fifteen (15) months from the date of issuance of a final certificate of eligibility from the New York City Department of Housing Preservation and Development ("HPD") to declare its offering plan effective. Thereafter, Sponsor is obligated to register units in the building as rent-stabilized as they become occupied.

Any lease and renewals thereof to a residential unit that are required to be registered with DHCR shall contain at least 12 point type informing such tenant that the residential tenant shall be subject to deregulation upon the expiration of the 421-a tax benefit period and state the approximate date of the benefits. During such rent stabilization period, the unit shall not be subject to luxury decontrol. As of the time of submission of this Plan, A Final Certificate of Eligibility has not been issued.

HPD's recent proposed Amendments to Rules Governing Tax Exemptions under 421-a of the Real Property Tax Law §421-a (6)(a)(ii) do not apply to this offering because the premises are not located in a Geographic Exclusionary Area and the project will be completed within the seventy two (72) months' timeframe.

The foregoing estimates both with and without Section 421-a partial tax exemption benefits were based on existing tax rates, current City of New York assessing policies and the Sponsor's description of the Buildings to be constructed on the Property. However, no guaranty or warranty is given that the projected amounts, including assessed values and rates, will approximate the actual amounts, that the New York City Real Estate Tax Assessment Bureau will allocate the assessed value by percentage of interest in the Common Elements, or that the assumptions upon which the tax calculations were based will remain valid.

The Sponsor anticipates that the real estate tax rate will increase in future years rather than remain constant. The estimates of projected real estate taxes in this Offering Plan have been prepared by the Sponsor and cannot be construed as an assurance of the final tax costs, but are merely estimates based upon information available to the Sponsor

at this time. Actual assessments may vary depending on such factors as changes in tax rates, method of assessment, etc. In no event will the Sponsor, Sponsor's counsel or Sponsor's consultant be liable to any purchaser under this Plan, nor will any purchaser have the right to rescind his Purchase Agreement, in the event the amount of the taxes and assessed valuation differ from those projected nor if the method of allocating taxes is done in a manner different from that indicated in Schedule A of the Plan.

There are no open tax certiorari proceedings pending with respect to the Property. Each Unit Owner shall designate the Board of Managers as his attorney-in-fact, which power shall be deemed coupled with an interest to act as agent for such Unit Owner in accordance with Section 339-y of the Real Property Law 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, to commence and prosecute a special proceeding and to seek administrative and judicial review of assessments. 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 Owners 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(z) of the Real Property Law. See By Laws Section 5(a)(14) in Part II for a more detailed explanation.

Each Unit Owner shall at the closing of title to his Unit execute an instrument substantially in the form included in Part II, authorizing the Board of Managers and the Sponsor to act on such Unit Owner's behalf.

All Purchasers shall be required to pay the Sponsor a fee of 1.5% of the purchase price for obtaining the 421-a tax abatement for the Condominium. For example, for a Unit that costs \$525,000.00, accordingly, the fee for obtaining the 421A abatement shall be \$7,875.00. This fee shall be paid at closing and is not reflected in the purchase price and therefore does not effect purchaser's transfer taxes.

INCOME TAX DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF CONDOMINIUM

Due to the Tax Cuts and Jobs Act of 2017 (the "Law"), which was passed by Congress in January 2018, Purchasers should consult with their tax professional to make sure they fully understand what amounts of real estate taxes and mortgage interest can be deducted from their income taxes.

The Law capped the amount an owner of a residential property may deduct from his otherwise taxable income for mortgage debt eligible for deductions from \$1 million to \$750,000 (in the aggregate) and eliminates deductions for home equity debt (currently capped at \$100,000), unless the homeowner uses the money for home improvements, in which case the \$100,000 cap will still apply.

The deduction for second homes, with the \$750,000 cap applying in aggregate to mortgage debt. New mortgage debt caps will apply only to new mortgages, but all deductions for home equity loans will be eliminated (unless the money is used for home improvements).

The Law also capped the deduction amounts paid for certain state and local taxes to \$10,000 per year (\$5,000 for a married taxpayer filing a separate return).

Therefore, a unit owner who itemizes deductions will be entitled to deduct, for federal income tax purposes, interest on any acquisition indebtedness of up to \$750,000.00. Additionally, a unit owner who itemizes deductions will be entitled to deduct, for federal income tax purposes, real estate taxes in the amount of up to \$10,000.00 a year assessed against his/her unit.

Purchasers should note that the \$10,000 tax deduction is for the combined New York State income taxes, New York City (or local) income taxes and real estate taxes. Accordingly, in the event the Unit Owner's combined New York State income taxes, New York City (or local) income taxes and real estate taxes exceed the \$10,000 threshold, a Unit Owner may not be able to realize a deduction for amounts over the \$10,000 threshold.

A review of the Summary of the Law, Public Law No: 115-97 (as of 12/22/17) on the Congress.gov website, 26 U.S.C., otherwise known as the United States Internal Revenue Code of 1986 (the "Code"), 26 U.S.C. §§ 163(h)(3) and 164(a)(2), New York State Tax Law § 615, as amended. Owners of condominium units are entitled to the same deductions (Revenue Ruling 64-31). In addition, a homeowner may be entitled to a property tax reduction if he or she is a veteran, senior citizen or is handicapped. In our opinion, the unit owners in the referenced condominium will be entitled to the income tax deductions and the real estate tax benefits described above.

It is emphasized, however, that legislative, judicial or administrative changes may be made which would require modification of such statements, or that, the IRS or other applicable administrative agency may disagree with Counsel's interpretations and conclusions. A more detailed statement of the tax factors involved may be found in the COUNSEL'S TAX OPINION; however, each purchaser should consult with his or her own attorney with regard to tax consequences of this transaction.

Law Office of Michael Michael PLLC
Attorneys at Law

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Facsimile (718)645-7555

Michael H. Michael, Esq.

February 22, 2019

631 E 18TH STREET, LLC
1402 East 69th Street
Brooklyn, New York 11234

RE: 631 East 18th Street Condominium

Gentlemen:

We have been requested to furnish a legal opinion with respect to several legal issues regarding the above referenced condominium project.

Due to the Tax Cuts and Jobs Act of 2017 (the "Law"), which was passed by Congress in January 2018, Purchasers should consult with their tax professional to make sure they fully understand what amounts of real estate taxes and mortgage interest can be deducted from their income taxes.

The Law capped the amount an owner of a residential property may deduct from his otherwise taxable income for mortgage debt eligible for deductions from \$1 million to \$750,000 (in the aggregate) and eliminates deductions for home equity debt (currently capped at \$100,000), unless the homeowner uses the money for home improvements, in which case the \$100,000 cap will still apply.

The deduction for second homes, with the \$750,000 cap applying in aggregate to mortgage debt. New mortgage debt caps will apply only to new mortgages, but all deductions for home equity loans will be eliminated (unless the money is used for home improvements).

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Therefore, a unit owner who itemizes deductions will be entitled to deduct, for federal income tax purposes, interest on any acquisition indebtedness of up to \$750,000.00. Additionally, a unit owner who itemizes deductions will be entitled to deduct, for federal income tax purposes, real estate taxes in the amount of up to \$10,000.00 a year assessed against his/her unit.

Purchasers should note that the \$10,000 tax deduction is for the combined New York State income taxes, New York City (or local) income taxes and real estate taxes. Accordingly, in the event the Unit Owner's combined New York State income taxes, New York City (or local) income taxes and real estate taxes exceed the \$10,000 threshold, a Unit Owner may not be able to realize a deduction for amounts over the \$10,000 threshold.

I base my opinion on the following authorities: a review of the Summary of the Law, Public Law No: 115-97 (as of 12/22/17) on the Congress.gov website, 26 U.S.C., otherwise known as the United States Internal Revenue Code of 1986 (the "Code"), 26 U.S.C. §§ 163(h)(3) and 164(a)(2), New York State Tax Law § 615, as amended. Owners of condominium units are entitled to the same deductions (Revenue Ruling 64-31). In addition, a homeowner may be entitled to a property tax reduction if he or she is a veteran, senior citizen or is handicapped. In our opinion, the unit owners in the referenced condominium will be entitled to the income tax deductions and the real estate tax benefits described above.

Section 528 of the Code affords certain condominiums, substantially all of whose units are used for residential purposes, the opportunity to elect to be treated as a tax exempt organization. In order to qualify under this statute, sixty percent or more of the condominium's gross income must consist of common charges, membership dues, fees or assessments from the unit owners and ninety percent or more of the expenditures of the condominium must be for the acquisition, construction, management, maintenance and care of the condominium properties, which properties, as defined in Section 528, include property held by the condominium, or property within the condominium held by the members of the condominium, or unit owners. In this condominium since the community facility unit holds less than 20% of common interest, Section 528 may still be applied.

Based upon my examination of the offering plan and subject to the condominium actually satisfying the minimum percentage income and expenditure criteria set forth above, it is my opinion that the condominium will be eligible to be treated as a tax exempt organization under Section 528 of the Code if it elects such status. Such an election may entail the filing of tax returns and will exempt from federal and New York state income taxation all amounts received by the condominium from the unit owners as membership dues, fees or assessments. The condominium will be taxed, however, on any excess of income over expenses from unrelated sources. Examples of unrelated sources income include interest earned on reserve funds, income from concessions and income from dues or fees received from persons other than the unit owners such as tenants of commercial space owned by the condominium. In the event either the condominium fails

to qualify for and elect Section 528 taxation status in any year, it may be subject to federal and New York state income taxation.

Sponsor has complied with Section 339-i(1)(iv) of the Real Property Law assigning the percentage of common interest in the approximate proportion that the fair value of the Unit, at the date of the Declaration, bears to the then aggregate fair value of all the Units. My opinion on this matter is based on other expert factual determinations as required by 13 NYCRR §20.3(i).

In our opinion, the Condominium will be eligible for tax-exempt status, if it elects such status, and unit owners will be entitled to income tax deductions (or the unit owners will be eligible for the real estate tax benefits described above). However, this opinion is not a guarantee; it is based on existing rules of law applied to the facts and documents referred to above. No assurances can be given that the tax laws upon which 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 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 cause the 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).

If the Units have not been separately assessed for real estate tax purposes prior to the Closing of Title to the first Unit, the Sponsor will place in escrow, in the name of the Board of Managers, an amount equal to the unpaid real estate taxes (or estimates thereof based on current assessments) due for the next ensuing six months (or until the Units are separately assessed, whichever is shorter), provided, however, that as closings occur, the portion of such funds held in escrow which represent the portion allocable to the Unit being sold shall be released; and interest accrued on such escrow, if any, shall inure to the benefit of, and belong to, the Sponsor. The Board of Managers will pay the real estate taxes from the escrow account when taxes are due and payable and is entitled to reimbursement from Unit Owners.

As discussed in Section "Real Estate Taxes" of the Offering Plan, the Sponsor is applying for and is expecting to obtain approval from the New York City Department of Housing Preservation and Development ("HPD") for tax exemption for the Community under Section 421 of the New York State Real Property Tax Law ("Section 421"). Section 421 and the regulations promulgated thereunder pose certain requirements for the granting of tax exemption with respect to, among other things, whether the land for which an exemption is applied for is vacant and the number of bedrooms to be built on such parcel. Therefore, the Community is exempt from the payment of real estate taxes, on specified percentages of the increased assessed valuation of the Condominium resulting from construction of the Condominium for a period of fifteen years. Said exemptions are to be in the amount of 100% of the increased assessed valuation for the first eleven years

after the completion of construction, 80% for the 12th year, 60% for the 13th year, 40% for the 14th year and 20% for the 15th year. At the end of said fifteen year period, Unit Owners will be required to pay real estate taxes on the then full-assessed valuation of their Homes, at the then effective rate, both as determined by the City of New York.

In addition, Section 421-a provides that if the floor area of commercial, community facility and accessory use space within a multiple dwelling exceeds twelve percent of the aggregate floor area of the building, the exemption will be diminished by an amount equal to the percent of the aggregate floor area by which the aggregate floor area of commercial, community facility and accessory use space exceeds twelve percent of the aggregate floor area of the Building. In the event it is determined that the commercial, community facility and accessory use space exceeds twelve percent of the entire building, the amount of the benefits may be reduced. Schedule A to the Offering Plan reflects the estimated taxes with Section 421-a tax benefits and without Section 421-a tax benefits.

Our opinion regarding the partial tax exemption under Section 421-a is based upon information and representations provided by the Sponsor and the facts, assumptions and interpretations referred to above. No warranties or representations are given by this firm that HPD, the Department of Finance of the City of New York or the Tax Commission of the City of New York will allow Section 421-a benefits or that the laws, regulations or interpretations thereof on which this opinion is based will not change. This firm will in no event be liable if the Property is not eligible for partial real estate tax exemption under Section 421-a as a result of changes in the information or oral representations made by the Sponsor or because of any changes in applicable law, regulations, interpretations or decisional law, nor will this firm be liable if the amount of the benefits received are reduced for any reason. In addition, we have not passed upon the accuracy of any figures or estimates contained in the Offering Plan and do not warrant the amount of tax savings if the units receive partial tax exemption pursuant to Section 421-a.

As of the date of this submission a preliminary acceptance of tax benefits has been received by Sponsor, but real estate tax benefits are not yet in place. Therefore, purchasers should not rely on any representations in this offering plan addressing taxes without first consulting a tax expert.

It is our understanding that this letter will be made a part of the Offering Plan of The 631 East 18th Street Condominium.

Very truly yours,

Law Offices Of Michael Michael, PLLC

By:

Michael Michael



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Tax Opinion Letter for Condominium Project
Re: 631 East 18th Street, Brooklyn, NY. Block: 5218 Lot: 33

631 E. 18th Street, LLC
c/o Mr. Boris Tansky
101 Avenue U
Brooklyn, NY 11201

Dear Mr. Tansky:

THIS LETTER IS BEING SENT TO YOU WITH THE EXPRESSED UNDERSTANDING THAT OUR FIRM ASSUMES NO LIABILITY FOR OUR OPINIONS PRESENTED HEREIN. THESE OPINIONS ARE PRESENTED ONLY FOR YOUR ASSISTANCE IN CONNECTION WITH YOUR CONSTRUCTION OF A CONDOMINIUM.

The following estimates are provided in response to your request for an opinion and projection of the real estate assessments and taxes. You also requested that we provide an opinion regarding the eligibility of a construction project (hereinafter, "the Project") at the above-referenced site for tax benefits pursuant Section 489-bbbbbb (also known as "ICAP") and Section 421-a, Subdivision 16 (also known as "Affordable New York Housing Program" or "New 421a") of the New York Real Property Tax Law.

This opinion is based *solely* on the representations made to us by you and your architect.

I. Project Details

You have informed us that you intend to build a condominium on the above tax lot ("property"), and that this condominium will be constructed pursuant to a Department of Buildings job number 321-251-854.

You have requested an opinion concerning the real property assessment to be levied upon the above property for the first full tax year after completion of construction, which corresponds to the tax year 2019/20. In order to prepare this letter and the opinion set forth herein, you have supplied us with certain information upon which we have relied. You have informed us that the date of commencement of construction was December 21, 2015; and that the anticipated completion date is March 1, 2018. You have advised us of your acquisition costs and the anticipated construction costs.

You have also supplied us with architectural drawings of the proposed building prepared by



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Igor Zaslavsky, R.A. of Zproekt, Inc.. The data contained in the architectural drawings indicates that the building will have a gross floor area of **26,116** square feet, and will have 6 (six) floors above grade.

The total gross square footage of non-residential space (community facility area) is estimated to be approximately 4,428 square feet. The total gross square footage of residential space is estimated to be 21,688 square feet.

II. Estimated Assessed Value

We have considered the following factors in formulating our opinion: (a) the recent tax assessment history on the property; (b) the potential income for the new structure (if operated as a rental); (c) comparable properties in Brooklyn which have been newly constructed; (d) market conditions in the general area; and (e) proposed estimate of the cost of construction

Real Property Tax Law Section 581 provides that cooperative and condominium apartments shall be assessed for tax purposes as if the building was a comparable rental property. Thus, the Department of Finance is prohibited from utilizing the sales prices of the individual condominium units in determining the assessed valuation. Therefore the prices that you set in your offering plan and any subsequent sales or re-sales are not relevant in determining the assessed value of the property or of the individual condominium units. Upon conversion to a condominium and after an application is submitted by you, the New York City Department of Finance shall assign individual tax lot numbers to each of the condominium units. The residential units will be designated as a tax class 2 property and will pay on the class 2 tax rate, and the commercial units will be designated as a tax class 4 property and will pay on the class 4 rate. The current 2017/18 class 2 tax rate is 12.719% of assessed valuation and the class 4 tax rate 10.514% of assessed valuation.

Assessments in New York City are made on a fiscal year basis, beginning on July 1st of each year and ending on June 30th the following year. The status of the building on January 5th of each year is the basis of the assessment for the fiscal year beginning that July 1st. The final assessment roll containing the 2017/18 tax assessments was published on May 25, 2017. The actual assessment for the property for the tax year 2017/18 is \$ 292,500 (* as of the date of this writing).

Real Property Tax Law Section 1805 provides for the creation of a transition assessment system within the City of New York. Under the transition assessment system, the usual increase in the actual assessed value of a property between one year and the next is phased in over a five year period in equal installments. The five year phase in does not apply to new construction or other increases due to physical improvements to the property. Increases due to such physical improvements or new construction are added in full to the next year's assessment. Pursuant to Real Property Tax Law



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Section 1805, the taxable assessment is determined to be the lesser of the actual assessed valuation or the transition assessed valuation. **We believe there will be a substantial increase in value for 2019/20 as a result of the new construction, and that such increase will be placed on the assessment roll immediately and not subject to the five year phase in.** However, in future years increases in assessed value will likely result in the taxable assessment being based on a phased-in transition assessment.

We believe that the building portion of the assessment may appear on the 2018/19 **tentative** assessment roll. However, upon review by the Finance Department and/or Tax Commission, it should be removed pursuant to New York City Administrative Code §11-209, which provides for the removal of building assessments for new buildings in the course of construction which are not ready for occupancy by the following April 15th.

2019/20 Projected Assessed Value and Tax Liability

For the post-completion tax year of 2019/20, we project that an apportioned actual assessed value and the tax liability of the components of the property will be as follows:

Residential Portion and Accessory Parking

Assessed Value: \$ 1,850,000

Tax Liability: \$ 235,302

Non-Residential (Community Facility) Portion

Assessed Value: \$ 400,000

Tax Liability: \$ 42,056

In determining the assessed values for the individual units, the Department of Finance may use the common interest percentages set forth in the condominium declaration if such percentages are rationally and fairly determined.

If, for any reason, the property fails to receive tax benefits discussed in sections III of this letter, the total annual property in the first year of operation of condominium will be as estimated above.



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III. 421a Eligibility and Effect on Taxes

Please note that the old 421-a Program was extended to December 31, 2015. You represented that the construction of the Project commenced on **December 21, 2015**. Therefore, if all of the statutory requirements in effect at the time of issuance of the Certificate of Eligibility are satisfied, the Project will come within the scope of the 421-a Program.

To be eligible for Section 421-a tax benefits, the Project must comply with each of the eligibility requirements set forth in Chapter 6 of Title 28 of the Rules of the City of New York (hereinafter, "the Rules"). The application of these requirements to the Project is discussed in detail below.

Further note that the zoning lot known as **Brooklyn Block: 5218 Lot: 33** (i.e the lot upon which the Project is to be built) **is not** located within the statutory geographic exclusion area. Consequently, the Project stands to be eligible for the 421-a tax benefits as of right.

a. Eligibility Overview

We received the following representations from you and your architect:

1. The existing under-utilized building has been demolished
2. On December 21, 2015 you have commenced construction on the site based on the approved new building permit pursuant to the Job Application # 321-251-854
3. Upon completion of construction, the building will be classified as multiple dwelling pursuant to the New York State Multiple Dwelling Law
4. The site was improved with one under-utilized nonresidential building (within the meaning of 6-02 of the Rules) 36 months prior to the commencement of construction.
5. The new building will be substantially used for dwelling purposes for a period of at least fifteen years following its completion
6. An application for Preliminary Certificate of Eligibility will be filed with HPD upon start of



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construction.

7. Based on the forgoing representations, the Project should be eligible for partial real estate tax exemption under Section 421

b. Exemption Limitations

The recent 421-a legislation set a limit on the total amount of 421-a tax benefits that any market-rate unit may receive. Pursuant to the new rules: “only a portion of an apartment’s billable exempt assessed value is now eligible for the 421-a tax exemption. The value of a unit above this threshold (“AV cap”) is ineligible to receive benefits. For units with an exempt AV above this AV cap, owners will pay taxes on the portion of AV above the cap, but still receive tax benefits on the portion of AV below the cap.”

The AV cap affecting the Project for the first taxable year – which is the first year of operation of condominium - is estimated to be \$ 89,975 per unit. This cap will increase by 3% compounded annually until the benefits expire. Any increase in value below the cap is exempt from taxation during construction and during the ten (10) years following the first taxable status date immediately following completion of construction. The exemption declines to 80% of the increased assessed value for the twelfth (12) year and is further reduced by an additional 20% for each of the succeeding years (**see the table below**). Following the 15-year period, the Unit Owners will pay real estate taxes based on the full assessed valuation of their Units and the tax rate then in effect, without the benefit of any exemption. In addition, the Unit Owners must pay full real estate taxes on the Prior Assessed Valuation and any increases until the Final Certificate of Eligibility is issued, as defined in Section §6-01 of the Rules.

NOTE: Due to the inherent uncertainty of the City assessment process and the varying percentages of common interest attributed to the individual units, it is difficult to predict whether any individual units will be fully exempt from taxation for any period.

Fifteen-Year Exemption Table

Years of Exemption	Percentage of Exemption from an increase to assessed value
1	100.00%



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2	100.00%
3	100.00%
4	100.00%
5	100.00%
6	100.00%
7	100.00%
8	100.00%
9	100.00%
10	100.00%
11	100.00%
12	80.00%
13	60.00%
14	40.00%
15	20.00%
16	0.00%

c. Property Tax Projections

The Real Property Tax Law requires that taxes shall be paid in each tax year during which 421-a benefits are received in an amount equal to the assessed value of the land any improvements thereon during the tax year preceding the commencement of construction, this amount being referred to as the "mini" tax, payable at the current tax rate.

The commencement of construction is December 21, 2015, which falls on the fiscal year of 2015/16. The 2014/15 Total Actual Assessed Value of the subject lot and improvements was **\$37,460**. When prorated for residential portion plus parking, the Assessed Value is \$31,092, which will constitute the estimated taxable value in the first year of operation of condominium.

Once the Building is assessed as being fully constructed and the exemption under Section 421-a is entered into the Finance Department records, it is estimated that the real estate taxes for the entire residential portion plus parking units **will total approximately \$4,042**, based on the



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calculation below:

<i>Estimated Total Assessed Value</i>	<i>Estimated Actual Exempt Assessed Value</i>	<i>Estimated Taxable Value</i>	<i>Tax Rate</i>	<i>Estimated Tax</i>
\$1,850,000	\$1,818,908	\$31,092	13%	\$4,042

Subject to the AV Cap limitation, any increase in assessment due to the physical improvements attributable to the newly constructed residential condominium units shall be exempt as per the **Fifteen-Year Exemption Table** shown above.

The above projection is merely an estimate as it is unlikely that the post-construction assessed value or tax rate will remain constant for the 15-year exemption period. Thus, the actual assessment and real estate tax for each Unit may be more or less than the Unit's proportionate share of the total assessment.

IV. ICAP Eligibility and Effect on Taxes

With respect to the commercial portion of the property, you have informed us that a Preliminary Application for Certificate of Eligibility for Industrial and Commercial Abatement Program (ICAP) has been filed with the NYC Department of Finance pursuant to N.Y. RPT. LAW § 489-bbbbbb. The first year of the abatement shall be the tax year with the first taxable status date that follows the sooner of

1. Completion of construction; or
2. Four years from the date the first building permit was issued, or if no permit was required, the commencement of construction.

It is estimated that the first year of abatement will be **2019/20 tax year**.

If all the requirements are met, the commercial portion of the building is expected to be eligible for the ICAP benefits. After issuing the Certificate of Eligibility, the Department of Finance is expected to use the following conventions in calculating the amount of abatement under ICAP:



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1. Calculate the portion of pre-construction building tax attributable to commercial space subject to the ICAP benefits. We estimate this pre-construction tax to be \$404.
2. Calculate 115% of pre-construction tax. $\$404 \times 115\% = \$465$
3. Calculate the post-completion building tax.
 - a. It is important to note that the tax on the land value is never abated by ICAP. The land value is likely to increase significantly after the project is completed;
 - b. Land Value attributable to the commercial portion of the property is estimated to be \$60,000 (or 15% of the total projected assessed value for commercial portion)
 - c. Building Value attributable to the commercial portion of the property is estimated to be \$340,000 (or 85% of the total projected assessed value for commercial portion)
 - d. Assuming the tax rate for tax class 4 properties remains at the current level of 10.514 % from assessed value, the total *pre-abatement* building tax in 2019/20 tax year for the commercial portion of the building is estimated to be approximately \$ 35,747.
4. Determine the amount of abatement by subtracting the 115% of pre-construction tax from post-completion building tax. $\$35,747 - \$465 = \$35,282$

Based on the foregoing, the total property tax in 2019/20 tax year for the commercial portion of the building is estimated to be approximately **\$6,774 (after the abatement amount of \$35,282 is applied)**.

We have been informed by the NYC Finance Department that the project is located in the special commercial abatement area. As such, the tax benefits should be granted for 15 years, with certain conditions.¹ For years one through eleven, the abatement shall be the amount of the abatement base, which is estimated to be **\$35,282**. For years twelve through fifteen, the abatement shall decrease by twenty percent each year, according to the following schedule:

¹ Where more than 10% of the building is used for retail purposes, only the non-retail portions of the building and up to 10% of the retail portion are eligible for the 25 year benefit. The remaining retail portion shall be eligible for benefits in accordance with the 15 year schedule. ICAP Special Abatement Areas are determined by the Temporary Commercial Incentive Area Boundary Commission and are published by the Department of Finance. These areas are subject to revision in the future by the Commission, which is required to meet at least once every five years beginning in 2009.



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<i>Year of Abatement</i>	<i>Percentage of Abatement Base</i>	<i>Approximate Amount of Tax Abatement</i>
Year 1	100%	\$35,282
Year 2	100%	\$35,282
Year 3	100%	\$35,282
Year 4	100%	\$35,282
Year 5	100%	\$35,282
Year 6	100%	\$35,282
Year 7	100%	\$35,282
Year 8	100%	\$35,282
Year 9	100%	\$35,282
Year 10	100%	\$35,282
Year 11	100%	\$35,282
Year 12	80%	\$28,226
Year 13	60%	\$21,169
Year 14	40%	\$14,113
Year 15	20%	\$7,056
Year 16	0%	\$0

THE WRITER OF THIS LETTER SHALL NOT BE LIABLE, IF BECAUSE OF CHANGES IN LAWS AND/OR REGULATIONS, OR THE INTERPRETATIONS OF LAWS AND/OR REGULATIONS, OR IF THE FACTS REPRESENTED BY SPONSOR, ARCHITECT OR APPRAISER PROVE INCORRECT, THE PROPERTY FAILS TO OBTAIN SECTION 489-bbbbbbb or SECTION 421-a BENEFITS.

Very truly yours,
MGNY Consulting Corp.



Michael Géylik

RESERVE FUND

The budget includes as a line item a \$ 500.00 line item for contingencies for unexpected maintenance and a reserve fund totaling \$13,000.00 per year for the Building to be collected out of common charges paid by the Unit Owners. This fund is to be used for the replacement of major capital expenditures of the Common Elements of the Condominium, however the fund shall in no way be limited to such use.

While the sponsor is in control of the board of managers, the reserve fund may not be used to reduce projected common charges in the plan.

Neither the Department of Law nor any other government agency has passed upon the adequacy of the Reserve Fund.

No representation is made that this fund will be adequate to cover current or future expenses including repairs or replacements of Common Elements. If additional funds are required over and beyond said fund, it may be necessary to increase the Common Charges payable by the Unit Owners or to collect a special assessment from each Unit Owner.

WORKING CAPITAL FUND

At closing of title to each residential Unit, the Unit Owner for such Unit will contribute \$750.00 to the capital of the Condominium as a Working Capital Fund contribution (see CLOSING COSTS AND ADJUSTMENTS). Thus, there will be a \$19,500.00 Working Capital Fund created on closing. Sponsor will make the required contribution for all unsold Units at the time of the closing of the first Unit, and will be reimbursed therefore on each subsequent closing of a Unit by the Unit Purchaser. This Working Capital Fund will be used to make repairs and improvements, and for other appropriate purposes as determined by the Board of Managers, particularly to meet emergencies not budgeted for in SCHEDULE A. While the Sponsor controls the Board of Managers (see CONTROL BY SPONSOR), the Working Capital Fund will not be used to reduce estimated Common Charges.

No representation is made that the Working Capital Fund will be adequate to cover current or future expenses. If additional funds are required over and above the Working Capital Fund, it may be necessary to increase Common Charges or separately assess all Unit Owners. Neither the Department of Law nor any other government agency has passed upon the adequacy of the Working Capital Fund.

The \$750.00 contribution to the Working Capital Fund will not be reduced by any closing adjustments to the Sponsor. All adjustments represent reimbursement for prepayment of expenses already included in the budget set forth herein as Exhibit B, and therefore do not represent an additional expense to Condominium Purchasers.

MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

Due to the size of the building, it is contemplated that the building will be self-managing, and that no managing agent will be employed. The Sponsor shall manage the Condominium for the first year at no charge to the Unit Owners for the first year or until all the Units are sold, whichever comes first. Therefore, no amount has been included in the projected budget for the first year of operation for a management fee. In the event the Board of Managers determines that it is in the best interest of the Condominium to employ a managing agent, this item will represent an additional expense not included in the projected budget, and will require an increase in Common Charges of approximately 6 to 10%. Refer to footnotes to Schedule B for other contracts and agreements.

IDENTITY OF PARTIES

Sponsor and Selling Agent

The Sponsor is 631 E 18th Street, LLC, a New York State Limited Liability Company, having an office at 2753 Coney Island Avenue, Brooklyn, NY 11235. The sole principal of the Sponsor is Oleg Krasnitsky, residing at [REDACTED]

- (i) There are no prior felony convictions of the Sponsor or of Oleg Krasnitsky
- (ii) There are no prior bankruptcies, convictions, injunctions and judgments against the sponsor, any principals of the sponsor, and/or entities in which principals of the sponsor were principals, that may be material to the offering plan or to an offering of securities generally and that occurred within the 15 years prior to the submission of the proposed offering plan.
- (iii) Other than as set forth below, there are no other cooperative, homeowners associations or condominiums other than this one where the sponsor or principals of the sponsor own 10% or more of the unsold shares or units.

The Sponsor has not taken part in any prior public offerings.

Oleg Krasnitsky is a real estate sales agent with Jack Patak Real Estate, with offices at 7115 20th Avenue, Brooklyn, New York. He is also a real estate investor and been involved in the management of buildings he has invested in (including those he has been a principal of as referenced below)

The principal of the sponsor has also been a principal of the following:

1. The 380 Kings Highway Condominium, Sponsor is 380 Kings Highway LLC (CD10-0222), accepted on November 16, 2010, the first closing occurred on December 29, 2011.
2. The 2409 Avenue Z Condominium, Sponsor is 2409 Avenue Z LLC (CD11-

- 0131), accepted on January 30, 2012, the first closing occurred on August 19, 2012.
3. The 222 Parkville Avenue Condominium (CD15-0052), accepted on May 6, 2016, the first closing occurred on April 25, 2018.
 4. The 2493 Ocean Avenue Condominium (CD15-0241), accepted on May 30, 2016, the first closing occurred on March 22, 2017.
 5. 7 Corbin Place, Brooklyn, New York (CD15-0162), accepted on April 27, 2016. The first unit closed on February 21, 2018.
 6. 2008 Ocean Avenue, Brooklyn, New York (CD12-0121), accepted on July 18, 2013.
 7. 2743 East 26th Street, Brooklyn, New York (CD13-0323), accepted on December 9, 2014.
 8. 2747 East 27th Street, Brooklyn, New York (CD12-0107), accepted on October 3, 2013.

All units in the above plans have been sold. Neither Sponsor nor principal of Sponsor have any interest in any of the above condominium plans.

Sponsor's Attorney

Law Offices of Michael Michael, PLLC located at 1795 Coney Island Avenue, Brooklyn, New York, 11229, represents the Sponsor in connection with this Plan. Michael H. Michael, Esq. prepared the Plan. Michael H. Michael, Esq. will handle closings for the Sponsor and act as the escrow agent for the downpayments. Mr. Michael has no financial interest in the Property, Sponsor, Condominium, Selling Agent, or any other party interested in this transaction, except for their fees for services rendered in connection with the preparation of the Plan and closings of units.

Sponsor's Registered Architect

ZPROEKT by Igor Zaslavskiy, having an office at 1817 Emmons Avenue, Brooklyn, NY 11235 prepared the plans and specification for the Building. Mr. Zaslavskiy has no financial interest in the Property, Sponsor, Condominium, Selling Agent, or any other party interested in this transaction, except for their fee for services rendered in connection with his report. They have been a professional engineer for more than ten (10) years. They have designed and supervised the construction of several condominiums.

GENERAL

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

All of the Units offered in the Plan are vacant.

As of the date the Plan is accepted for filing, no contracts or agreements, written or oral, have been entered into for the sale or transfer of any of the Units offered in the Plan and no deposits or advances of funds have been accepted by or on behalf of Sponsor in connection with the reservation, sale or transfer of such Units.

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

The Property has not been the subject of any prior cooperative or condominium offerings. There are no preliminary binding agreements entered with any Purchasers, nor has any money been collected from any perspective Purchasers. There has been no market test pursuant to Cooperative Policy Statement No. 1.

Sponsor initially submitted a No Action Application (NA-17-0196) to the Department of Law for this Condominium, but decided to file a public offering plan. Sponsor has filed a notice as of November 5, 2018 to abandon this application with the Department of Law.

In accordance with the provisions of the laws of the State and City of New York, the Sponsor represents that the Sponsor, and the Selling Agent will not discriminate against any person because of race, creed, color, sex, disability, age, marital status, national origin or ancestry, or other grounds prohibited by law, in the sale of the Units offered by the Plan, or in the leasing of any unit in the building.

If there is a material amendment to the Offering Plan that adversely affects a Purchaser, Purchaser shall have the right to rescind his Purchase Agreement within fifteen (15) days after the date of presentation by the Sponsor, which rescission shall be made by CERTIFIED MAIL - RETURN RECEIPT REQUESTED, and shall be deemed made on the date when notice of rescission is deposited with the United States Post Office. Sponsor shall return the deposit on contract to any purchaser who validly rescinds.

No person has been authorized to make a representation which is not expressly contained herein. This Plan may not be changed or modified orally.

To Sponsor and its principals knowledge, there are no adjoining undeveloped areas of the site. Neither the Sponsor, nor any principals of the Sponsor, own in whole or in part, or have an optional right to acquire in whole or in part, any adjacent areas which are not fully developed.

DOCUMENTS ON FILE

Sponsor shall keep copies of the Offering Plan, all documents referred to in the Offering Plan, and all exhibits submitted to the Department of Law in connections with the Offering Plan on file and available for inspection without charge, and for copying at a reasonable charge, at the Sponsor's office as set forth in this Offering Plan, or at the office of the Sponsor's attorney, for a period of six (6) years from the date of first closing. The Sponsor shall deliver to the Board of Managers of the Condominium, a copy of all documents filed with the appropriate recording office at the time of the first closing of a Condominium Unit.

REPORT TO UNIT OWNERS

The Board of Managers of the Condominium shall give annually to each and every Unit Owner:

1) On or before March 1st of each year a financial statement. During the period the Sponsor is in control of the Board of Managers, there shall be a certified financial statement prepared by a certified public accountant.

2) Prior notice (at least 15 days written notice)_of the annual Unit Owners meeting.

3) A copy of the proposed annual budget of the Condominium, no less than thirty (30) days prior to the date set for adoption thereof by the Board of Managers. During the time the Board is controlled by the Sponsor, this statement shall be certified by a qualified budget expert.

SPONSOR'S STATEMENT OF BUILDING CONDITION

The Sponsor hereby adopts the DESCRIPTION OF PROPERTY set forth in Part II of this Offering Plan. With reference to such material, a licensed architect prepared the description of property and building condition contained therein.

The Sponsor represents that it does not know of any defect or need for major repairs except as hereinafter set forth, and that the following description accurately states the condition of the building and its equipment (see DESCRIPTION OF PROPERTY AND BUILDING CONDITION in Part II of the Plan)

The Property will be offered in its present condition as described in this Plan and all appliances included in the sale are listed in the Architect's report. In addition there will be hook ups for washer/dryer. Neither the Sponsor nor the Condominium will have any

obligation to make repairs or improvements except as set forth in this Plan. The Sponsor will cure, or cause to be cured all violations of record against the Property on the closing date or within two (2) years thereafter, and eliminate all known dangerous or hazardous conditions prior to the first closing, and comply with all work orders from mortgagees.

PART II

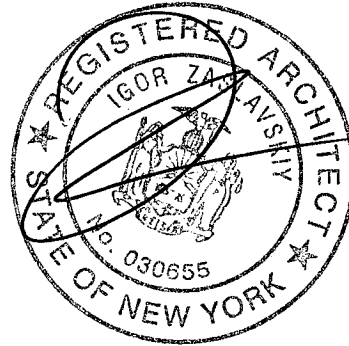
ARCHITECT'S REPORT

PREMISES KNOWN AS 631 East 18th Street Condominium

631 East 18th Street
Brooklyn, New York
Tax Block Number, 5218
Tax Lot Number 33

Prepared By:

Igor Zaslavskiy R.A.
1817 Emmons Ave
Brooklyn, N.Y. 11235
718-934-2322
January 2, 2019



This "**Report**" describes the building known as 631 East 18th Street Condominium, located in the Borough of Brooklyn, County of Brooklyn, City and State of New York; and located in Tax Block 5218 and designated as Tax Lot 33.

(A) LOCATION AND USE OF PROPERTY

The site is located in Zone R7A, as designated on Map 22C of the 1961 Zoning Resolution (ZR). Property is located in the Borough of Brooklyn, State New York. This lot is located along 18th Street, a wide street. The proposed mixed use building will contain residential and educational uses, permissible by and in compliance with all zoning and use requirements at closing as per New York City Zoning Resolution.

- 1. 631 East 18th Street**
- 2. Block 5218, Lot 33**
- 3. Zoning Requirements:**

Proposed Occupancy Groups R2, E; Proposed Use Groups 2, 4
Quality Housing Program
Zoning Lot Area: 5242.39 SF

4. Permissible Use

Residential Uses, Zoning Use Group 2, 4. Proposed Use Group 2, 4

(B) STATUS OF CONSTRUCTION

The New Building will be constructed in accordance to the Plans which have been filed and approved with the Brooklyn Office of New York City, Department of Buildings under 2014 NYC Construction Code. The proposed building plans have been assigned Department of Buildings application number NB 320771269.

The proposed Class of Construction is non-combustible Construction Class IB, as described under the 2014 Administrative Building Code: Two-Hour Fire-Rated structural cast in place concrete superstructure including concrete floor slabs, concrete bearing columns, and concrete bearing shear walls; Two-Hour Fire-Rated interior and exterior nonbearing walls. Non-rated nonbearing interior walls and partitions; Two-Hour Fire-Rated floor construction including supporting concrete beams and floors; Two-Hour Fire-Rated roof construction including supporting concrete roof slab.

The building will be issued a Final Certificate of Occupancy within a three month time frame when the work is completed to the satisfaction of the Department of Buildings.

Prospective Buyers will have closing based upon issuance of a Certificate of Occupancy. If a Closing takes place with a Temporary Certificate of Occupancy (TCO), TCO indicates that the property is safe for occupancy but it has an expiration date. TCO typically expires within 90 days after it is issued. When TCO expires and is not reviewed, it may be difficult or impossible to buy insurance, or sell, or refinance the property. If the property has a TCO, consult with a New York State license professional engineer or registered architect to determine the outstanding issue, and speak with attorney regarding the TCO status.

The Project will commence construction on September 09, 2016 as per New York City Department of Buildings Initial Permit for construction of New Building # 321251854.

The Anticipated date of substantial completion is July 2018. There is no further development to be anticipated after building completion.

(C) SITE

Beginning at the corner formed by the intersection of the northerly side of Foster Avenue with the easterly side of East 18th Street;

Running thence northeasterly along the side northerly side of Foster Avenue, 109 feet 6 inches;

Thence northerly parallel with said East 18th Street, 29 feet 9 inches;

Thence westerly at right angles to said East 18th Street, 100 feet to the easterly side of East 18th Street aforesaid, and

Thence southerly along said easterly side of East 18th Street, 74 feet 4-1/2 inches to the corner, the point or place of beginning.

Size: The site has an area of approximately 5,242.39 square feet.

1. There will be one building built on the site.
2. Site facing Public City Street maintained by the Department of Transportation of the City of New York.
 - (i) Street Asphalt Paving in good condition.
 - (ii) There is a catch basin facing the site on each corner.
 - (iii) All sidewalks, curb cuts, ramps/aprons will be compliant with ADA requirements.
 - (iv) There is lighting on both streets at the site.

The streets and waterway beyond the lot lines are New York City sidewalks, curbs, roadways and waterway. 18th Street is a sixty feet (60') wide, one-way street and Foster Avenue eighty feet (80') wide, two-way street.

There are existing concrete sidewalks and new curb fronting the property. The existing sidewalk fronting the property will be replaced, as is required for all new buildings, when construction is near completion. New sidewalk providing access to the building will be free of tripping hazards and ponding. There will not be any sidewalk vaults. The condominium will be responsible for maintaining the sidewalk in accordance with the requirements of Department of Transportation or authority having jurisdiction.

New sidewalk will be constructed to DOT Standards of H-1045 Type I and Type II. Steel faced curb will be constructed to DOT Standard H-1010 R79.

The existing roadways are asphalt paved. The existing roadway fronting the property will be repaired as directed by the New York City Department of Transportation when construction is near completion.

Catch basins are located at the corner of 18th Street and Foster Ave to drain the storm water run-off, into the existing New York City Sewer System.

Street lighting is provided by the City of New York, and consists of vertical stanchions mounted with led lamps.

A Builder's Pavement Plan has been filed with the Department of Buildings under application number 321261246. Right of Egress: The proposed condominium shall not require any obtainment of "Right of Egress" from adjacent neighbors. The subject condominium is a stand-alone building with the parcel having no deed restrictions to the present zoning lot.

(D) UTILITIES

1. **Water**, will be provided by the City of New York, and water consumption will be a common charge and will be metered collectively.
2. **Natural Gas**, will be provided by the National Grid. There will be one gas meter, billed collectively.
3. **Electricity**, will be provided by the Consolidated Edison Company, for lighting, cooking, domestic water heating, HVAC for each unit, common area heating and equipment. Each unit and public areas will be separately metered and billed.
4. **Telephone/Internet cable service** will be provided by the Verizon Company. Each unit will be billed directly.
5. The entire **Sanitary** waste, will be carried from the building into the existing New York City Sewer System. The **Storm** water runoff will be detained on the roof, from which it will flow to the storm trap in the sewer room of the building, which will be connected to the existing New York City Sewer System. Sanitary waste and storm water will be joined after exiting the house and storm traps to a single pipe on site which will then be connected to the combined sewer located beneath 18th Street. Sewer connections have been filed and certified by the

Department of Environmental Protection and the Department of Buildings under ID #170-631
EAST 18th Street.

(E) SUB-SOIL CONDITIONS

1. Based on the boring data that has been prepared by New York State Licensed Professional Engineer the sub-soil bearing capacity is adequate to support the proposed building.
2. There will be no sub-grade drainage system to be provided for the foundation of the building. Water table has not been detected in boring report.
3. The bottom of foundation walls will be placed below frost line (five feet below grade in NYC) of the soil. Foundation walls designed as continuous footing type with concrete columns and slab on grade. Building foundation system is accurately sized to support the calculated load.
4. No unusual water conditions such as flooding, ponding, or wetness were observed in the area, and no water was apparent on the surface. No evidence of land subsidence, expansive soils, hazardous materials, and/or environmental restrictions are present on the property. Soil test borings have been performed by a N.Y. State licensed professional engineer to determine the bearing capacity of the soil. A soil test report has been prepared and submitted to the N.Y. City Department of Buildings, with approval granted for the building plans, as is required for all new buildings.
5. Soil test borings performed prior to building filing indicate that the foundation of the building will be located in 3b granular soils capable of withstanding 3 tons/sf as per NYC Building Code Table 1804 and 3a soils capable of withstanding 6 tons/sf as per NYC Building Code Table 1804. The soil is adequate to support the building.
6. There is no evidence of moisture or seepage or ground water infiltration.

(F) LANDSCAPING AND ENCLOSURES

1. Street Trees: A total of seven trees are required on site as per ZR 26-42. Two existing trees shall be remained. One tree shall be planted on site in 5' X 10' pit, covered with mulch on the city sidewalk located at the front of the building. Four trees shall be planted off the site as per DPR. Street Tree plans have been reviewed and approved by the

Department of Parks and Recreation under Plan Review #18762. The species of the trees and methods by which they will be planted at the subject building shall be determined by DPR. The subject property does not contain any fencing, gates, garden walls or retaining walls.

2. There shall be an 18" concrete planter at grade as per ZR 28-33 between the property line and the building.

(G) BUILDING SIZE

1. The proposed building height will be 65'-0" to the top of the six (6) stories, as measured from base plane elevation, which is at grade.
2. There will be a Lowest Level located at the cellar..
3. The cellar floor will be occupied by:
 - a. Storage (S), auxiliary to the Residential use (Use Group 2)
 - b. Utility (U) including mechanical rooms, auxiliary to the Residential use (Use Group 2)
 - c. Community facility - kindergarten. (Use Group 4)

Ceiling height of Residential area of cellar will measure 9'-4". Ceiling height of Community facility space will measure 11'-4".

4. The first floor will be occupied by:
 - a. Residential Lobby, Enclosed bicycle parking (Use Group 2)
 - b. Two separate entrances for Community facility. (Use Group 4)
 - c. Common Area for legal max occupancy load of 168 people.

Ceiling height of lobby entrance at first floor will measure 14'-10". Ceiling height of community facility space at first floor will measure 14'-10".

5. The second floor will be occupied by:
 - a. Six (6) single-family residential units.
 - b. Ceiling height at the second floor will be 9'-4".
6. Third Floor will be occupied by

- a. Six (6) single-family residential units.
- b. Ceiling height at the third floor will be 9'-4".
- 7. Fourth Floor will be occupied by
 - a. Six (6) single-family residential units.
 - b. Ceiling height at the fourth floor will be 9'-4".
- 8. Fifth Floor will be occupied by will be occupied by
 - a. Six (6) single-family residential units.
 - b. Ceiling height at the fifth floor will be 9'-4".
- 9. Sixth Floor will be will be occupied by
 - a. Two (2) single-family residential units.
 - b. Ceiling height at the sixth floor will be 9'-6".
 - c. An outdoor recreation area for the residents of the building with a legal max occupancy load of 3 people. (Use Group 2)
- 10. Roof will be occupied by:
 - a. Bulkhead
 - b. Mechanical Equipment.
- 11. The proposed parapet wall above finished roof to be 3'-8"

LCE allocated to units and common recreation area be realized in the Certificate of Occupancy as per building bulletin 2018-002.

(H) STRUCTURAL SYSTEM

The structural system for the building will consist of concrete columns and exterior bearing walls. The structural cast in place concrete frame of the building will contain concrete structural columns, structural slabs and beams.

Structural columns will support cast in place concrete floor slab which will be spanned between the columns. Concrete floor slabs will support interior and exterior nonstructural walls.

The foundations will consist of reinforced concrete mat slab underground footing to support the concrete columns and foundation walls. The foundation walls, footing, and columns shall be of reinforced concrete. The exterior bearing walls shall be of reinforced poured concrete with exterior finish as noted, rested on structural concrete floor slab of the building. The

proposed waterproofing for the foundation wall is bituminous based membrane applied from outside the foundation. Floor slabs waterproofing will be provided with aluminum flashing.

The interior floors at all levels shall be a structural concrete slab floor. The proposed thickness of all floors is 8 inches. The floor assembly shall be covered with one layer of engineering wood flooring glued to the 8" concrete slab, having an IIC 34, by water based sound absorbing adhesive by SIKABOND T-21all in one Urethane Adhesive, Moisture Vapor and Sound Reduction Membrane, with IIC 21. The total sound transmission class of the floor/ceiling assembly is compliant with BC 1207.2 that requires a minimum IIC 50. Proposed IIC equals $34 + 21 = 55 > 50$ IIC (lab tested). All vertical metal framing between dwelling units to be infill with sound absorbing attenuation insulation manufactured by Owens Corning- Thermafiber Mineral Wool.

The roof areas above the eighth floor shall be a concrete slab; supported by cast structural concrete columns and beams.

The construction class of the building shall be noncombustible Construction Class IB as per Table 601 of the N.Y. City Building Code.

(I) EXTERIOR OF BUILDING

(1) WALLS

- (i) The exterior walls shall be constructed of 5 5/8" 16 gauge galvanized metal studs @ 16" O.C. with two layers of 5/8" type 'x' G.W.B on the interior side and one layer of 5/8" dense glass gold – 'Fireguard' type exterior sheathing or approved equal with 5-1/2" R-21 batt insulation throughout cavity of the wall between studs with 2" continuous rigid board insulation of R-12.6 and three step stucco finish (2-hour rated UL Design (U418).
- (ii) Lot line exterior walls shall be constructed of 6" 75% solid CMU block complying with ASTM 140 Laid pattern, with 2" continuous rigid board insulation of R-12.6 on exterior face, 3 5/8" 16 gauge galvanized metal studs @ 16" O.C. with two layers of 5/8" type 'x' G.W.B on the interior side and with 3-1/2" R-15 batt insulation throughout cavity of the wall between studs and three step stucco finish over wire mesh on exterior (2-hour rated UL Design (U418).
U value 0.051.

- (iii) The water protection system is a substrate “DuPont Tyvek StuccoWrap” moisture and waterproofing material provided between exterior gypsum wallboards and wire lath. Each opening is to be provided with metal flashing barriers at its bottom. All parapet walls are to be covered with aluminum metal coping provided for water dumping. Weep holes are to be placed in mortar joints of facing material at the level of flashing, to permit the escape of moisture, or openings in retaining walls to permit water to escape and protect the structural wall.
- (iv) The Parapet will be structurally tied to the concrete roof deck with metal non-corrosive anchors that provide structural integrity to the composition. Coping of the parapet will be of aluminum coping.
- (v) The exterior wall composition shall have a minimum thermal performance value (U) of 0.09 for mass walls and 0.64 for metal stud walls to comply with Table C402.1.4 of the New York State Energy Conservation Construction Code.

(2) WINDOWS/ DOORS

- a. All windows to be aluminum hinged awning windows (U-value = 0.35). Balcony doors and windows shall be screen-less.
- b. Curtain Wall shall be double-glazed insulating glass in aluminum clad frame. Proposed U-Factor = 0.35 (Maximum U-factor 0.36) and SHGC (Sun Heat Gain Coefficient) factor of 0.40.
- c. Operable window assemblies to meet requirements of the Energy Code City of NY. Proposed U-Factor = 0.35 (Maximum U-factor 0.45) and SHGC (Sun Heat Gain Coefficient) factor of 0.40. Fixed fenestration assemblies to meet requirements of the Energy Code City of NY. Proposed U-Factor = 0.35 (Maximum U-factor 0.45) and SHGC (Sun Heat Gain Coefficient) factor of 0.40. Fixed fenestration
- d. Air infiltration rate of windows shall not exceed 0.2 cfm per square foot in compliance of the New York State Energy Conservation Construction Code. The

manufacturer guarantees one year, parts and hardware and five years glazing.
Special Risk: Windows are not provided with child safety window guards.

Building is not designated as a Landmark Building.

(3) AREAWAYS

There will be no areaways at the exterior of the building.

(4) PARAPETS AND COPING

Parapet walls shall be constructed of 6" CMU. The Parapet will be structurally tied to the concrete roof deck with metal non-corrosive anchors that provide structural integrity to the composition. Coping of the parapet will be of aluminum coping.

(5) BALCONIES

Balconies shall be located on second through sixth floors of the building at the left and right façades. Balconies shall be limited common elements to the units to which they are adjacent.

- (a) Balconies shall be of reinforced concrete deck construction of the same composition as floors.
- (b) Balconies shall be protected at the perimeter with corrosion resistant metal with tempered glass Balustrade with metal Guard rails, with a minimum height of three feet, six inches (3'-6") above the finished balcony level. The spacing between vertical posts shall be approximately forty eight inches (48"), between vertical posts shall be installed laminated glass panels connected with corrosion resistant metal bracket to full height of the guard rail required by the N.Y. City Building code.
- (c) All balconies shall be finished with slip-resistant porcelain tiles over cast-in-place concrete. Underside of balconies shall be finished with plaster cementitious base finish.
- (d) Access sliding doors provide access to terraces as shown on plans. Doors to be aluminum clad with self-flashing. Weatherproof caulking will be provided around doors. Balcony doors do not have a thermal break system
- (e) All exterior metals, including fasteners shall be corrosion resistant.

- (f) Balconies shall not have soffits.
- (g) The horizontal railings without protection for ladder effect pose a serious safety risk for children therefore there is no proposed design with horizontal spindles between top horizontal bottom elements and top horizontal rail.
- (h) "Balconies must remain open as-built. If the owner wants to install an enclosed and the condominium by-laws would allow it, the enclosure must be built via the proper approvals and in strict compliance with the requirements of DOB or Local Authority Having Jurisdiction."

(6) EXTERIOR ENTRANCES

1) Residential

- (a) The main residential entrance shall be located at the first floor along 18th Street. This entrance shall provide building access to the lobby, elevators, and interior egress stairs.
- (b) A secondary entrance shall be located at the first floor along Foster Avenue is available directly to interior egress stairs.

2) Community facility

- (a) The separate entrance for community facility space shall be located at the first floor along 18th Street.
- (b) A secondary entrance shall be located at the first floor along Foster Avenue.

All entrances to the building shall be built free of tripping hazard. Exterior entrances comply with ADA requirements.

1. Exterior Doors and frames will be of aluminum frame construction with aluminum handles and corrosion resistance self-closing locks.

2. Vestibule Doors and frames will be aluminum frame construction with aluminum handles and corrosion resistance self-closing locks.
3. There is no exterior stair at the building.
4. U.S. Approved type mailboxes will be provided for the residential units at a central location at the first floor lobby area. Mailboxes Manufactured by "AUTH-FLORENCE CO", model# STD-4C made of non-ferrous aluminum, with Aluminum exterior Finish.
5. There will be Exterior Weatherproof Lighting fixtures at the exterior entrance doors providing adequate lighting at the entrances to the building.

(7) SERVICE ENTRANCE

- (i) Service entrance doors will be metal framed fire-proof self-closing metal doors.
- (ii) There are no gates for the building.

(8) ROOF AND ROOF STRUCTURES

1. ROOF CONSTRUCTION

All roof areas of the building shall be flat, finished with built-up roofing, as manufactured by Firestone. Warranty provided by manufacturer (not sponsor) is ten years, on rigid insulation.

Penetration of ducts, pipes, skylights, etc. shall be properly flashed and waterproofed. Rigid insulation minimum average R value of 25, shall be provided over the roof, as per the NYC ECC. The expected life span of the roof type is ten (10) years. No bond or guarantee shall be furnished by Sponsor.

Special Risk Disclaimer: Please be advised the Sponsor is not providing "No Dollar Limit Manufactures Warrantee" (NDL) for new roof. The absence of NDL manufacturer's warrantee may indicate that the roof membrane and appurtenance were not inspected for compliance with the manufacturer's specifications for installation. As such, a premature deterioration and replacement of the roof membrane may be anticipated and therefore should be budgeted for.

The roof flashing and coping shall be constructed from 25 gauge aluminum cold-formed plate with a drip edge at the perimeter of all flashing.

The Sponsor reserves the right to provide roof covering by a different manufacturer, which is equal to or better than listed above.

The publicly accessible roof terrace areas shall have fire-retardant, composite decking system mounted on roof surface suitable for daily foot traffic and use as a terrace, manufactured by Gingfisher Industrial Co. There shall be four foot fences separating LCE's from residential recreation space on roof over the fifth floor. Private LCE shall only be accessible through unit with which they are associated.

Residential recreation space shall be accessible from the interior public corridor of the sixth floor. Fence and gates at fence are compliant with FDNY regulations as per 504.2 and 504.4.4.3.

LCE's allocated to units and common areas will be realized on the Certificate of Occupancy as per Schedule A.

There are no rooftop antennae, cell phone towers, satellite dishes, lightening protection equipment proposed.

2. ROOFTOP FACILITIES

The roof over the fifth floor will have LCE roof terraces to adjacent units and an outdoor recreation area for all residents of the building.

The roof over the sixth floor will have mechanical equipment and stair and elevator bulkheads.

3. ROOF DRAINAGE

Flat roof areas, shall be pitched at a minimum slope of approximately 1/8" per foot. Roof is designed and constructed to detain water as per DEP and shall be drained to control flow roof drains. Storm water run-off from the roof areas will be transported via the drains with cast iron piping through the storm water house trap. Storm trap will tie into house trap before leaving the building and will then be transported via a XHCI 6" pipe to the combined sewer, located in the roadway beneath 18th Street.

4. SKYLIGHTS

There will be one (1) skylight in the building, located above the stairwell at the roof above the bulkhead level as required by NYC Building Code for light and ventilation of interior circulation. The skylight shall be a minimum of twelve square feet in area, aluminum frame and shall be of plain glass, with a wire screen above and below and with a ridge ventilator of 144 square inches, as required by the N.Y. City Building Code. Maximum U-factor 0.35 or approved equal and SHGC (Solar Heat Gain Coefficient) factor of 0.40

5. STAIR AND ELEVATOR BULKHEAD

There will be Stair Case, Elevator, and Roof Access bulkheads. Bulkhead's exterior wall will be built of poured in place concrete, noncombustible two hour rated wall assembly. Bulkhead enclosure for egress concrete staircase will serve common access to the roof. Bulkhead for the elevator will be dedicated for elevator machine room that shall have exterior corrosion resistant access metal staircase. Exterior walls of stair and elevator bulkhead shall be constructed of two hour fire rated poured in place concrete.

6. METAL WORK AT ROOF LEVEL

- (a) All exterior stairs, guard railing, gooseneck, dunnage, fasteners located at the roof level to be corrosion resistance materials.
- (b) Compressors, condensers & fans located at the roof above dwelling units will have to be mounted on vibration isolators over the structural dunnage steel frame attached to concrete roof structure.

(9) FIRE ESCAPES

There will not be any exterior fire escapes at the building.

(10) YARDS AND COURTS

Paving to be poured concrete slab. Exterior stairs from grade to yard level shall be

- (i) Poured concrete stairs with reinforcement and non-corrosive metal railings.
- (ii) There will be area drains at the first level to adequately accommodate storm water run-off from the exposed open-to-the-elements parapet walls of the building to collect storm water.

- (iii) First floor yard located at roof over cellar above grade. Walls supporting area are reinforced concrete foundation walls.
- (iv) Fencing shall be painted, non-corrosive metal.

(11) INTERIOR STAIRS

- (i) Two (2) Common interior stairs serve as a means of egress for the building.
- (ii) Stair construction, including stringers, treads and risers, shall be of cast-in-place concrete construction. Handrails shall be metal.
- (iii) Stair enclosures shall be non-combustible and shall be of masonry or metal studs with gypsum wallboard finish. Stair enclosures shall be supported with concrete masonry.
- (iv) The staircase shall be equipped with the emergency lighting on each floor. The emergency lighting will be hard-wired and will have battery back-up battery operated device.

(12) INTERIOR DOORS AND FRAMES

- (i) All interior doors; providing access to the units from the common stair hallways, to mechanical spaces, to roof and to gas and electrical meter rooms are to be fireproof self-closing metal doors with a minimum fire rating of 1 ½ hr. with metal frames.
- (ii) Doors within the units may be of wood or metal framing and do not have to be fire rated. Doors and frames within the units made of wood composite. All interior doors shall be of solid wood core with a flat panel exterior primed and painted white.
- (iii) Exterior Doors at exterior openings to the building, may be glass or metal and do not have to be fire rated.

(13) EXTERIOR STAIRS

- (i) The exterior stairs shall be located at the first floor along Foster Avenue.
- (ii) Stair construction, including treads and risers, shall be of cast-in-place concrete construction. Handrails shall be metal.
- (iii) The staircase shall be equipped with the emergency lighting. The emergency lighting will be hard-wired and will have battery back-up battery operated device

(14) ELEVATORS

There will be two elevators in the building. There will be one elevator in the building for residential use which will serve all levels of the building. There will be a separate elevator serving the community facility use between the first floor and cellar. The elevators to be installed shall be traction type, manufactured by Major Elevator Corp. The elevators will have a capacity of approximately six persons (3500 pounds). The automatic sliding doors will be installed. The Elevator machine room located at the elevator bulk room at the roof level with approved by NYC Building code DC motor.

A separate application shall be filed with and approved by the Elevator Division of the New York City, Department of Buildings, prior to the installation of elevators and related equipment.

The Sponsor reserves the right to provide elevator equipment and alternate interior finishes by a different manufacturer, which is equal to or better than noted above.

(15) ELEVATOR CAB

- (i) Manufactured by Major Elevator Corp.
- (ii) Floors should be slip proof ceramic tile finishes.
- (iii) Walls finished inside with a plastic laminate with vertical stainless steel framing.
- (iv) Ceiling shall be finished with Brushed aluminum panels.
- (v) Florescent Lighting.
- (vi) Integrated alarm safety.
- (vii) Size of elevator cab shall be approximately 5'-8"x 7'-6",
- (viii) Stainless steel operating panel and handrails;

Provision for Power Outage: The subject building is not required by NYC Building Code to be equipped with a back-up power supply. In the event of a power outage the elevator locks shall engage and the elevator shall remain in locked state until the power is restored.

(16) AUXILIARY FACILITIES:

(1) Laundry Rooms

Common laundry room is located at the cellar floor. Laundry room is designed to accommodate washers and dryers. Laundry equipment shall be U.L. approved. Dryers and washing machines shall be electric with ventilation to exterior. Four washing machines and four dryers proposed.

(2) Refuse Rooms

Refuse disposal will be the responsibility of each unit's occupant. They will collect their own garbage and carry it to refuse storage areas located on each floor. Compactor Room is located in the Trash Compactor room on the cellar floor, manufactured by Chute Master, model type Metro 400, with one year warranty. The garbage will be taken to the outside from the refuse room through interior staircase and through the service entrance by a building superintendent twice a week, where it will be collected by the New York City Sanitation Department on days designated for garbage removal.

(3) Bicycle Parking

There will be thirteen (13) bicycle parking spaces located at the first floor.

(J) PLUMBING AND DRAINAGE

(1) Water Supply

Water will be supplied to the units through connections to the building, from the New York City Water Distribution System. There will be a minimum 3" water main conveying the water into the building at the cellar level in the services room. Each unit is to be supplied with cold water from a minimum ½" copper piping. Each unit will have its own hot water heating unit, located in a mechanical room at the roof.

The building relies on normal New York City water pressure for raising the water to the roof level, so that no water tanks are required. There will be a booster pump installed at the cellar floor level to increase the water pressure of the building to provide minimum of 30-35psi at the point of use. The main shut-off valve, backflow preventer devices for the building will be located in the service room at the first floor. "Hot & Cold water piping shall be insulated throughout the entire building." There will be provided ¼" insulation for hot and cold water piping.

(2) Fire Protection

Building will be equipped with a fire suppression sprinkler system throughout; in accordance with NFPA 101. The sprinkler system is to be distributed and supplied throughout the building via pipes and sprinkler heads. Sprinkler Head is to be concealed ceiling and wall mounted type manufactory approved. The Sprinkler system to be connected to City water main located underground with 6" tap connected to the sprinkler equipment located at the first floor in the services room. There will be a fire pump and a jockey pump located at the cellar level to maintain water pressure for the sprinkler system. The pump shall also deliver 150% of rated capacity at not less than 65% of rated head. Shut-off head shall not exceed 112 psi, excluding suction pressure. The pump shall be a vertical in-line type with cast iron casing, bronze enclosed single suction impeller, bronze casing wear rings, bronze shaft sleeve, stuffing box with adjustable cast iron packing gland and braided packing. The pump shall have ANSI 125 lb. Suction and discharge flanges. The contractor shall pipe the pump gland drain to the floor drain.

2. The pump shall be close-coupled to a HI/NEMA JM frame, vertical, electric motor, NEMA Design B, ODP with 1.15 service factor, listed for fire pump service. Locked rotor current shall not exceed the values specified in NFPA Pamphlet No. 20. The pump and motor shall be floor mounted on a cast iron pedestal. Fire Sprinkler Booster Pump shall be 500 GPM @40 PSI HP-20, V-207, PH-3, HZ-60 MEA 121-02-E. The Jockey Pump shall be vertical multi - stage cast iron stainless steel fitted. The pump shall be close coupled 60 Hz, 40 OC ambient, ODP motor with 1.15 service factor. Jockey Pump shall be 10 GPM @40 PSI HP-1.5. V207, PH-3, HZ-60, MEA 121-02-E.

Sprinkler heads shall be as described below:

1. Cast brass, closed, fusible link, spray type, 1/2" orifice, ordinary degree temperature rating, except as noted
2. In finished areas with hung ceilings, concealed type with ceiling plates factory painted white.
3. In unfinished areas: upright where possible, pendant heads where necessary, bronze finish.
4. Higher temperature rating where subject to abnormal heating conditions and/or where indicated.
5. Provide with wire guards where subject to mechanical damage.

Siamese connection shall be 3"x3"x5" type provided at first floor, 18" above grade.

(3)Water storage Tanks and Enclosures

There will be no storage tanks and enclosures in the building.

(4)Water pressure and Maintenance

The adequate water pressure for each unit is to be 20-30 psi. The top floor apartment water pressure is to be 30psi. To boost domestic water pressure to the top floors a booster water pump shall be provided Model # 52 DA 100, "SYNCRO FLO, INC", flow rate 40 to 160 GPM, suction pressure range of 40 to 100 PSIG, Driven by 8.0 HP, 208 Volt, 3 Phase, 60 HZ, 1500 RPM Motor furnished with pump control valve and control panel. There will be booster pump installed at the cellar floor level to maintain the water pressure of the building to provide 30-35 psi at the point of use.

(5) Sanitary Sewage Systems

The sanitary waste will be conveyed to the New York City sewer system via extra heavy cast iron, sewer pipes located in the building, which will lead to a house trap of extra heavy cast iron. The house trap will be located at the cellar floor, at the front of building, facing 18th Street. Beyond the house trap there will be an extra heavy cast iron pipe conveying the sewage to a 4" sanitary drain. The 4" sanitary drainpipe will be joined with the 6" storm drainpipe and after existing the building via 6" XHCI pipe, connected to the existing 36"x25" combined sewer located in the roadway beneath 18th Street.

(6) Required Permits

DEPARTMENT OF BUILDINGS

DEPARTMENT OF ENVIRONMENTAL PROTECTION

DEPARTMENT OF TRANSPORTATION

DEPARTMENT OF PARKS

(7) Storm Sewage Systems

- (a) All storm waste that accumulates on the roof and paved areas on the property will be diverted to a detention facility, as approved by DEP application ID #170-631 East 18th Street, with a capacity of 850 CF. The 6" storm drainpipe will be joined with the 4" sanitary drainpipe and after existing the building connected to the existing 36"x25" combined sewer located in the roadway beneath 18th Street.

(K) HEATING/ COOLING, AIR CONDITIONING

Heating/Cooling for each residential unit shall be provided by central air heating and cooling packaged units located on the same floor as the unit being supplied the heated and cooled air. The condensing equipment for each unit shall be located on the roof level of the building. Heated and cooled air shall be distributed to each habitable room via insulated ductwork in the ceiling providing adequate space heating to satisfy the minimum requirements of the N.Y. City Building Code of 65 degrees Fahrenheit. The interior standing furnace supplying the heating for units on second through sixth floors shall be manufactured by Mitsubishi (SLZ-KA15NA, MSZ-FH15NA, MSZ-GE06NA, MSZ-FH12NA, MSZ-FH09NA). Outdoor models: MXZ-8C48NAHZ(Cooling Capacity 48,000 BTUH, Heating Capacity 54,000 BTUH), MXZ-3C24NAHZ(Cooling Capacity 23,600 BTUH, Heating Capacity 25,000 BTUH), MXZ-2C20NAHZ(Cooling Capacity 20,000 BTUH, Heating Capacity 22,000 BTUH), MXZ-3C30NAHZ(Cooling Capacity 28,400 BTUH, Heating Capacity 28,600 BTUH), MUZ-FH15NA (Cooling Capacity 15,000 BTUH, Heating Capacity 18,000 BTUH). Heating and cooling will be distributed via a duct within a dropped ceiling. There will be distribution to each habitable room, providing adequate space heating to satisfy the minimum requirements of the N.Y. City Building Code. The units provided to have Seasonal Energy Efficiency Ratio (SEER) 13.

HVAC systems to be installed, shall be designed by a N.Y. State licensed mechanical engineer and shall be filed with and approved by the N.Y. City Department of Buildings, prior to installation. Fiber glass insulation is to be used for the Air Ducts and to be rated R2. Mechanical ventilation is not required in fully open area on roof of first floor.

The Sponsor reserves the right to provide furnaces by different manufacturers, which are equal to or better than listed above. The design professional further reserves the right to size the air-conditioning units to a different capacity according to as built conditions.

HVAC not provided for commercial units. Heating and cooling equipment for commercial space shall be filed under separate application.

Indoor common areas shall be heated with electrical heaters.

(L) DOMESTIC HOT WATER

Domestic hot water shall be provided for each residential unit by individual tankless hot water heaters. All water heaters shall be UL listed, rated for 150psi, exceed the minimum

efficiency requirements of ASHRAE/90.1B-1992, and shall be factory assembled and tested. Temperature controls shall include limiting switch, which will require resetting manually in the event the temperature reaches 190°F. Proposed residential water heaters shall be Rheem Ecosence 3.0 GPM MAX Flow Rate 240 Volt 9KW Electric Tankless Water Heater, with a N.Y. City approval number (M.E.A. # 213-05-E), each with an input rating of approximately 180 MBH and an efficiency rating of 97%, which should be adequate to provide hot water for each unit. Hot water heaters shall carry manufacturer's warranty.

All Operation and Maintenance manuals for mechanical equipment are to be provided to the condominium management. Most recent balancing report shall be provided to the condominium management for the Heating System at the initial startup of the system.

(M) GAS SUPPLY

Gas service will be provided by National Grid. There will be a single gas meter. The gas will be used for the boiler of the community facility unit. All piping shall be of black iron. Unit will supplied with ¾" minimum diameter gas pipe.

(N) VENTILATION

The spaces that require mechanical ventilation in the units are the interior bathrooms and kitchenettes, and common refuse room. These spaces shall be equipped with vertical ducts with a fan, which terminates to the outside air. The minimum rate of exhaust ventilation shall be 50 cfm, for bathroom and toilet room areas and 150 cfm for the kitchenette areas as required by the New York City Building Code. Exhaust equipment shall be New York City M.E.A. or B.S.A. approved. Fans are to be manufactured by "Greenheck."

(O) ELECTRICAL SYSTEM

The electrical service to the building will be brought in from the terminal point of the Consolidated Edison Co. The service supplied to the building, shall be 2000 Amps, 208/230 Volt triple phase service.

The electrical service to be provided shall be 100 Amps to each residential unit. The main feed will bring the service to a minimum of twenty eight (28) separate meters, one (1) each for service to the 26 individual units, one (1) for the common areas in the building, one (1) each for the community facility. There will be a minimum of twenty eight (28) main panels in the building,

one (1) each for service to the 26 individual units, one (1) for the common areas in the building one (1) each for the community facility. There will be approximately eight (8) – fifteen (15) circuits equipped with circuit breakers depending on the size of the unit; which will separate, air conditioning equipment, dishwashers, kitchen appliances, lights and outlets etc. There will be provided in each unit circuits equipped with Arc Fault Circuit Interrupters (AFCI) and Ground Fault Circuit Interrupters (GFCI).

All receptacles in the building's exterior shall contain receptacles that are water resistant with ground floor interrupter as manufactures by Cooper Wiring Devises. All water resistant receptacles shall be designated by symbol "WR" on the face of the receptacle as provided by the manufacturer. All receptacles in the building's interior recreation area shall contain receptacles that are tamper resistant as manufactures by Cooper Wiring Devises. All tamper resistant receptacles shall be designated by symbol "TR" on the face of the receptacle as provided by the manufacturer. This includes the Limited Common Elements such as balconies on each floor and indoor space for community facility on the first floor.

The service will be adequate for the usage of modern equipment and appliances.

The electrical service to be provided to the commercial units shall be 400 Amps, 208/230 Volt triple phase service.

(P) COMMON AREAS

The main common areas in the condominium will be the interior stairs and hallways. Lighting fixtures providing adequate illumination for common areas shall be installed. Lighting fixtures at the residential entrance areas, each landing of interior egress stairs, and hallways on 2nd thru 6th floor levels shall be provided with aggregate illumination of 15-watt LED, or its equivalent.

(Q) INTERCOM

The building will be equipped with an intercom system at the main residential entrance, connected to panels within each residential unit, which will permit voice contact between the residential units and the entrance lobby at the first floor level. An electric door release in the first floor entry door, activated by the unit occupant, will release the door for entrance into the building.

The intercom system shall be model number LAF 3, as manufactured by Airphone.

The Sponsor reserves the right to provide equipment, which is equal to or better than specified above.

(R) PUBLIC AREA LIGHTING

The Lighting fixtures shall be 15 Watt LED lamp, or its equivalent providing a minimum of 5-foot candles of intensity for the full width of the entrance.

The above requirements shall be in compliance with the New York City Housing Maintenance Code and Multiple Dwelling Laws and 2014 NYC ECC.

(S) GARAGE AND PARKING AREAS

Building has no garage or parking areas.

(T) TENNIS COURTS, PLAYGROUND AND RECREATION FACILITIES.

An outdoor recreation area is provided at the roof over the 5th floor for residents. The recreation area shall be accessible through ingress stairs and elevator to the roof level.

An outdoor recreation area is provided at the first floor roof as a limited common element of commercial Unit C1.

There are no tennis courts or playgrounds proposed at the building.

(V) PERMITS

DEPARTMENT OF BUILDINGS:

New Building Job # 321251854

Builder's Pavement Plan Job # 321261246

DEPARTMENT OF ENVIRONMENTAL PROTECTION: #170-631 East 18th Street

DEPARTMENT OF PARKS/FORESTRY: 18762

DEPARTMENT OF SANITATION:

Elevators permit to be obtained by December 2018.

Certificate for Elevator Safety will be issued after complete installation and sign-off.

(W) VIOLATIONS AND PERMITS

There are currently no violations for the property. All required permits and signoffs, including a Certificate of Occupancy, are to be obtained by the Sponsor. Annual elevator inspection shall be performed as required by New York City Building Code.

(X) SAFETY AND WARNING DEVICES

Typical smoke and carbon monoxide safety devices will be installed according to plans. Fire Alarm central station installed at foyer and connected to Fire Department alarm system.

(Y) DOCUMENTS TO BE TRANSFERRED TO THE CONDOMINIUM

MANAGEMENT

The following documents shall be transferred to the condominium management upon transfer of control - Operation & Maintenance (O&M) manuals for mechanical equipment; Electronic system manual; Re-commissioning manual (as applicable); equipment warranties. Final As-Built drawings as maintained during construction, i.e., structural, mechanical, electrical, plumbing.

(Z)TENANT PROTECTION PLAN

The building will not be occupied prior to obtaining a Certificate of Occupancy.

UNITS

The condominium will have a total of twenty-six (26) residential units. There will be one community facility unit located at the cellar. The entrance of the community facility is located at the first floor.

There will be six residential units located at each floor from second through fifth and 2 units located at the sixth floor.

There will be mechanical spaces, and building common areas located at cellar and roof level.

Storage spaces will be located in the cellar.

The horizontal physical dimensions of each Residential, Community facility and Storage Unit consist of the floor area enclosed by the outside face of the masonry work at the exterior walls of the Building and the non-unit side of the walls and partitions (dividing the Units from corridors, stairs and mechanical space). The vertical physical dimensions of each Residential, Commercial and Storage Unit consist of the area enclosed vertically from the centerline of the floor slab to the centerline of the ceiling slab.

CELLAR

UNIT C1 consists of

One community facility at cellar with two restrooms.

FIRST FL/GRADE

UNIT C1 consists of

Entrance lobby into community facility, one restroom, one LCE.

SECOND FLOOR THROUGH FIFTH FLOOR (2-5 FLOORS)

UNITS A, E consists of

One (1) bedroom, one (1) bathroom, kitchenette, living room, balcony;

UNITS B consists of

One (1) bedroom, one (1) bathroom, kitchenette, living room;

UNITS C, D consists of

One (2) bedroom, one (1) bathroom, kitchenette, living room, balcony;

UNITS F consists of

Studio, kitchenette, one (1) bathroom.

SIXTH FLOOR

UNIT 6A consists of

One (1) bedroom, one (1) bathroom, kitchenette, living room, balcony, terrace

UNIT 6B consists of

Two (2) bedrooms, two (2) bathrooms, kitchenette, living room, terrace.

The Approximate, gross square footages have been calculated as follows: from the exterior side of exterior walls to the center of interior walls between units and public areas. The gross floor area for each unit are as follows:

Unit Number	Tax Lot	Number of Rooms /DU	Location	Interior Square Footage	Sq Ft of Applicable Limited Common Elements
C1	1001		Cellar/First Floor	4441	2514
2A	1002	1BR/1BA	Second Floor	617	31
2B	1003	1BR/1BA	Second Floor	504	
2C	1004	2BR/1BA	Second Floor	772	55
2D	1005	2BR/1BA	Second Floor	795	31
2E	1006	1BR/1BA	Second Floor	521	33
2F	1007	Studio/1BA	Second Floor	400	
3A	1008	1BR/1BA	Third Floor	617	31
3B	1009	1BR/1BA	Third Floor	504	
3C	1010	2BR/1BA	Third Floor	772	55
3D	1011	2BR/1BA	Third Floor	795	31
3E	1012	1BR/1BA	Third Floor	521	33
3F	1013	Studio/1BA	Third Floor	400	
4A	1014	1BR/1BA	Fourth Floor	617	31
4B	1015	1BR/1BA	Fourth Floor	504	
4C	1016	2BR/1BA	Fourth Floor	772	55
4D	1017	2BR/1BA	Fourth Floor	795	31
4E	1018	1BR/1BA	Fourth Floor	521	33
4F	1019	Studio/1BA	Fourth Floor	400	
5A	1020	1BR/1BA	Fifth Floor	617	31
5B	1021	1BR/1BA	Fifth Floor	504	
5C	1022	2BR/1BA	Fifth Floor	772	55
5D	1023	2BR/1BA	Fifth Floor	795	31
5E	1024	1BR/1BA	Fifth Floor	521	33
5F	1025	Studio/1BA	Fifth Floor	400	
6A	1026	1BR/1BA	Sixth Floor	515	1066
6B	1027	2BR/1BA	Sixth Floor	902	546

UNIT INTERIORS

The residential units will be finished as described herein.

The finished floor of the living room and kitchen shall be ceramic tile. The finished floor of bedroom areas shall be tile laminate. Thereafter unit owners may finish with carpeting or another material of their own choice and at their own expense.

The walls and ceilings shall be gypsum wallboard. When finished the walls and ceilings shall be primed with a Benjamin Moore water-based primer, and painted with two finish coats of Benjamin Moore Super Spec, Interior latex, flat finish, commercial grade White 275-01. Thereafter the unit owners may decorate by finishing with paint, wallpaper, paneling, mirrors, etc. of their own choice.

Full bathrooms shall be equipped with a washbasin, mirror, water closet and a combination bathtub/shower or shower as indicated on plans. Bathrooms shall have ceramic tile floors. Tile around the bathtubs and showers shall extend to the ceiling. All other bathroom walls shall be of tile and moisture resistant, gypsum wallboard.

There shall be at least one centrally located, overhead, lighting fixture, provided in each bedroom, living room, kitchen and bathroom within each residential unit. There shall also be an overhead fixture provided in hallways within the units. Each lighting fixture shall be capable of providing at least 15 watts of LED illumination. Lighting fixtures and electrical outlets shall be installed by a licensed electrician, and in compliance with the NY City Electrical Code and the NY City Building Code.

FINISHES

When completed, the following interior finishes will be installed.

<u>Location</u>	<u>Floors</u>	<u>Base</u>	<u>Walls</u>	<u>Ceilings</u>
Living Room	Ceramic Tile	Wood Trim	G.W.B. Painted	G.W.B. Painted
Bedroom	Tile Laminate	Wood Trim	G.W.B. Painted	G.W.B. Painted
Kitchenette	Ceramic Tile	Wood Trim	G.W.B. Painted	G.W.B. Painted
Bathroom	Ceramic Tile	Ceramic Tile	Ceramic Tile	G.W.B. Painted
Common Areas	Ceramic Tile	Porcelain Tile	G.W.B. Painted	G.W.B. Painted
Bicycle	Concrete	CMU Painted	CMU Painted	Exposed
Lobby	Ceramic Tile	Porcelain Tile	G.W.B. Painted	G.W.B. Painted

Corridors Ceramic Tile Porcelain Tile G.W.B. Painted G.W.B. Painted

Note:

G.W.B : Gypsum Wallboard

CMU: Concrete Masonry Units

All appliances not specified within this report are to be supplied by the unit occupant.

FIXTURE SCHEDULE

A. Water Closets: new water closets shall be provided manufactured by Glacier Bay (Model # N2420) or approved equal, and shall be of vitreous china, floor mounted and with siphon flushing action. Water closets are also to be equipped with vacuum breakers and shall meet water saving performance standards as per New York City Local Law 29/89.

B. Countertop lavatory: new 24" countertop lavatory shall be provided and manufactured by American Standard, with American Standard faucet or approved equals; set in a plastic laminate finished, particle board vanity countertop.

C. Bathtubs: new bathtubs shall be provided and manufactured by American Standard, with flow outlet and Delta showerhead and trim.

D. Showers: new showers shall be provided and manufactured by FR Sun Rise with showerhead and trim by American Standard or approved equal.

The Sponsor reserves the right to provide fixtures by different manufacturers, which are equal to or better than noted above.

KITCHEN EQUIPMENT

The kitchen will generally be provided with the following new fixtures, new appliances and new equipment:

1. Cabinets made from chipboard Kitchen cabinets made from chipboard, manufactured by At-Tre Cucine and finished with Polymeric Glossy White finish and quartz countertops.
2. Kitchen sinks by American Standard.
3. Samsung Electric Stove

Note:

Additional kitchen appliances and fixtures including additional gas ranges 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 listed above.

HANDICAPPED ACCESS

This building provides access for the handicapped in that all floors are directly accessible via elevators at grade. Doors and accessible paths within units, shall comply with N.Y. City Local Law 58/87 and A.N.S.I., A117.1-1986.

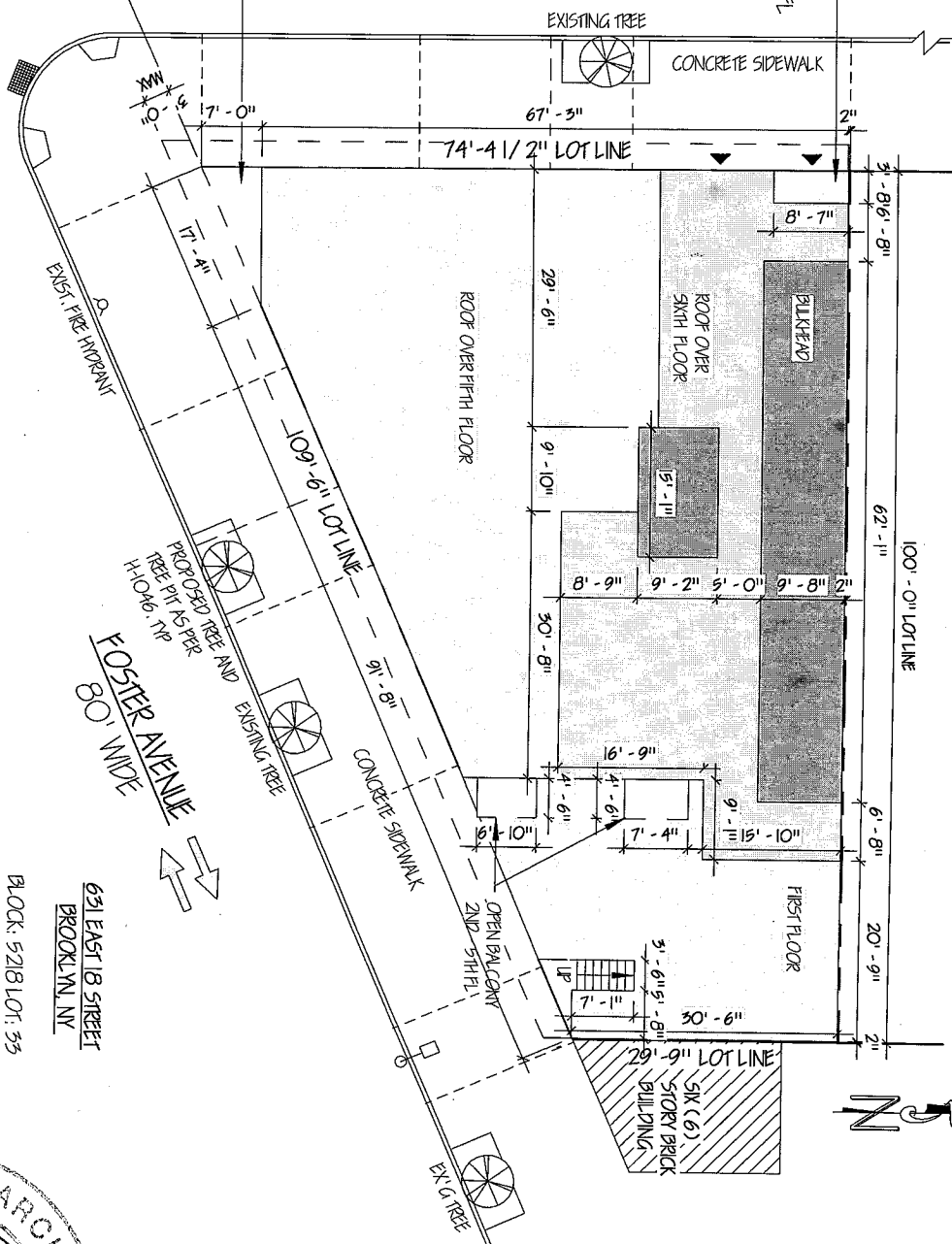
1 CONDO PLOT PLAN
1" = 20'-0"

ZR 23-03 STREET PLANNING
1 STREET TREE FOR EVERY
25'-0" OF STREET FRONTAGE.
109.5 / 25 = 4.38 = 4
73.33 / 25 = 2.9 = 3
TOTAL = 7
2 EXISTING TREES TO REMAIN
1 TREE TO BE PLANTED ON SITE
4 TREES TO BE PLANTED OFF SITE AS PER DPR
STREET PLANNING AS PER ZR 23-892 BETWEEN STREET WALL
ALIANS WITH PROPERTY LINE

OPEN BALCONY
2ND - 5TH FL.
RAISED PLANTER AT
GRADE AS PER ZR
23-892

EAST 18TH STREET
60.00' WIDE

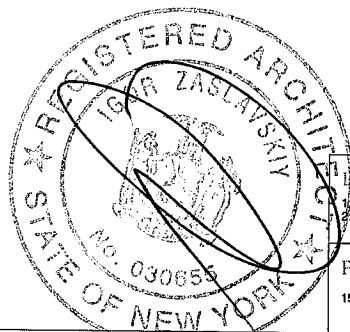
OPEN
BALCONY
2ND - 6TH FL.



FOSTER AVENUE
80' WIDE

631 EAST 18 STREET
BROOKLYN, NY

BLOCK: 5218 LOT: 33
CONSTRUCTION TYPE: 1B
OCCUPANCY GROUPS: R-2, E
ZONING/USE GROUPS: 2, 4
ZONING, MAP: 22C
ZONING: R7A RESIDENTIAL,
NARROW STREET 1
QUALITY HOUSING, RESIDENTIAL



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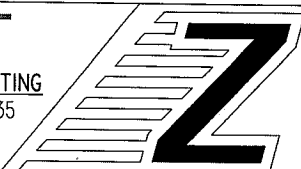
C-001.00
CONDO SITE PLAN
1" = 20'-0"

PROJECT#:
15-010

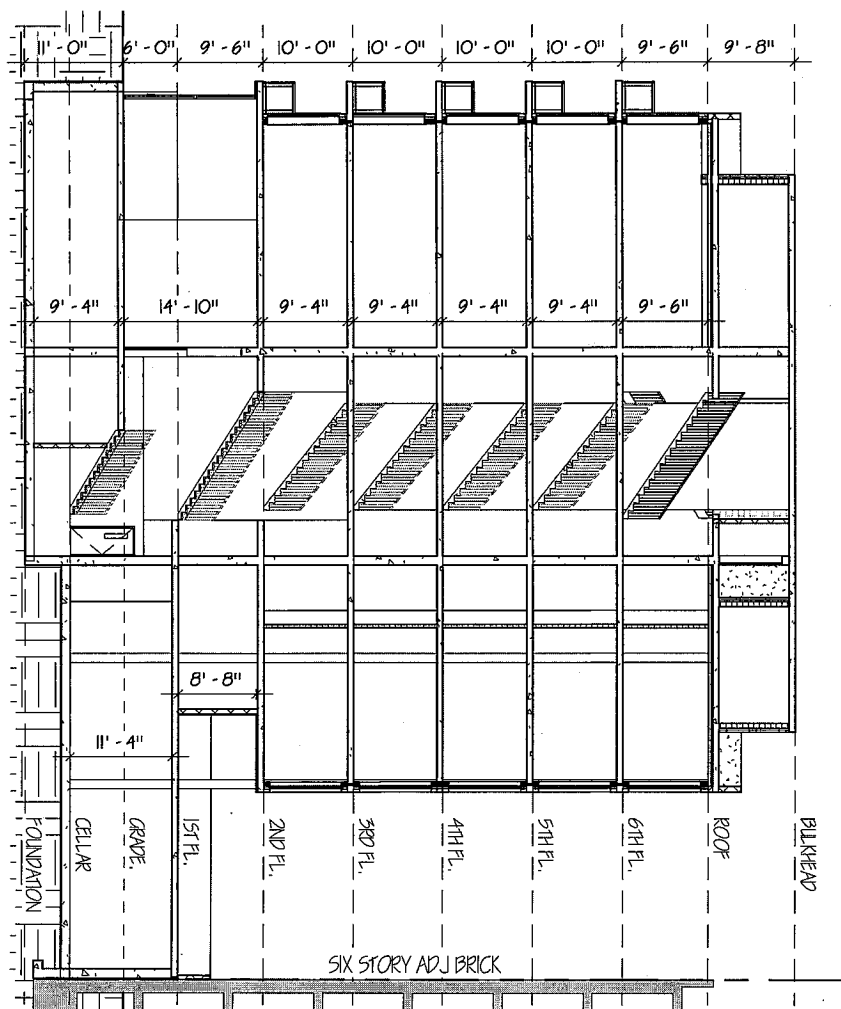
PROJECT

ALL SPECIFIED AREAS AND
DIMENSIONS SHOWN ON
DRAWINGS ARE APPROXIMATE
AND ARE SUBJECT TO
CONSTRUCTION TOLERANCE
AND VARIANCES. ALL
DIMENSIONS ARE MAXIMUM
OVERALL: SPONSOR RESERVES
RIGHT TO MAKE CHANGES IN
ACCORDANCE WITH OFFERING
PLANS

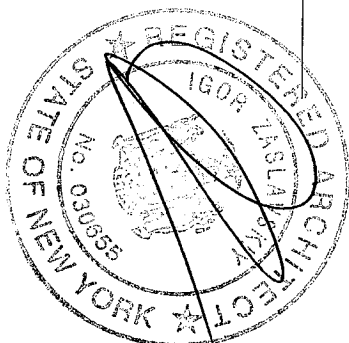
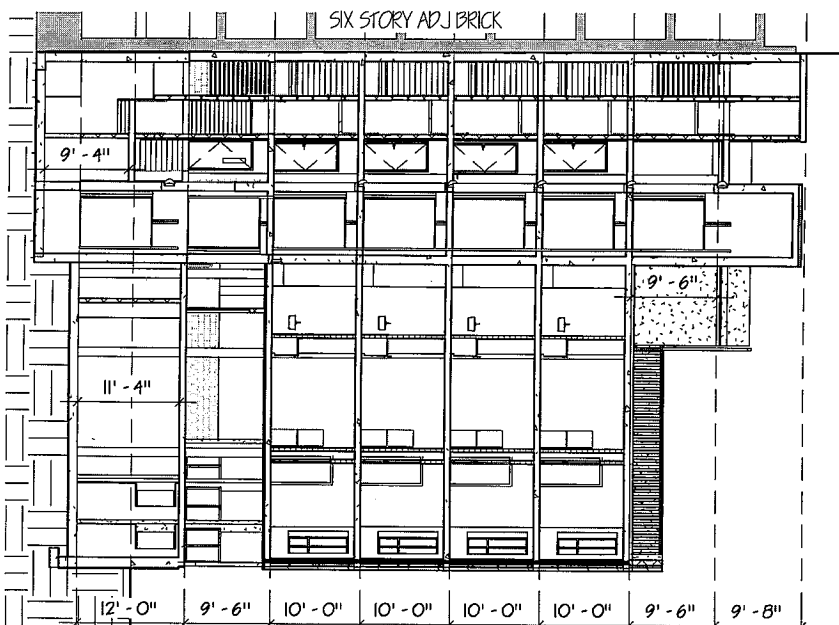
ZPROEKT
ARCHITECTURE PLANNING CONSULTING
1817 EMMONS AVE, BROOKLYN, NY 11235
TEL. 718.934.2322
FAX. 718.934.0179



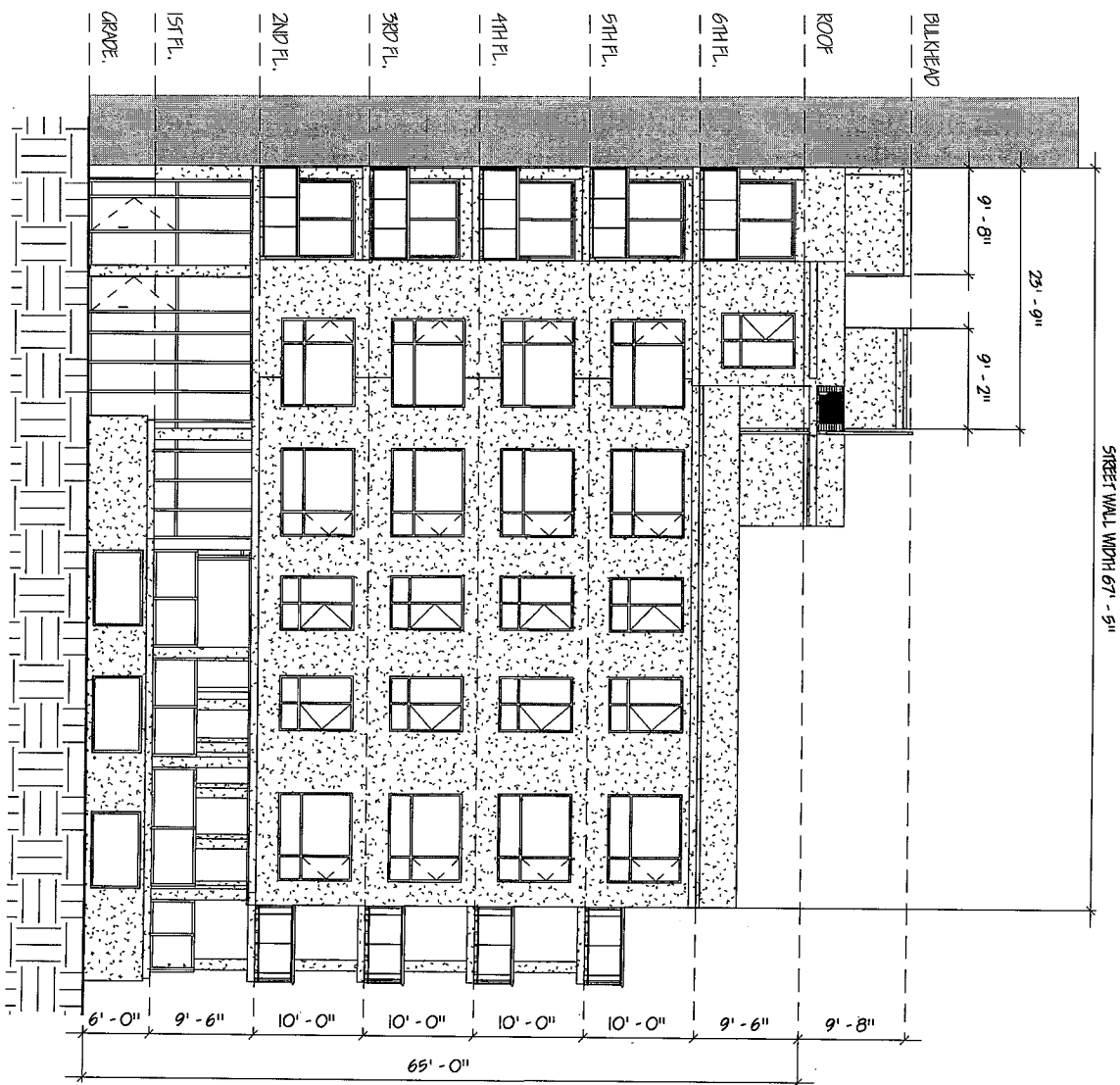
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1" = 20'-0"



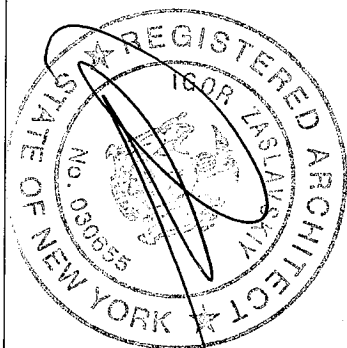
2 CONDO SECTION 2
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PROJECT#: 15-010	PROJECT			



1 CONDO EAST 18TH STREET ELEVATION
1/16" = 1'-0"



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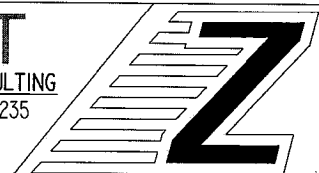
PROJECT#:
15-010

C-003.00
CONDO EAST 18TH
STREET ELEVATION
1/16" = 1'-0"

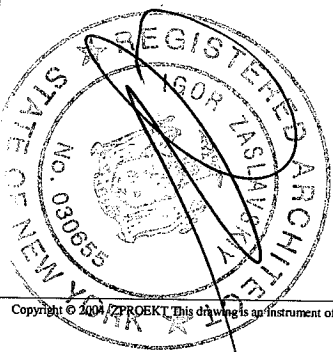
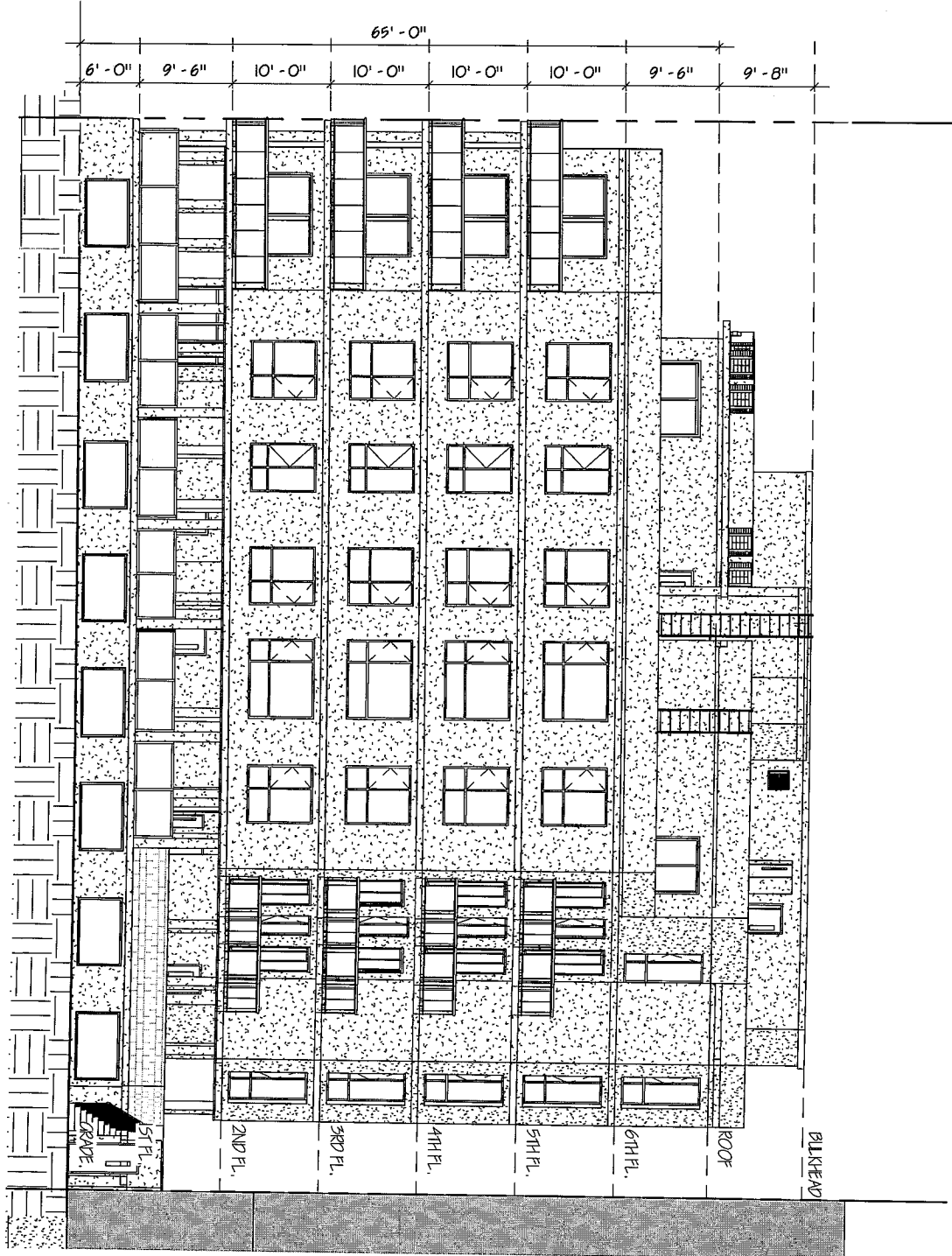
PROJECT

ALL SPECIFIED AREAS AND
DIMENSIONS SHOWN ON
DRAWINGS ARE APPROXIMATE
AND ARE SUBJECT TO
CONSTRUCTION TOLERANCE
AND VARIANCES. ALL
DIMENSIONS ARE MAXIMUM
OVERALL. SPONSOR RESERVES
RIGHT TO MAKE CHANGES IN
ACCORDANCE WITH OFFERING
PLANS

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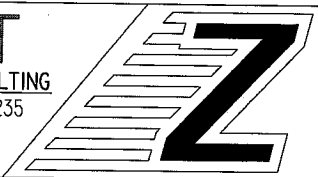
1 CONDO FOSTER AVENUE ELEVATION
1/16" = 1'-0"



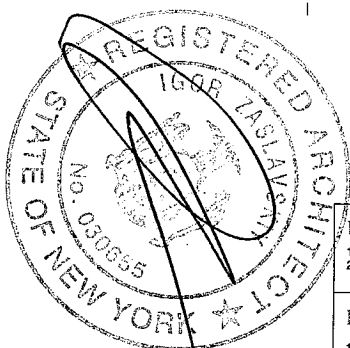
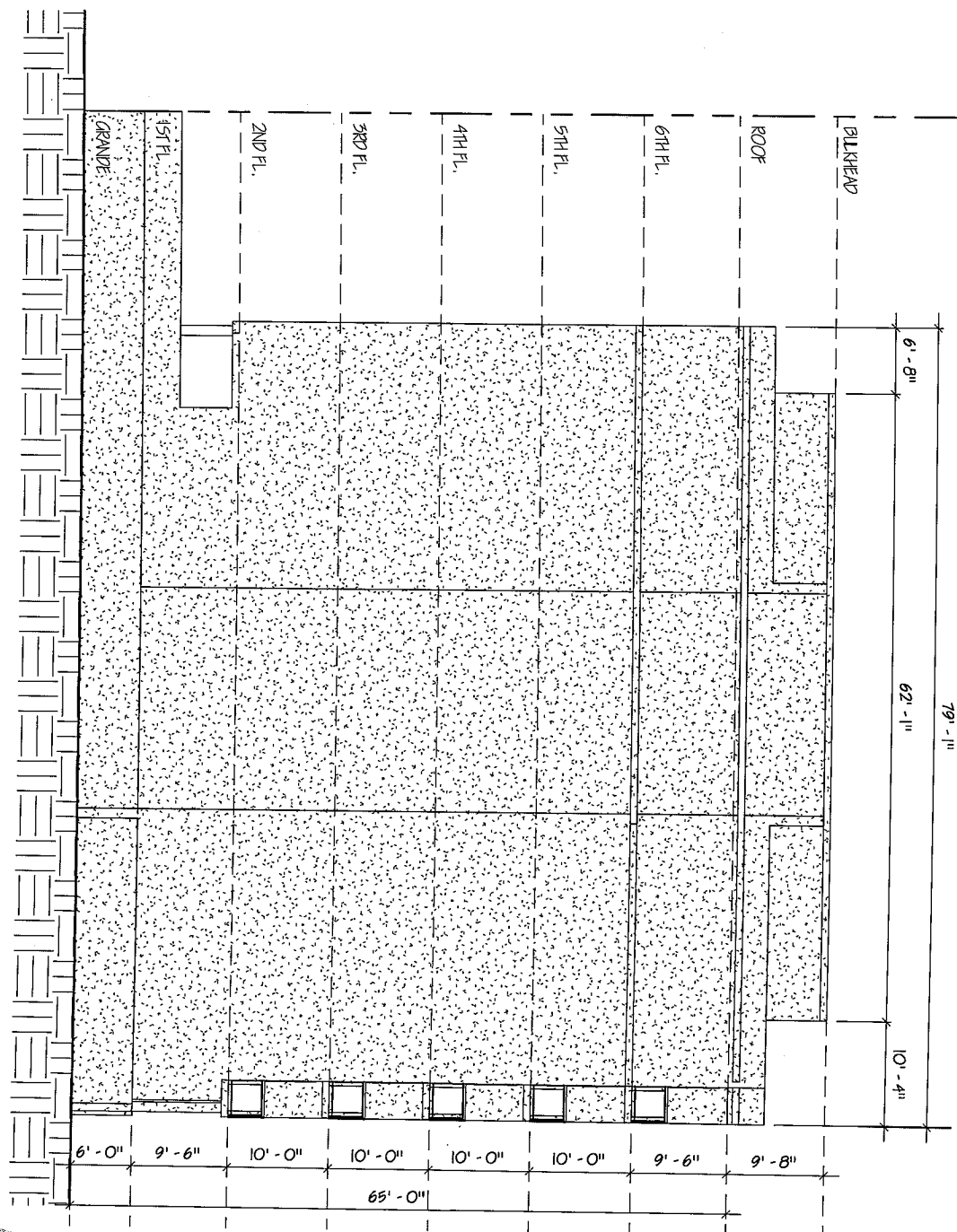
DATE: 11/7/2018 2:03:39 PM	C-004.00 CONDO FOSTER AVENUE ELEVATION 1/16" = 1'-0"
PROJECT#: 15-010	PROJECT

ALL SPECIFIED AREAS AND DIMENSIONS SHOWN ON DRAWINGS ARE APPROXIMATE AND ARE SUBJECT TO CONSTRUCTION TOLERANCE AND VARIANCES. ALL DIMENSIONS ARE MAXIMUM OVERALL. SPONSOR RESERVES RIGHT TO MAKE CHANGES IN ACCORDANCE WITH OFFERING PLANS

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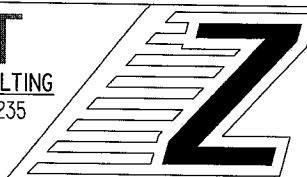
1 CONDO REAR ELEVATION
1/16" = 1'-0"



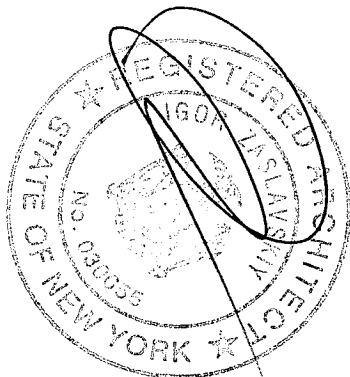
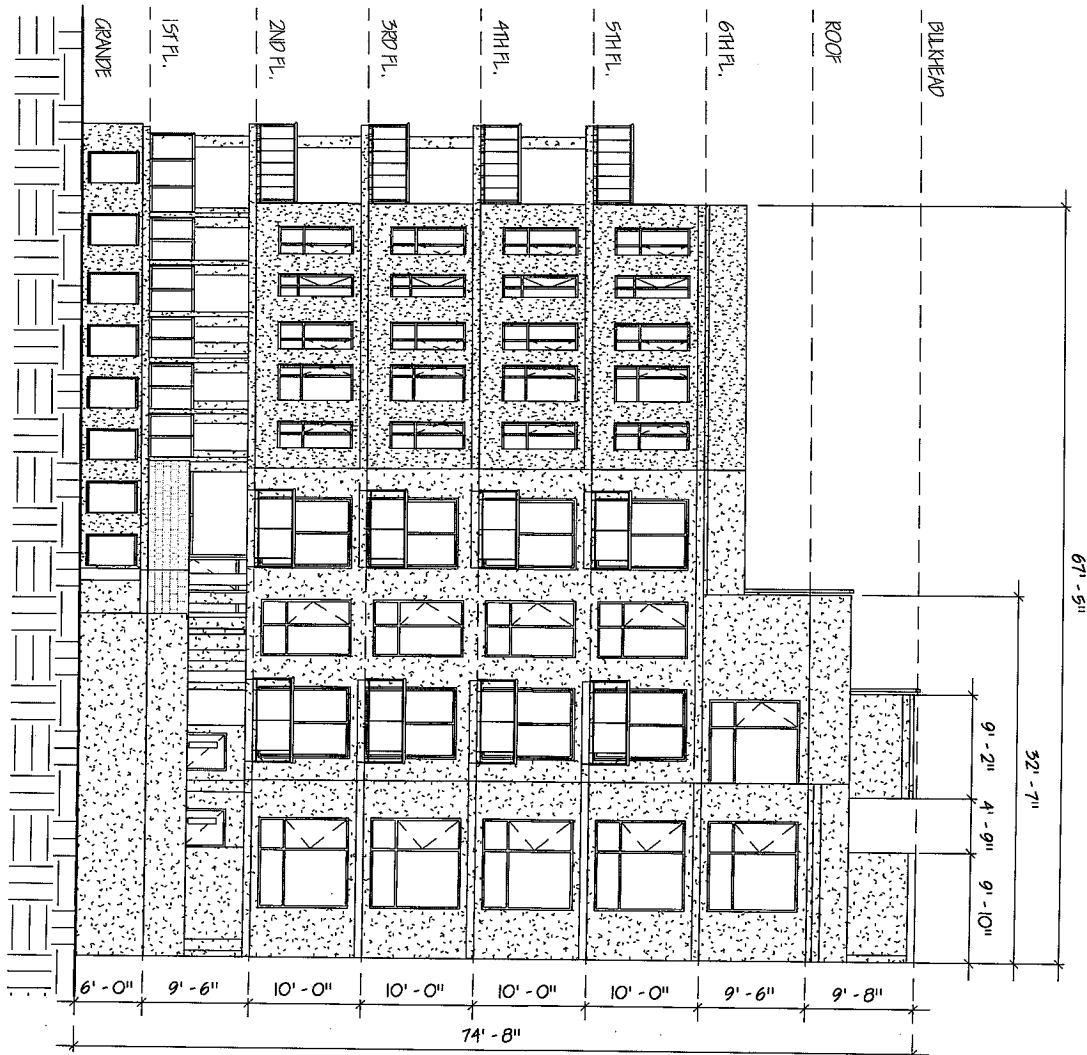
DATE: 11/7/2018 2:03:41 PM	C-005.00 CONDO REAR ELEVATION 1/16" = 1'-0"
PROJECT#: 15-010	PROJECT

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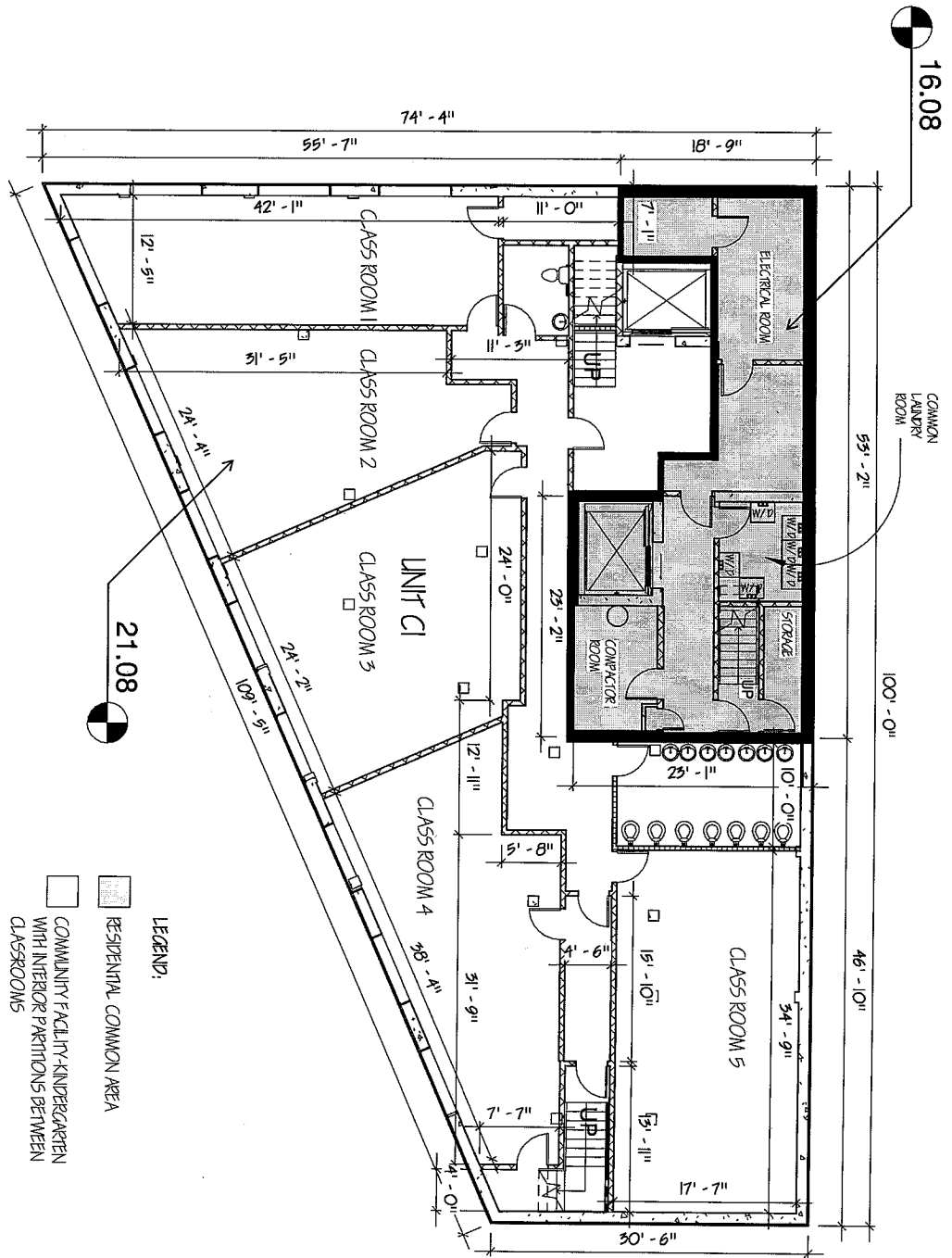


1 CONDO RIGHT SIDE ELEVATION
1/16" = 1'-0"

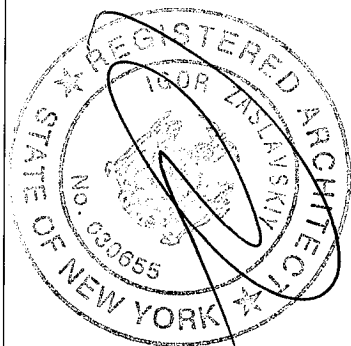


DATE: 11/7/2018 2:03:42 PM	C-006.00 CONDO RIGHT SITE ELEVATION 1/16" = 1'-0"	ALL SPECIFIED AREAS AND DIMENSIONS SHOWN ON DRAWINGS ARE APPROXIMATE AND ARE SUBJECT TO CONSTRUCTION TOLERANCE AND VARIANCES. ALL DIMENSIONS ARE MAXIMUM OVERALL. SPONSOR RESERVES RIGHT TO MAKE CHANGES IN ACCORDANCE WITH OFFERING PLANS	ZPROEKT ARCHITECTURE PLANNING CONSULTING 1817 EMMONS AVE, BROOKLYN, NY 11235 TEL. 718.934.2322 FAX. 718.934.0179
PROJECT#: 15-010	PROJECT		

1 00 - CONDO CELLAR FL
1/16" = 1'-0"



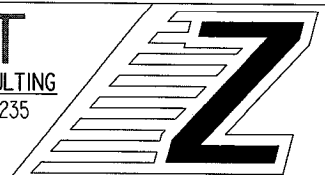
LEGEND:
 RESIDENTIAL COMMON AREA
 COMMUNITY FACILITY KINDERGARTEN WITH INTERIOR PARTITIONS BETWEEN CLASSROOMS



DATE: 11/7/2018 2:03:43 PM	C-007.00 CELLAR 1/16" = 1'-0"
PROJECT#: 15-010	PROJECT

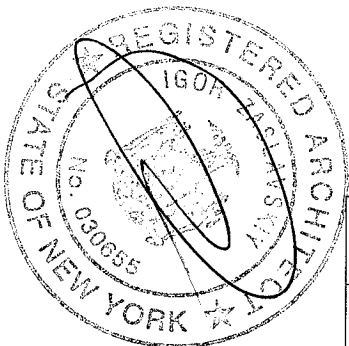
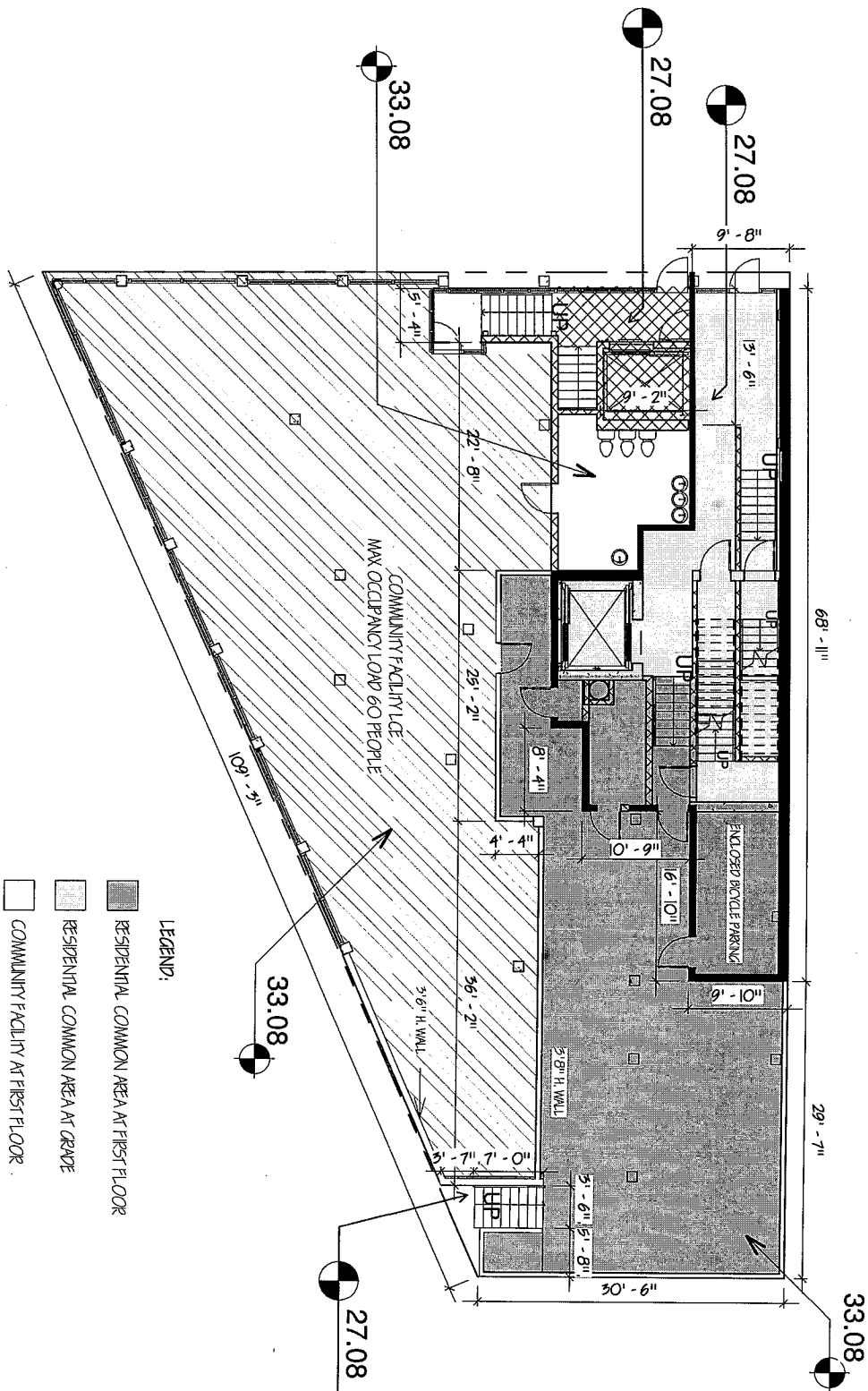
ALL SPECIFIED AREAS AND DIMENSIONS SHOWN ON DRAWINGS ARE APPROXIMATE AND ARE SUBJECT TO CONSTRUCTION TOLERANCE AND VARIANCES. ALL DIMENSIONS ARE MAXIMUM OVERALL. SPONSOR RESERVES RIGHT TO MAKE CHANGES IN ACCORDANCE WITH OFFERING PLANS

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1 01 - CONDO 1ST FL
1/16" = 1'-0"

- LEGEND:
- RESIDENTIAL COMMON AREA AT FIRST FLOOR
 - RESIDENTIAL COMMON AREA AT GRADE
 - COMMUNITY FACILITY AT FIRST FLOOR
 - COMMUNITY FACILITY AT GRADE
 - LIMITED COMMON ELEMENTS (LCE)



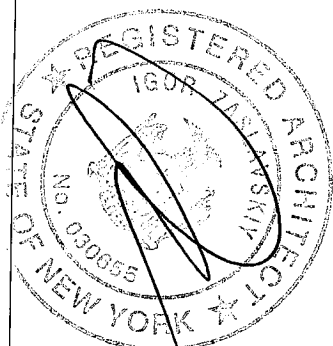
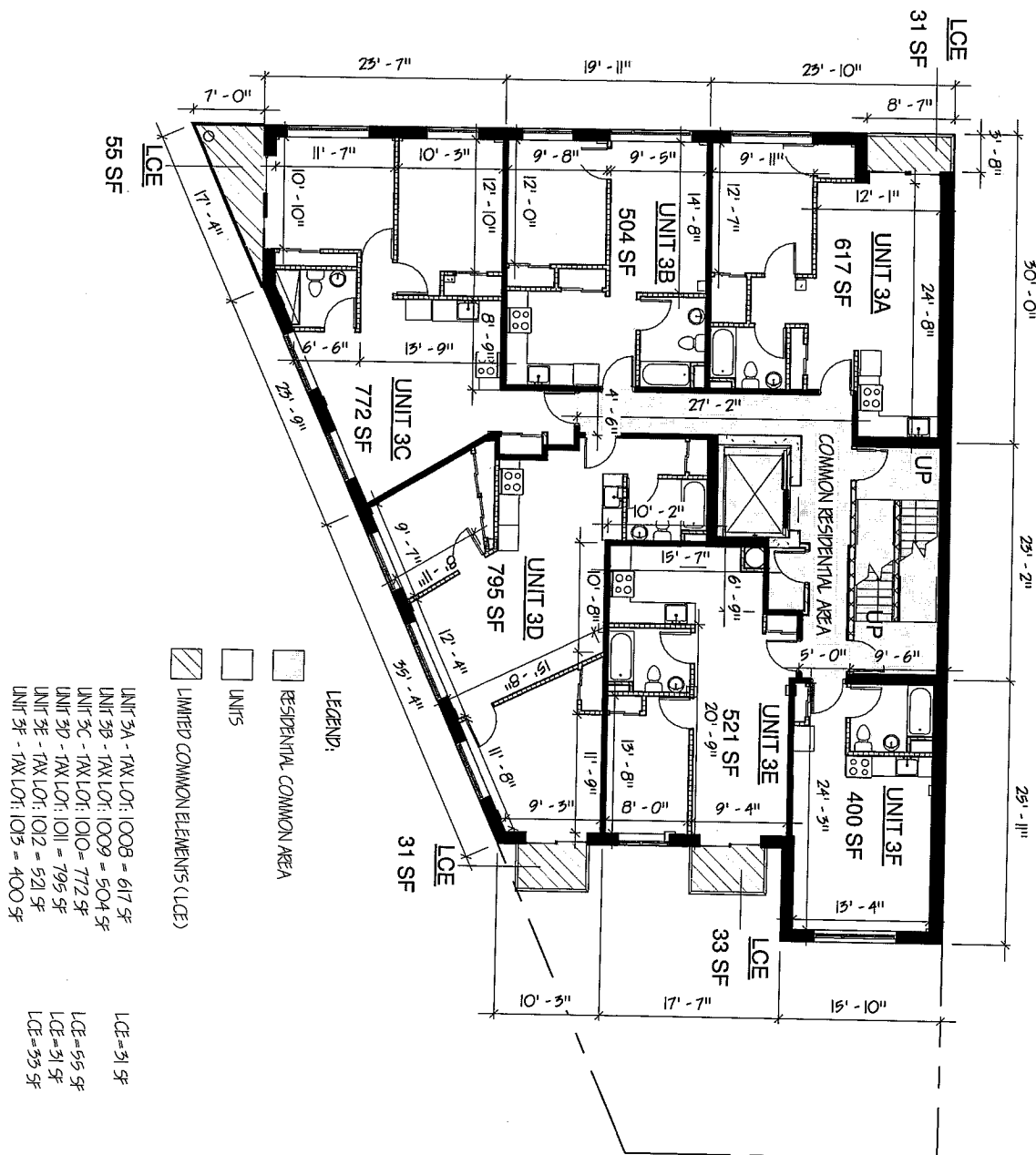
DATE: 11/7/2018 2:03:43 PM	C-008.00 1ST FLOOR 1/16" = 1'-0"
PROJECT#: 15-010	PROJECT

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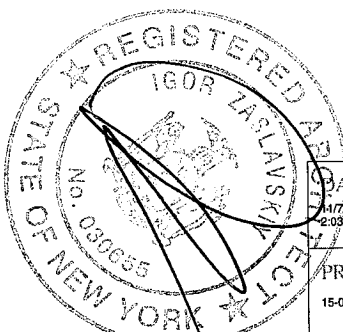
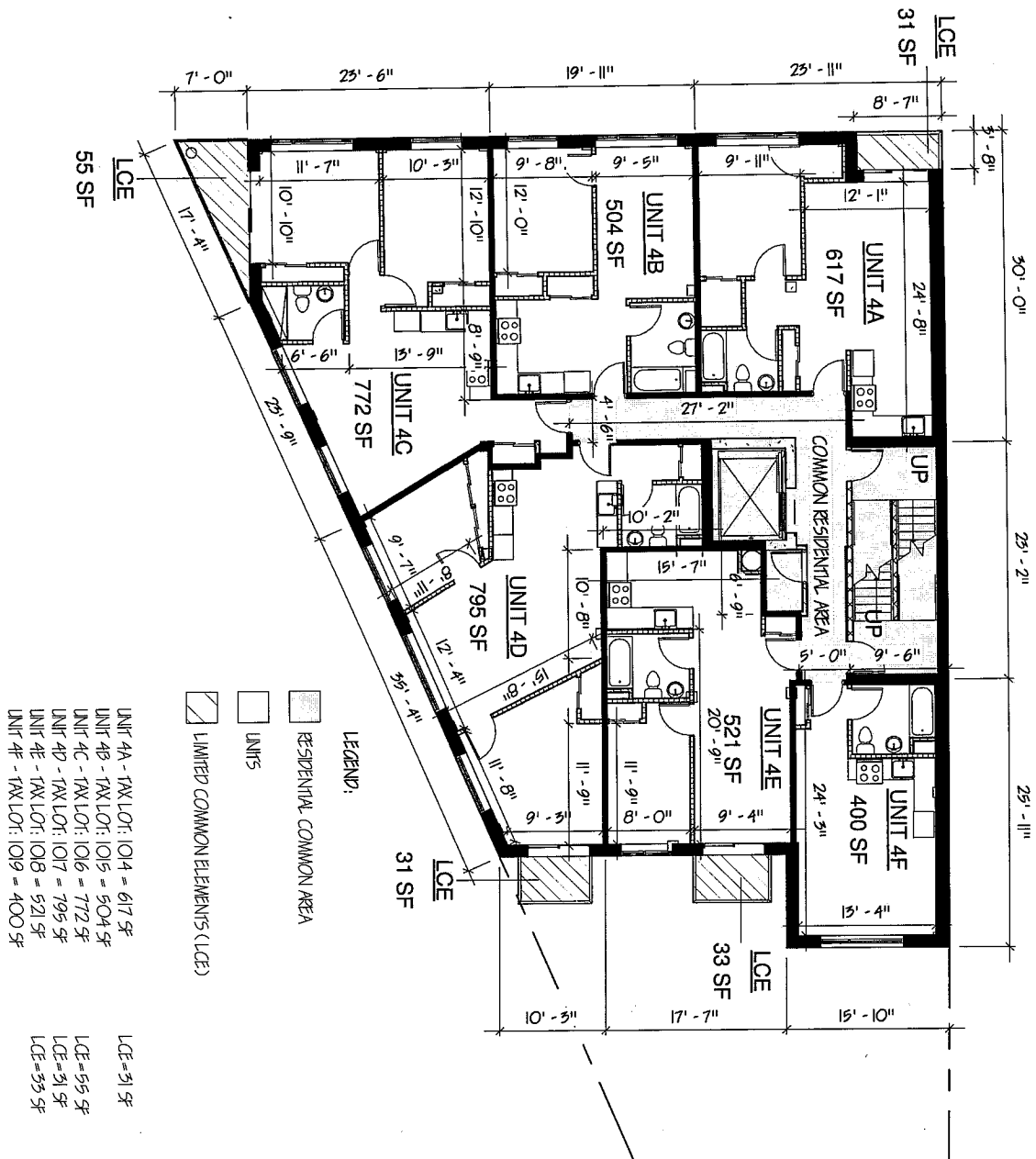


1 03 - CONDO 3TH FL
1/16" = 1'-0"



DATE: 11/7/2018 2:03:46 PM	C-010.00 3RD FLOOR 1/16" = 1'-0"	ALL SPECIFIED AREAS AND DIMENSIONS SHOWN ON DRAWINGS ARE APPROXIMATE AND ARE SUBJECT TO CONSTRUCTION TOLERANCE AND VARIANCES. ALL DIMENSIONS ARE MAXIMUM OVERALL. SPONSOR RESERVES RIGHT TO MAKE CHANGES IN ACCORDANCE WITH OFFERING PLANS	ZPROEKT ARCHITECTURE PLANNING CONSULTING 1817 EMMONS AVE, BROOKLYN, NY 11235 TEL. 718.934.2322 FAX. 718.934.0179
PROJECT# 15-010	PROJECT		

1 04 - CONDO 4TH FL
1/16" = 1'-0"



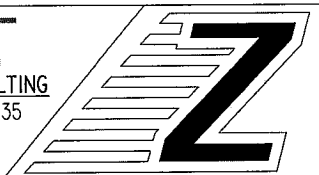
DATE:
4/7/2018
2:03:48 PM

C-011.00
4TH FLOOR
1/16" = 1'-0"

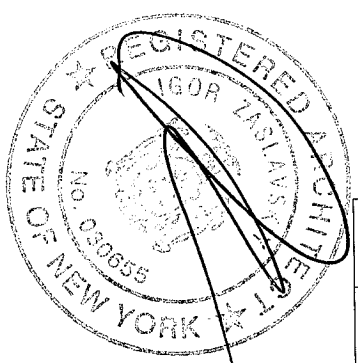
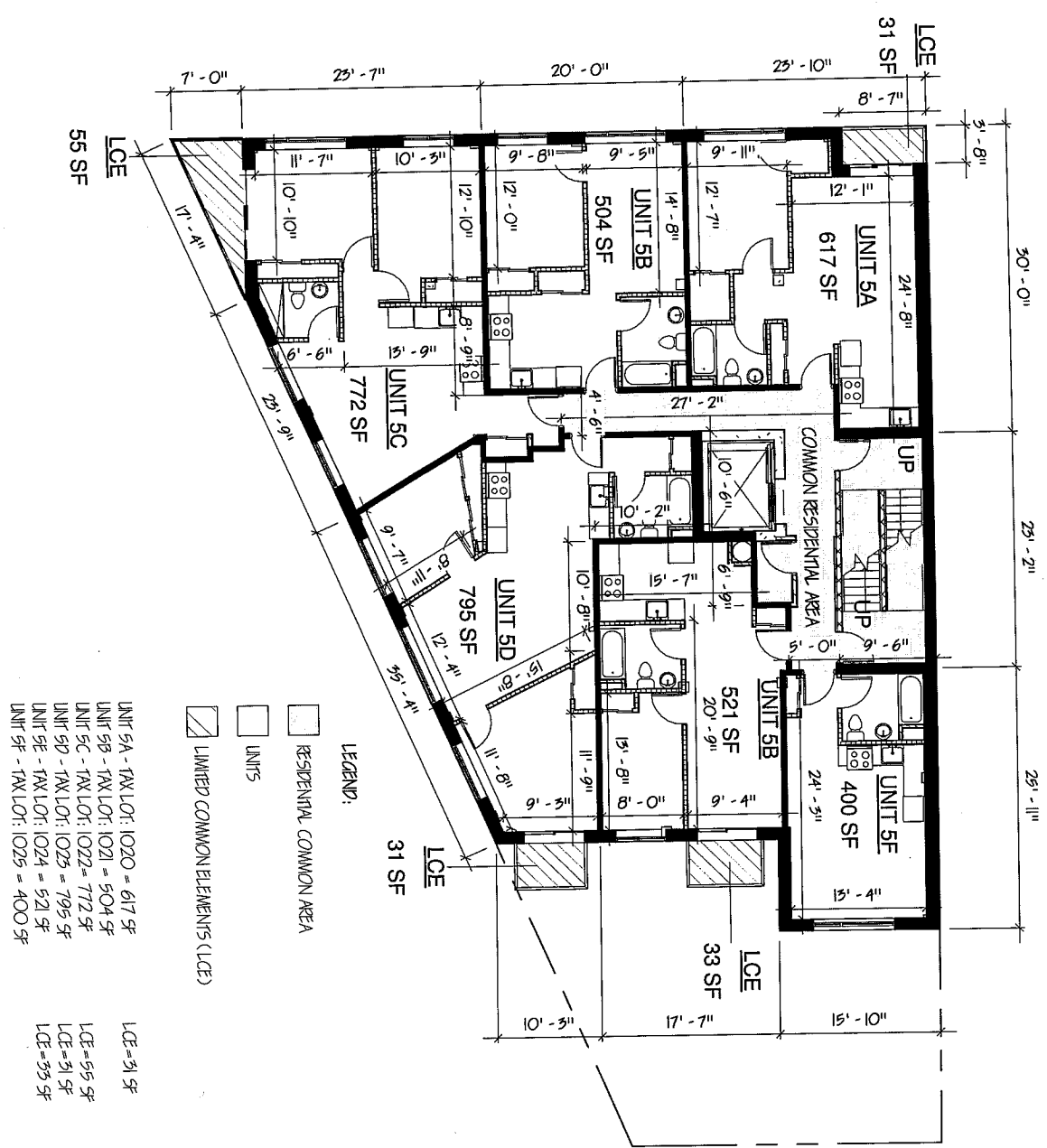
PROJECT#: 15-010
PROJECT

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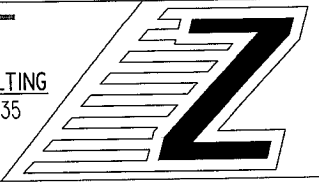
1 05 - CONDO 5TH FL
1/16" = 1'-0"



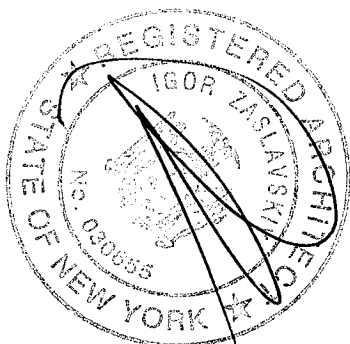
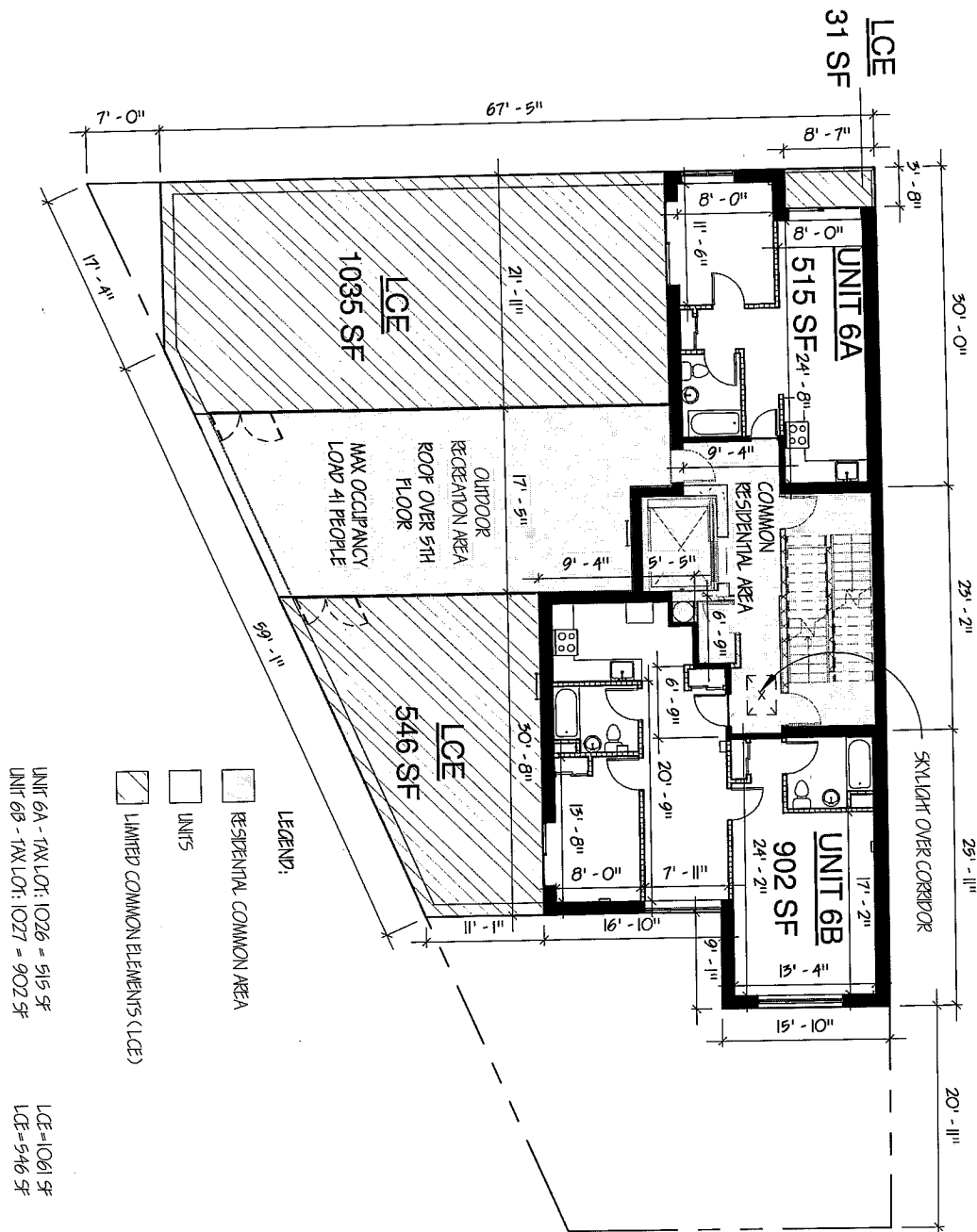
DATE: 11/7/2018 2:03:50 PM	C-012.00 5TH FLOOR 1/16" = 1'-0"
PROJECT#: 15-010	PROJECT

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1 06 - CONDO 6TH FL
1/16" = 1'-0"

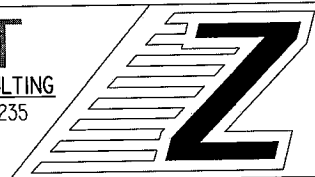


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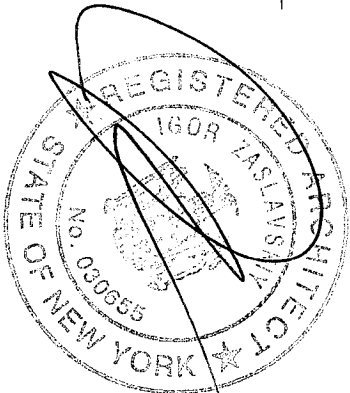
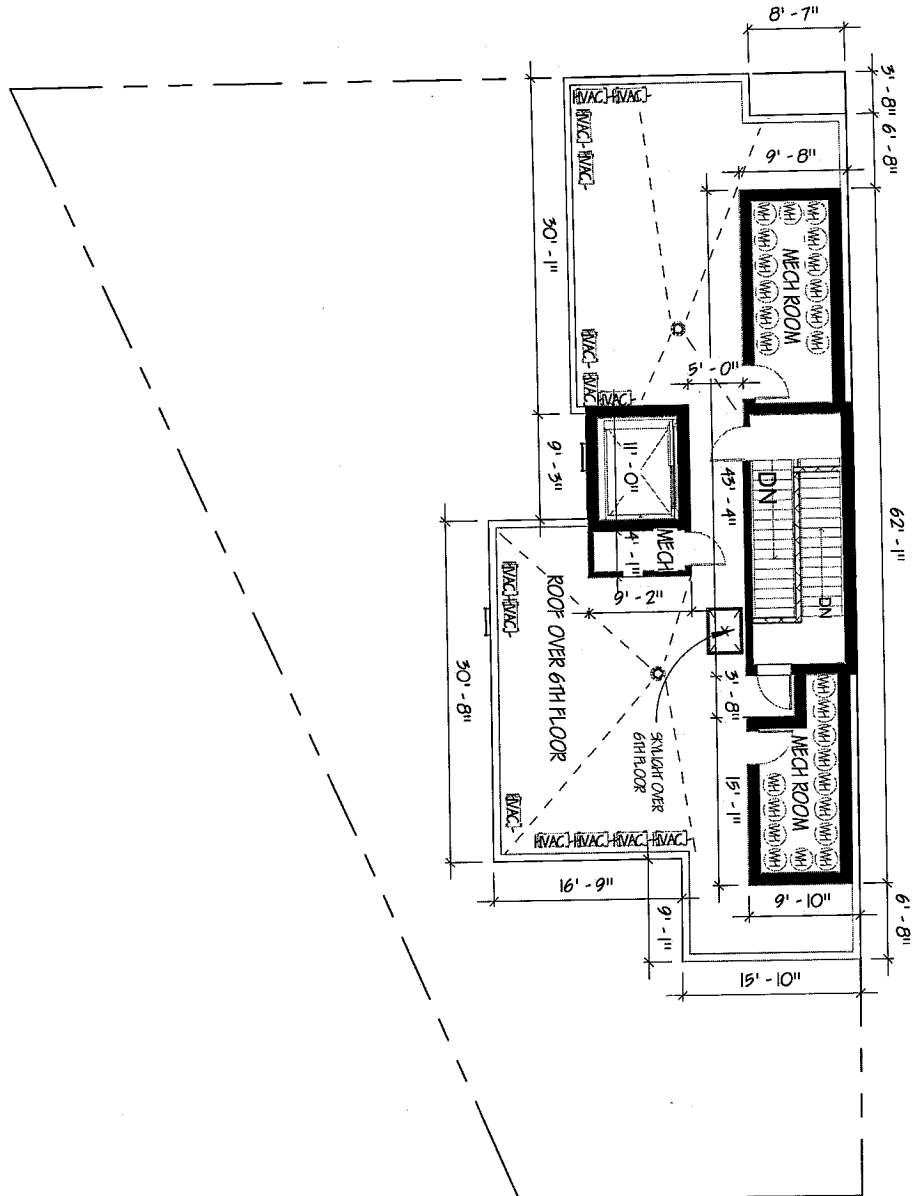
PROJECT#: 15-010
PROJECT

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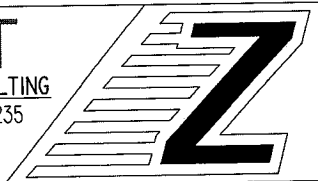


1 07 - CONDO ROOF
1/16" = 1'-0"

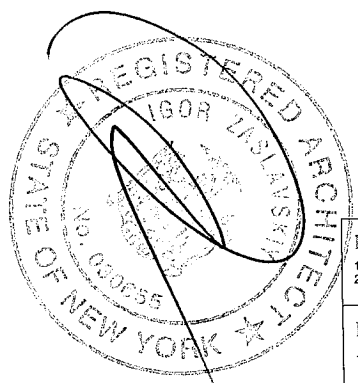
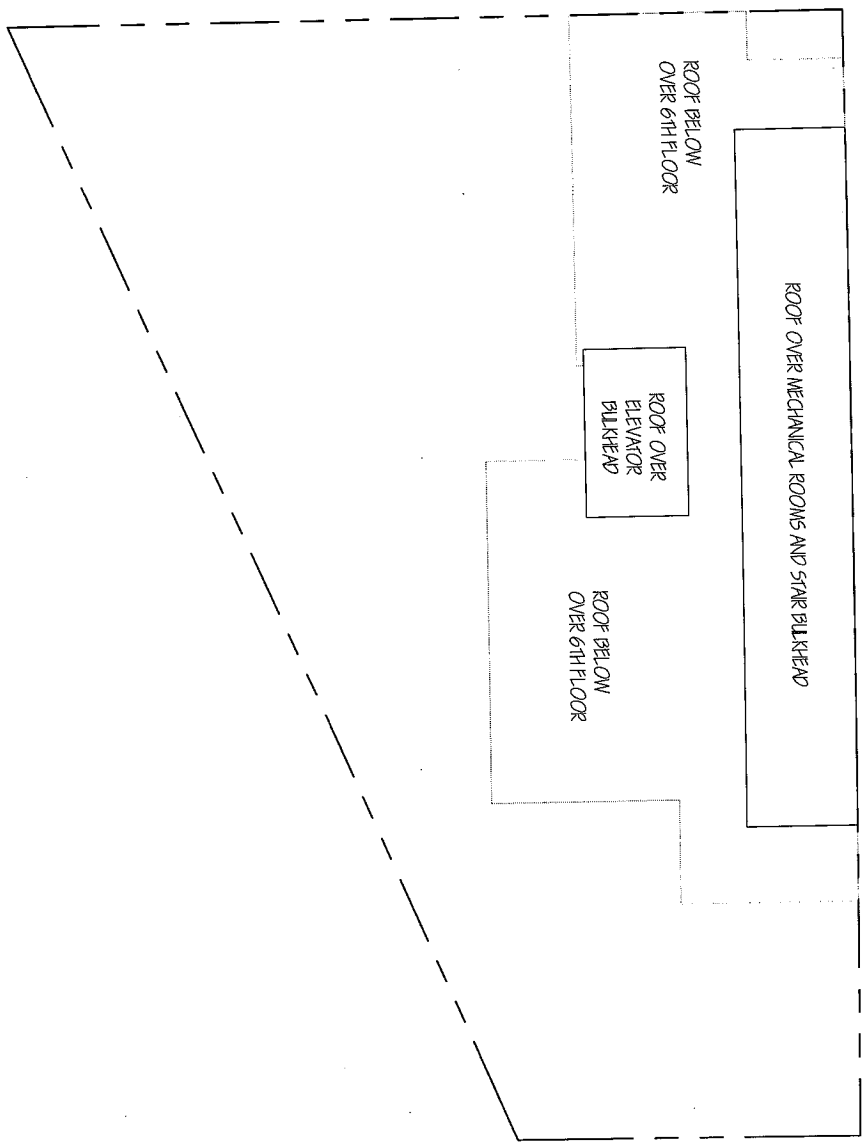


DATE: 11/7/2018 2:03:51 PM	C-014.00 ROOF 1/16" = 1'-0"	ALL SPECIFIED AREAS AND DIMENSIONS SHOWN ON DRAWINGS ARE APPROXIMATE AND ARE SUBJECT TO CONSTRUCTION TOLERANCE AND VARIANCES. ALL DIMENSIONS ARE MAXIMUM OVERALL. SPONSOR RESERVES RIGHT TO MAKE CHANGES IN ACCORDANCE WITH OFFERING PLANS
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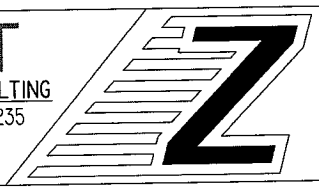


1 BULKHEAD.
1/16" = 1'-0"

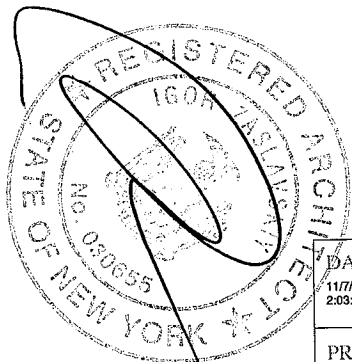
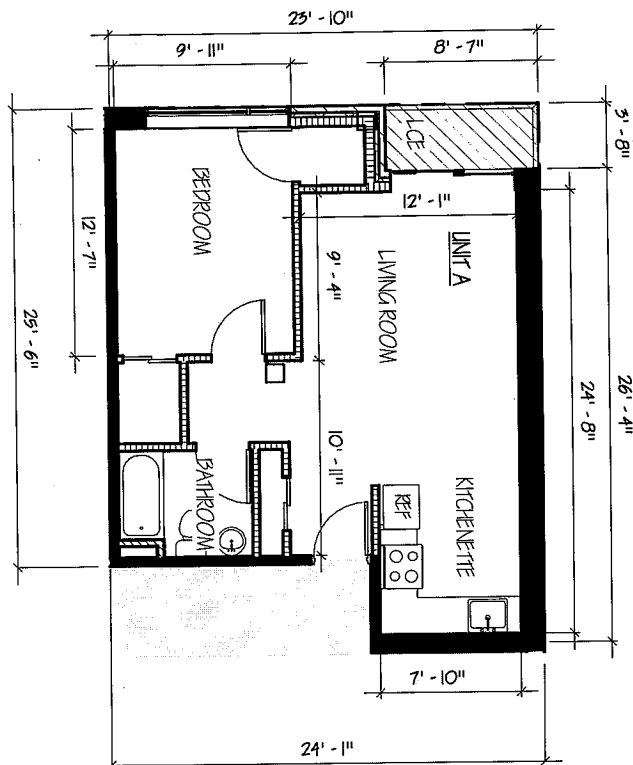


DATE: 11/7/2018 2:03:51 PM	C-015.00 BULKHEAD 1/16" = 1'-0"	ALL SPECIFIED AREAS AND DIMENSIONS SHOWN ON DRAWINGS ARE APPROXIMATE AND ARE SUBJECT TO CONSTRUCTION TOLERANCE AND VARIANCES. ALL DIMENSIONS ARE MAXIMUM OVERALL. SPONSOR RESERVES RIGHT TO MAKE CHANGES IN ACCORDANCE WITH OFFERING PLANS
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1 2-5 TYP UNIT A.
1" = 10'-0"



DATE:
11/7/2018
2:03:52 PM

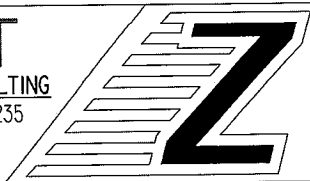
C-016.00
2-5 TYP UNIT A
1" = 10'-0"

PROJECT#:
15-010

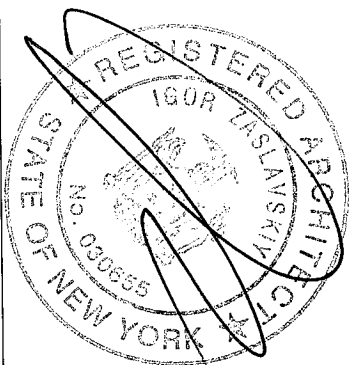
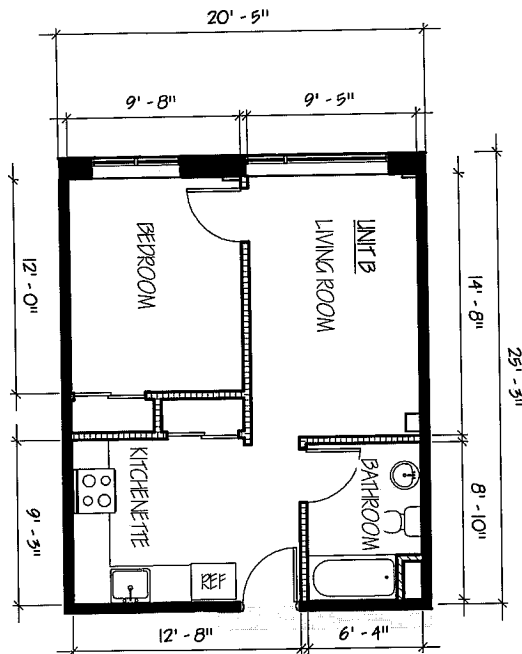
PROJECT

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1
2.5 TYP UNIT B.
1" = 10'-0"



DATE:
11/7/2018
2:03:52 PM

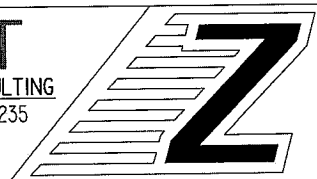
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2.5 TYP UNIT B
1" = 10'-0"

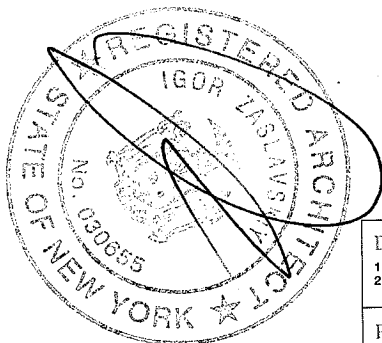
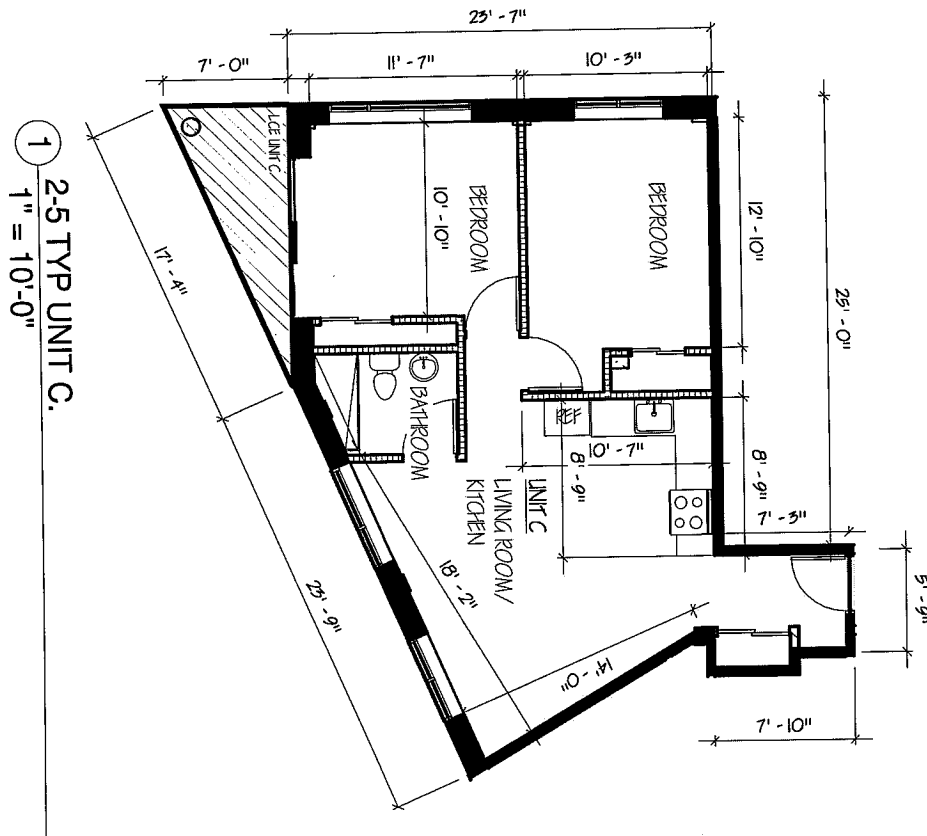
PROJECT#
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DATE:
11/7/2018
2:03:53 PM

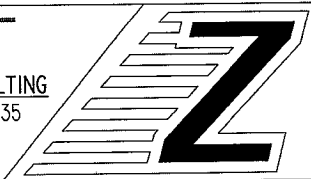
C-018.00
2-5 TYP UNIT C
1" = 10'-0"

PROJECT#:
15-010

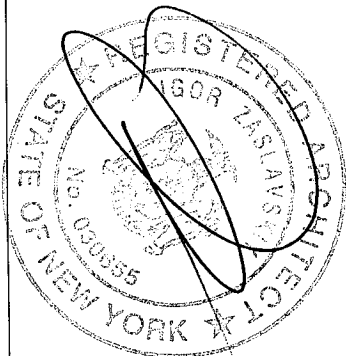
PROJECT

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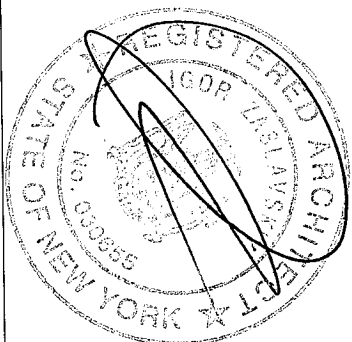
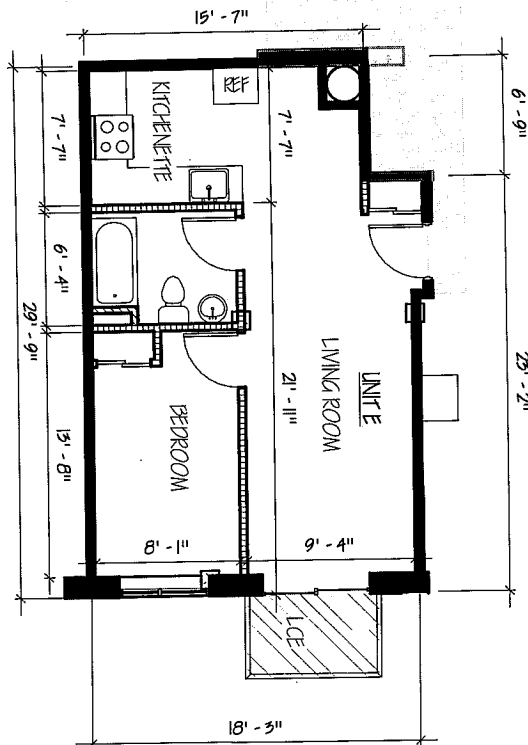


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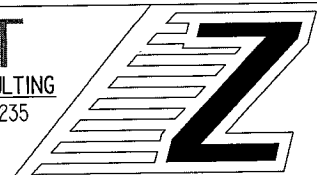
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PROJECT#: 15-010	PROJECT			

1 2-5 TYP UNIT E.
1" = 10'-0"

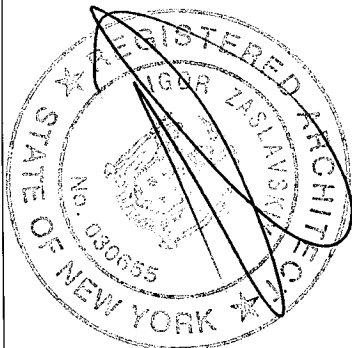
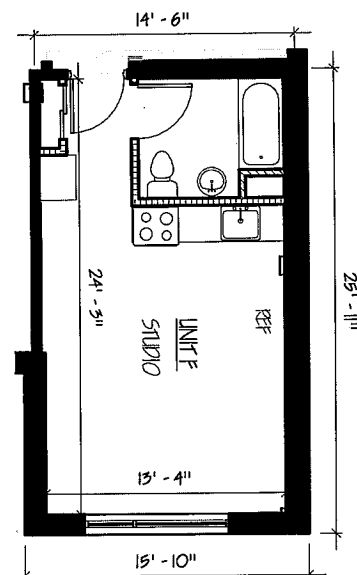


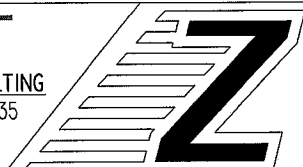
DATE: 11/7/2018 2:03:54 PM	C-020.00 2-5 TYP UNIT E 1" = 10'-0"	ALL SPECIFIED AREAS AND DIMENSIONS SHOWN ON DRAWINGS ARE APPROXIMATE AND ARE SUBJECT TO CONSTRUCTION TOLERANCE AND VARIANCES. ALL DIMENSIONS ARE MAXIMUM OVERALL. SPONSOR RESERVES RIGHT TO MAKE CHANGES IN ACCORDANCE WITH OFFERING PLANS
PROJECT#: 15-010	PROJECT	

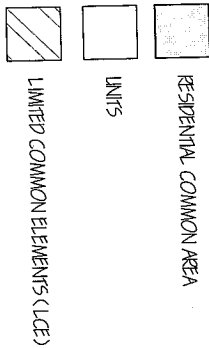
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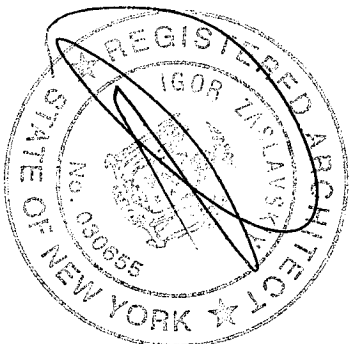
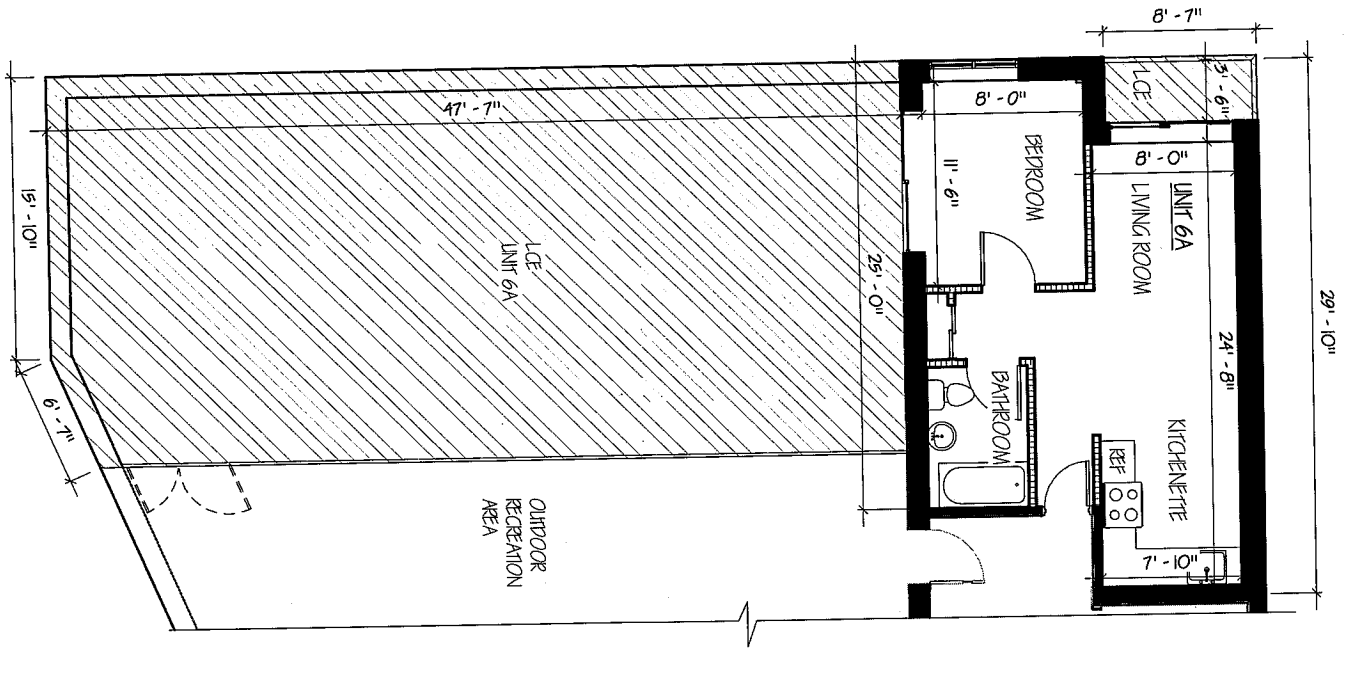
1 2-5 TYP UNIT F.
1" = 10'-0"



DATE: 11/7/2018 2:03:55 PM	C-021.00 2-5 TYP UNIT F 1" = 10'-0"	ALL SPECIFIED AREAS AND DIMENSIONS SHOWN ON DRAWINGS ARE APPROXIMATE AND ARE SUBJECT TO CONSTRUCTION TOLERANCE AND VARIANCES. ALL DIMENSIONS ARE MAXIMUM OVERALL. SPONSOR RESERVES RIGHT TO MAKE CHANGES IN ACCORDANCE WITH OFFERING PLANS	ZPROEKT ARCHITECTURE PLANNING CONSULTING 1817 EMMONS AVE, BROOKLYN, NY 11235 TEL. 718.934.2322 FAX. 718.934.0179	
PROJECT#: 15-010	PROJECT			



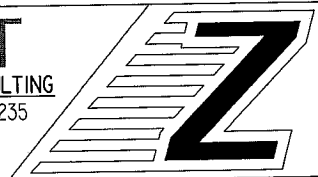
1 6 UNIT A
1" = 10'-0"



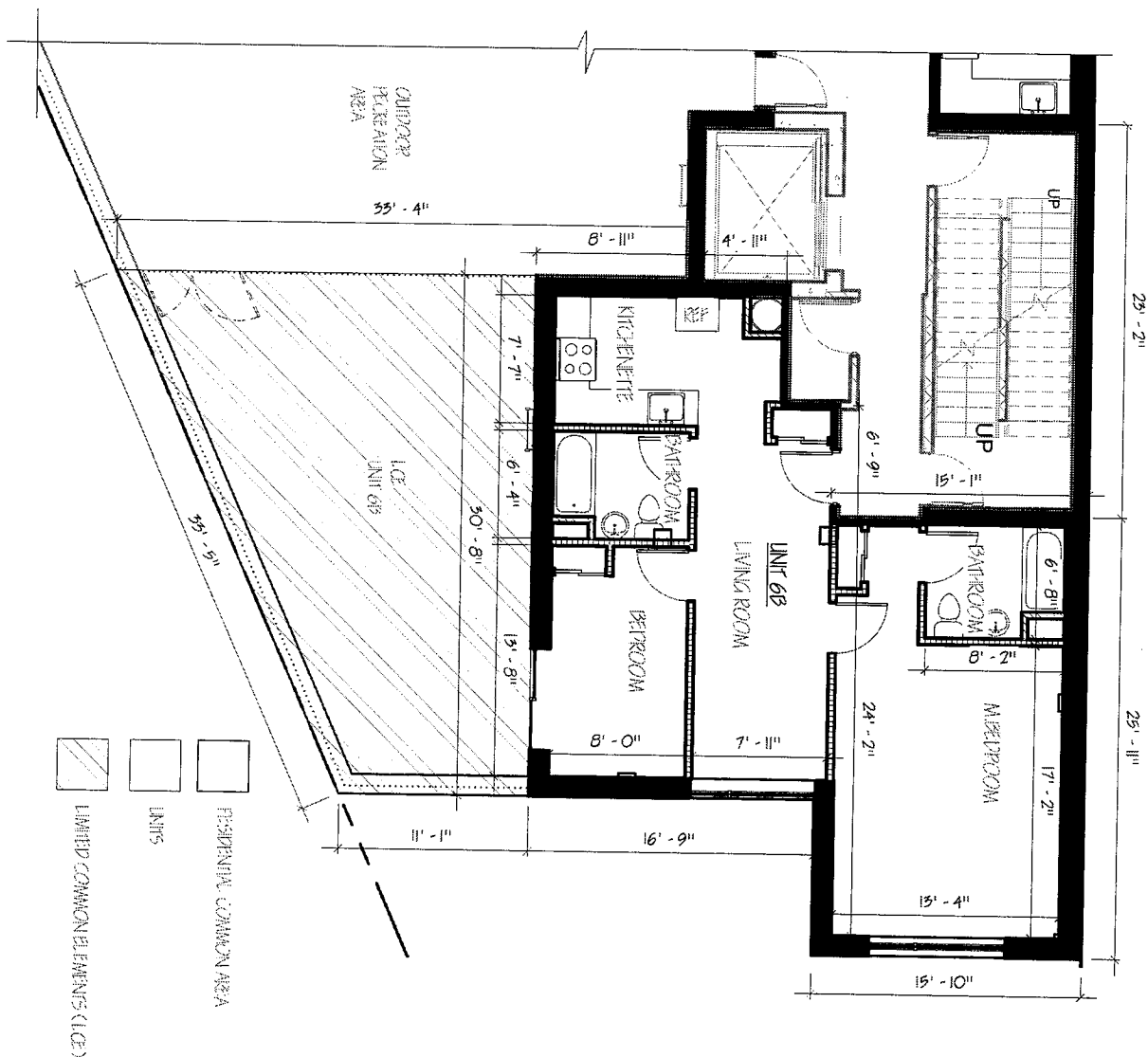
DATE: 11/7/2018 2:03:55 PM	C-022.00 6 UNIT A 1" = 10'-0"
PROJECT#: 15-010	PROJECT

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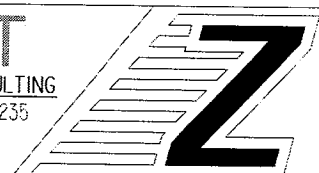
1 6 UNIT B
1" = 10'-0"



DATE: 3/4/2019 12:44:49 PM	C-023.00 6 UNIT B 1" = 10'-0"
PROJECT# 15-010	PROJECT

ALL SPECIFIED AREAS AND DIMENSIONS SHOWN ON DRAWINGS ARE APPROXIMATE AND ARE SUBJECT TO CONSTRUCTION TOLERANCE AND VARIANCES. ALL DIMENSIONS ARE MAXIMUM OVERALL. SPONSOR RESERVES RIGHT TO MAKE CHANGES IN ACCORDANCE WITH OFFERING PLANS

ZPROEKT
ARCHITECTURE PLANNING CONSULTING
1817 EMMONS AVE, BROOKLYN, NY 11235
TEL. 718.934.2322
FAX. 718.934.0179



THIS DOCUMENT IS A LEGALLY BINDING DOCUMENT AND SHOULD BE READ CAREFULLY BY EACH PROSPECTIVE PURCHASER AND SHOULD BE REVIEWED BY EACH PROSPECTIVE PURCHASER'S ATTORNEY BEFORE EXECUTING IT.

PURCHASE AGREEMENT ("Agreement")
THE 631 EAST 18TH STREET CONDOMINIUM ("Condominium")

Purchaser's Name: _____

Social Security No.: _____

Address: _____

Telephone No.: _____

Additional Purchaser's Name: _____

Social Security No.: _____

Address: _____

Telephone No.: _____

Building's Address: 631 East 18th Street, Brooklyn, N.Y.

Residential Unit No.: _____

Percentage Interest in Common Elements: _____ %

Residential Unit: _____ %

*Down Payment

(not including custom work)

\$ _____

**Amount of Mortgage

(for a term of not less than _____ years)

\$ _____

Balance Due at Closing (unfinanced)

\$ _____

Total Purchase Price

\$ _____

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

*Additional Downpayment for custom work

\$ _____

**If Purchase Agreement is contingent upon financing see paragraph number 8 herein.

Statement of Seller

631 E 18th Street, LLC, with an address at 2753 Coney Island Avenue, Brooklyn, New York 11235 ("Sponsor" or "Seller"), has promulgated a Plan of Condominium Ownership of "The 631 East 18th Street Condominium" ("the Plan") pursuant to which the land with appurtenances and the Residential Units (the "Units"), being constructed thereon by Seller and located at 631 East 18th Street, Brooklyn, New York, 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.

Statement of Purchaser

Purchaser acknowledges as follows:

I have received and read a copy of the Plan and all filed amendments thereto. Said Plan, which includes the Declaration to be made by the Seller and to be recorded in the Office of the Register of the City of New York, County of Kings, the Schedules, By-Laws and Rules and Regulations attached thereto, are incorporated herein by reference and made part of this Agreement with the same force and effect as if fully set forth herein.

AFTER DELIVERING AN EXECUTED AGREEMENT, TOGETHER WITH THE REQUIRED DEPOSIT, I WILL BE AFFORDED SEVEN (7) DAYS TO RESCIND THIS PURCHASE AGREEMENT AND HAVE THE FULL DEPOSIT REFUNDED TO ME PROMPTLY, PROVIDED THAT I HAVE NOT HAD AN OPPORTUNITY TO REVIEW THE OFFERING PLAN AND ANY FILED AMENDMENTS FOR AT LEAST THREE (3) BUSINESS DAYS PRIOR TO SUCH DELIVERY. SUCH RESCISSION MUST BE BY WRITTEN NOTICE, ADDRESSED TO SPONSOR, AND BE POSTMARKED OR HAND DELIVERED NO LATER THAN MIDNIGHT OF THE SEVENTH (7TH) DAY SUBSEQUENT TO MY DELIVERING THE EXECUTED PURCHASE AGREEMENT. IF I HAVE HAD AN OPPORTUNITY TO REVIEW THE OFFERING PLAN AND ANY FILED AMENDMENTS FOR NOT LESS THAN THREE (3) BUSINESS DAYS PRIOR TO MY MAKING THE AFORESAID DELIVERY, I SHALL NOT BE PERMITTED THE AFOREMENTIONED SEVEN (7) DAY TIME PERIOD TO RESCIND THIS PURCHASE AGREEMENT.

The seven (7) day rescission period is (delete whichever is incorrect): applicable; not applicable.

Purchaser has been given an opportunity to examine the architectural plans for the above-numbered Unit or Units and for the building in which it is located.

Purchaser is desirous of purchasing the above-numbered Residential Unit, and Parking Spaces as designated in the Declaration and on the floor plans filed or to be filed in the aforesaid Register's Office, together with an undivided interest in the Common Elements appurtenant thereto (the above-numbered Unit or Units and the undivided interest being hereinafter collectively called the "Unit");

Agreement Between Seller and Purchaser

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

1. **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 check subject to collection is hereby acknowledged by Seller. The Balance Due at Closing shall be payable at the closing of title, as hereinafter provided in Paragraph 2, by unendorsed certified or cashier's check of Purchaser drawn on a bank or trust company which is a member of the New York Clearing House Association to the order of Seller or as otherwise directed by Seller.

2. **Closing of Title.** The closing of title shall take place on no less than thirty (30) days' prior written notice to Purchaser 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). Seller shall have the right, from time to time, to adjourn the Closing Date on written notice to Purchaser. If adjourned, Seller shall fix a new date and time for the closing of title to the Unit and shall give Purchaser not less than five (5) days written notice of the newly scheduled Closing Date. Purchaser shall be entitled to one reasonable adjournment of up to ten (10) days, on five (5) days written notice by Purchaser to Seller, provided that Purchaser may not seek an adjournment of any kind based upon any provision set forth in Paragraph number 18(i) herein. If a Purchaser adjourns a scheduled closing date on less than three (3) days notice, there shall be a late closing adjournment fee of \$350.00 added to their closing costs. If, through no fault of Seller, Purchaser fails for any reason to close title to his Unit on the originally scheduled Closing Date and Seller does not have the right to, or elects not to, cancel this Agreement as a result of same, (a) the adjustments for real estate taxes and common charges will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the closing of title occurs, and (b) Purchaser will be required to pay Seller, as a reimbursement of Seller's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Seller under this Agreement and the Plan, an amount equal to three one-hundredths of one percent (0.03%) of the Purchase Price for each and every day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date. If, though no fault of Purchaser, Seller postpones the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to his Unit on the rescheduled Closing Date.

At the closing of title Seller shall deliver to Purchaser a bargain and sale deed, with covenant against grantor's acts, conveying the Unit to Purchaser, such deed to be 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 (i) shall, if applicable, cause the proceeds of any mortgage loan to be transferred to the Seller on account of the Total Purchase Price, (ii) shall, if applicable, 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 and (iii) shall deliver the Balance Due at Closing.

Title to the Unit will close only after or concurrently with the occurrence of the events set forth in the Section of the Plan entitled "Closing of Title to Units".

3. **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 the irrevocable power of attorney to the Board of Managers in the form contained in Part II of the Plan. Purchaser agrees to deliver such power of attorney to Seller at the closing of title for recording and to pay the recording fee.

4. **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 and the Plan.

5. **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, specifically in Part I thereof in the section titled "Terms of Sale", and Exhibits submitted in connection therewith (as well as a mortgage, if any, obtained by Purchaser).

Notwithstanding the above, the existence of unpaid taxes or liens of any kind at the time of title closing shall not constitute an objection to title, provided that a reputable title insurance company licensed to do business in the State of New York shall be willing to insure against collection of same from the Unit herein described. The parties agree that the Seller may pay and discharge any liens and encumbrances upon the property, not provided for in the Plan or this Agreement, out of the monies to be paid by the Purchaser at the time of closing title. Provided however, Purchaser shall not be obligated to close title on a unit in the event Sponsor is unable to **fully** discharge any such liens or encumbrances upon the property before closing.

6. **Expenses of Closing and Closing Adjustments.** Purchaser will pay the closing costs and expenses referred to in the Section of the Plan (as same may be amended to date) entitled "Unit Closing Costs and Adjustments," including, but not limited to, the amount of any credit for mortgage recording tax as set forth in such Section, payment for title insurance, if Purchaser elects or is required by lender to obtain same, recording fees for recording the Deed, Power of Attorney and any Partial Release and/or UCC-3 Termination Statement for the Unit related to Sponsor's construction or other financing, real estate taxes, New York City Real Property Transfer Tax, New York State Transfer Tax, ACRIS Service Fee of title company, Seller's attorney's fees for closing the Unit, and costs associated with obtaining a mortgage loan, if any. The Purchaser shall also pay at Closing an amount equal to 1.5% of the Total Purchase Price of the Unit as a reimbursement of Seller's cost in obtaining partial tax exemption benefits pursuant to Section 421-a of the New York State Real Property Tax Law. Purchaser will pay to the Sponsor \$4,500.00 as partial reimbursement for the cost of preparing the Offering Plan. The legal fees of Seller's attorneys in the amount of one thousand seven hundred and fifty dollars (\$2,500.00) will be payable by Purchaser to The Law Offices of Michael Michael, PLLC, if rendered by such firm, provided that an additional fee of five hundred (\$500.00) per closing if outside of

Kings County and three hundred and fifty (\$350.00) if held within Kings County shall be due and payable for any Unit closing which occurs outside the office of Seller's Attorneys, if requested by Purchaser. A further fee of three hundred fifty dollars (\$350.00) shall be payable by Purchaser to Seller's attorneys for the work involved for each assignment or amendment of a purchase agreement or contract. Assignments are permitted only with prior written consent of Sponsor. Finally, a legal fee in the amount of three hundred fifty dollars (\$350.00) shall be paid by Purchaser to Sponsor's attorneys for each cancellation and or release if prepared by such firm. Purchaser will also pay to the Board of Managers the sum of Seven Hundred and Fifty dollars for the Unit being purchased as Purchaser's contribution to the Working Capital Fund of the Condominium. Except as otherwise provided in this agreement, 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. Any such expenses or adjustments payable to Seller in excess of five hundred dollars (\$500.00) shall be paid by certified check or bank check drawn on a bank or trust company which is a member of the New York Clearing House Association or any successor organization.

Notwithstanding anything herein to the contrary, one of Purchaser's costs of closing title to his or her Unit shall be the payment of the cost of fee title insurance. If requested by Purchaser, Sponsor shall order on Purchaser's behalf from Titlecrafters, Inc., provided Purchaser elects to obtain title insurance. However, notwithstanding anything herein to the contrary, a Purchaser may elect to obtain title insurance and/or a title report from any other title insurance company and/or abstract company without incurring a penalty. Pursuant to a New York State Department of Insurance advisory opinion, New York does not permit the seller to dictate the title company to be used or to infer that a given company should be selected because of a bulk or discount rate. The insurance rates or fees for recording documents are uniform and will be the same regardless of the company used.

7. **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 building loan mortgage or development 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 7, however, on the Closing Date the only mortgage to which the Unit will be subject will be any other mortgage(s) obtained by Purchaser.

8. **Mortgage Financing Contingency.** (DELETE THIS NUMBERED PARAGRAPH IF PURCHASE WILL NOT BE CONDITIONED ON FINANCING). This Purchase Agreement is conditioned upon Purchaser obtaining a written mortgage loan commitment from a lending institution approved by the Sponsor in an amount of not less than that set forth on page 1 hereof, at a prevailing rate of interest, for a term of not

less than the number of years set forth on page 1 hereof. In no event shall the amount of the financing contingency be greater than eighty percent (80%) of the Total Purchase Price for the Unit unless agreed to in writing by Seller.

Any Purchaser who executes a Purchase Agreement making the purchase of a Unit contingent on financing must submit a copy of such financing application to the Sponsor/Selling Agent within seven (7) days after Sponsor accepts and delivers the fully executed Purchase Agreement. Sponsor shall have the right, but not the obligation, to cancel the mortgage financing contingency if Purchaser fails to submit to Sponsor a copy of the application for such mortgage financing to the Sponsor/Selling Agent within such seven (7) day time period. Purchaser further agrees to furnish Seller, Selling Agent and to any prospective mortgagee such information and data pertaining to his financial condition as may be required by Seller or such prospective mortgagee.

Purchaser shall have forty five (45) days from the date Sponsor accepts and delivers the fully executed Purchase Agreement to obtain a written loan commitment for financing from a lending institution. In the event Purchaser fails to obtain a written loan commitment within such time period or in the event the loan commitment is subsequently withdrawn, Purchaser must notify Sponsor of same within five (5) days subsequent to such fifty (50) day period or the date the loan Commitment is withdrawn, whichever is applicable, or this financing contingency is deemed waived. Unless waived by Sponsor, Sponsor, if it so desires, shall then have sixty (60) days after receipt of such notice to secure a mortgage loan commitment for Purchaser from the same or another lending institution in the same amount at the same or the then prevailing interest rate. In the event no such financing is furnished, the Purchase Agreement may be declared null and void by Sponsor pursuant to written notice to the Purchaser postmarked or delivered within ten (10) days subsequent to such sixty (60) day period or notification to Purchaser that such financing will not be furnished, whichever is sooner. In the event no such financing is furnished, Purchaser, provided Purchaser has not already waived the financing contingency as set forth above, may also declare the Purchase Agreement null and void by written notice to the Sponsor postmarked or delivered within ten (10) days subsequent to such sixty (60) day period or within ten (10) days subsequent to such notification by Sponsor to Purchaser that such financing will not be furnished, whichever is sooner. If the Purchase Agreement is properly declared null and void pursuant to this paragraph, the Down Payment shall be returned to Purchaser with interest, if any. If the notice declaring the Purchase Agreement null and void is not sent within the above mentioned (10) day period, this financing contingency clause shall be deemed waived. No other financing contingency is permitted by this Purchase Agreement. Notwithstanding anything to the contrary contained herein, Sponsor shall have no obligation to secure a mortgage loan for Purchaser from another lending institution.

If the Purchase Agreement is contingent upon financing, Purchaser shall deliver to Sponsor a fully executed copy of his commitment within five (5) days of receiving said commitment.

Further, notwithstanding anything above to the contrary, in the event that (i) Purchaser timely applies for mortgage financing from an approved Lender, Purchaser's loan commitment expires prior to the scheduled closing of title to the Unit, unless adjourned by

Sponsor beyond the date the Purchaser's loan commitment expires, and Purchaser, after submitting a timely written request to the institutional Lender for a renewal or extension is unable to obtain either a renewal or extension of the loan commitment at the same or then prevailing interest rate or a new loan commitment at the same or prevailing interest rate and (ii) Seller does not secure a mortgage loan for Purchaser from another lending institution in the same amount, at the same or then prevailing interest rate and (iii) Purchaser is not otherwise in default at such time under the Purchase Agreement, then, provided all the foregoing conditions are met, Purchaser shall have the right to rescind his or her Purchase Agreement by notifying Sponsor in writing within ten (10) days of Sponsor notifying Purchaser in writing that Sponsor has been unable to secure a new loan for Purchaser. Seller shall return to Purchaser the Down Payment, together with any interest earned thereon, within ten (10) days of the receipt of Purchaser's notice of rescission and Purchaser's executing a general release in favor of Seller. If Purchaser's notice of rescission is not sent within the above mentioned ten (10) day period, then the financing contingency clause shall be deemed waived and the Purchase Agreement shall remain in full force and effect and Purchaser must pay the balance of the purchase price at closing or be in default.

Notwithstanding the foregoing, if Purchaser's loan commitment expires and such expiration has occurred due to Purchaser's refusal to close title or Purchaser's delay in closing title, or in the event that as a result of Purchaser's acts or omissions, the terms of the loan commitment are changed or the loan commitment is revoked by Purchaser's lending institution, or Purchaser does not request a renewal or extension of the loan commitment in writing on a timely basis, the Purchase Agreement shall remain in full force and effect and Purchaser must pay the balance of the purchase price at closing or be in default.

Additionally, failure of Purchaser to comply with the terms and conditions of the commitment which are unrelated to Sponsor's responsibility to perform under the terms of the Plan does not relieve Purchaser of his obligation to close title.

Purchaser's failure to provide information promptly upon request therefor, as set forth in paragraph numbered 8 of the Purchase Agreement, or to accept a commitment issued to Purchaser on the terms set forth herein or to request an extension of such commitment, or Purchaser's failure to act in good faith hereunder, shall constitute an event of default for which Seller shall have the right to cancel the Purchase Agreement as provided in Paragraph numbered 9 thereof.

9. **Default by Purchaser.** If Purchaser shall fail to pay any portion of the balance of the purchase price when due, fail to close title on the date, hour and place specified by Seller pursuant to Paragraph 2 hereof or fail to perform any of Purchaser's other obligations hereunder, such failure shall constitute a default by Purchaser. Seller shall notify Purchaser in writing of such default and advise Purchaser that he has thirty (30) days from the mailing date or thirty (30) days after personal delivery of such notice within which to cure such default. TIME IS OF THE ESSENCE FOR PURCHASER TO CURE ANY DEFAULT UNDER THIS AGREEMENT WITHIN SUCH THIRTY (30) DAY PERIOD. If such default is not cured within thirty (30) days from the mailing date or thirty (30) days after personal delivery of such written notice, Seller has no obligation to extend the time to cure and may (but shall not be obligated to) elect to cancel the Purchase Agreement. If Sponsor elects to cancel the Purchase Agreement, Sponsor shall notify Purchaser in

writing of said cancellation and the Down Payment and any other amounts paid by Purchaser for any special or custom work shall be paid over to Seller as and for liquidated damages and thereafter the Purchase Agreement shall become null and void. In the event that Seller shall elect so to cancel this Agreement, Seller shall certify to its attorneys, The Law Offices of Michael Michael PLLC, that title has not closed because of Purchaser's default, that a notice to cure was delivered to Purchaser and Purchaser has failed to cure the default within thirty (30) days from the mailing date or within thirty (30) days from personal delivery of such notice and that Seller has elected to cancel this Agreement by reason thereof, and Michael Michael PLLC shall thereupon pursuant to Paragraph 16 hereunder, cause to have paid over to Seller as liquidated damages the Down Payment (and the actual cost incurred by Seller for any special work in the Unit ordered by Purchaser) 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. However, if there is no written agreement between the Purchaser and Sponsor to release the escrowed funds, The Law Offices of Michael Michael PLLC. will not pay the funds to the Sponsor until The Law Offices of Michael Michael PLLC. has given the Purchaser written notice of not fewer than ten (10) business days. Thereafter, the funds may be paid to the Sponsor. Seller shall reimburse The Law Offices of Michael Michael PLLC insofar as it is acting in its capacity as Escrow Agent for its reasonable cost and expenses, including attorney's fees and the fair value of legal services rendered by the Escrow Agent to itself incurred as a result of any dispute or litigation concerning the right to the Down Payment. Sponsor shall not seek the remedy of specific performance in connection with Purchase Agreements as to which there has been a default by Purchaser. If this Agreement shall be canceled by Seller pursuant to the provisions of this Paragraph 8, Seller may sell the Unit to any third party and shall be under no obligation to account to Purchaser for any part of the proceeds of such sale. The Law Offices of Michael Michael PLLC 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.

10. **Agreement May Not be Assigned; Advertising.** 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. In the event Sponsor consents to the assignment of this Agreement, Purchaser shall pay The Law Offices of Michael Michael PLLC the legal fee of Sponsor's attorneys for reviewing the assignment agreement. Such fee shall be approximately three hundred fifty (\$350.00) dollars, plus disbursements. Prior to the closing of title to the Unit, Purchaser shall not advertise or otherwise offer, promote or publicize the availability of such Unit for sale.

11. **Notices.** Any notice to be given hereunder shall be in writing and sent by registered or certified mail or personal delivery to Purchaser at the address given above and to Seller at The Law Offices of Michael Michael PLLC, 1795 Coney Island Avenue, Brooklyn, New York 11230. or at such other address as either party may hereafter designate to the other in writing. All such notices and communications shall be deemed to have been received on the date of personal delivery or on the fifth day after mailing.

12. **No Representation.** Except as herein or in the Plan specifically set forth, Purchaser acknowledges that he has not relied upon any architect's plans, sales plans, selling

brochures, advertisements, representations, warranties or statements of any nature, whether made by Seller, Seller's Counsel or Selling Agent or otherwise, including, but not limited to, any relating to 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 allocable to the Unit 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 are not 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 obligations hereunder by reason of any minor inaccuracy or error.

13. **Recording of Deed and Power of Attorney.** At the closing of title, Purchaser will deliver the executed deed received from Seller and executed and acknowledged power of attorney to the representative of the title company, if any, or to Seller for recording in the Office of the Register of the City of New York, Kings County. Such deed and power of attorney will be in the form set forth in the Plan.

14. **Binding Effect.** This Purchase 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 permitted assigns.

15. **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 before eighty percent (80%) of the Residential Units have been purchased. Seller also reserves the right to abandon the Plan after it has been declared effective pursuant to other provisions of the Offering Plan as set forth in the section titled "Effective Date of Plan". Additionally, the Plan shall be abandoned and deemed abandoned if it has not been declared effective within the time prescribed by the Plan. If the Plan is abandoned or does not become effective this Purchase Agreement shall be deemed canceled, and the Plan terminated and Purchaser is to receive back, not later than twenty (20) days thereafter, in full, all monies paid by him hereunder, and upon such repayment no party shall have any claim against any other party, person or entity, and all parties shall be released from all obligations hereunder and under the Plan. If, after the Plan is declared effective, title to the Unit shall not close within the time set forth in Paragraph 2 hereof or in the Plan, for any reason other than Purchaser's default, then, at Purchaser's option, upon prior written notice sent by Purchaser to Seller within fifteen (15) days subsequent to the end of the scheduled closing date, after permitted adjournments, this Purchase Agreement shall be deemed canceled. If this Purchase Agreement is canceled pursuant to the provisions of this paragraph, then not later than twenty (20) days thereafter, Purchaser shall receive a refund in full, of all monies paid by Purchaser hereunder, with the interest earned thereon, if any. Upon such repayment, neither party shall have any claim against the other and both shall be released from all obligations.

Seller may cancel this Purchase Agreement by forwarding its check in the full amount paid by the Purchaser, together with a notice in writing, addressed to the Purchaser at his address hereinabove set forth 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 materials necessary in the construction of residential housing and such restrictions shall prevent the Seller from obtaining such materials from its regular suppliers or from using same in the construction and/or completion of the dwellings; or (b) that the 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 if the installation of public utilities is restricted or curtailed.

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

16.1. The required downpayment pursuant to this Agreement will be ten percent (10%) of the purchase price for the Unit set forth in the Plan, as amended, which Down Payment shall be increased by special custom work or materials, if any, offered by Seller and ordered by Purchaser as itemized in this Agreement.

16.2. The Law Offices of Michael Michael PLLC, with an address at 1795 Coney Island Avenue, Brooklyn, New York 11230, telephone number 718 998-9888, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. Escrow Agent has designated the following attorney to serve as signatories: Michael H. Michael. 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.

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

16.4. The Escrow Agent has established the escrow account at Chase Bank, located at 1507 Avenue M, Brooklyn, New York 11230, in the State of New York ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled IOLA The Law Offices of Michael Michael PLLC/The 631 East 18th Street Condominium ("Escrow Account"). The Escrow Account is not an IOLA account. The Escrow Account is federally insured by the FDIC at the maximum amount of [\$250,000] per deposit. Any deposit in excess of [\$250,000] will not be insured.

16.5. All Deposits received by Purchaser shall be in the form of checks, and shall be made payable to or endorsed by the Purchaser to the order of IOLA The Law Offices of Michael Michael PLLC, The 631 East 18th Street Condominium, as Escrow Agent.

16.6. The interest rate for all Deposits made into the Escrow Account shall be the prevailing rate for such accounts, which is currently 0%. Interest shall begin to accrue upon placing the Deposit into the Escrow Account. All interest earned thereon shall be paid to or credited to the Purchaser at closing. 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.

16.7. Within five (5) business days after the Purchase Agreement has been tendered to Escrow Agent along with the Deposit, the Escrow Agent shall sign the Purchase Agreement and place the Deposit into the Escrow Account. Within ten (10) business days of the placing the deposit in the Escrow Account, Escrow Agent shall provide written notice to Purchaser and Sponsor, conforming the Deposit. The notice shall provide the account number and the initial interest rate to be earned on the Deposit. Any Deposits made for upgrades, extras, or custom work shall be initially deposited into the Escrow Account, and released in accordance to the terms of a written agreement between Purchaser and Sponsor.

16.8. The Escrow Agent is obligated to send notice to the Purchaser once the Deposit is placed in the Escrow Account. If the Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the Deposit, he or she may cancel the Purchase Agreement within ninety (90) days after tender of the Purchase Agreement and Deposit to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, N.Y. 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning Deposits and requisite notice was timely mailed to the Purchaser.

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

16.10. Under no circumstances shall Sponsor seek or accept release of the Deposit of a defaulting Purchaser until after consummation of the Plan, as evidenced by the acceptance of the 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 §§ 352-3(2-b) and 352-h.

16.11. The Escrow Agent shall release the Deposit if so directed:

(a) pursuant to terms and conditions set forth in the Purchase Agreement in [Paragraph/Section] ____ upon closing of title to the [Unit/Shares/Membership Interests/Fractional Interest]; or

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

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

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

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

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

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

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

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

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

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

16.14. A fiduciary relationship shall exist between Escrow Agent, and Purchaser, and Escrow Agent acknowledges its fiduciary and statutory obligations pursuant to GBL §§ 352e(2-b) and 352(h).

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

16.16. Sponsor agrees that Sponsor and its agents, including any selling agents, shall deliver the Deposit received by them prior to closing of the [unit/shares/membership interest/fractional interest] to a designated attorney who is a member of or employed by Escrow Agent, within two (2) business days of tender of the Deposit by Purchaser.

16.17. Sponsor agrees that it shall not interfere with Escrow Agent's performance of its fiduciary duties and statutory obligations as set forth in GBL §§ 352-(e)(2-b) and 352-(h) and the New York State Department of Law's regulations.

16.18. Sponsor shall obtain or cause the selling agent under the Plan to obtain a completed and signed Form W-9 or W-8, as applicable, from Purchaser and deliver such form to Escrow Agent together with the Deposit and this Purchase Agreement.

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

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

16.21. In the event of an uncured default by Purchaser in his obligations under the Purchase Agreement, no more than ten percent (10%) of the purchase price plus any interest earned thereon, may be retained as liquidated damages. Notwithstanding the above, the actual cost incurred by Seller for any custom work in the Unit ordered by Purchaser may also be retained as liquidated damages. Seller agrees not to seek the remedy of specific performance in connection with Purchase Agreements as to which there has been a default by Purchaser. No Down Payment or other monies shall be released pursuant to an uncured default by Purchaser prior to the First Unit Closing and/or the Consummation of the Plan.

16.22. The balance of the Total Purchase Price will not be payable until closing of title to the Unit.

16.23. Following the declaration of effectiveness of the Plan, Purchaser will be given at least thirty (30) days prior written notice of the closing date for his Unit, which notice will also remind him of his obligation to pay the balance of the purchase price at that time and will state when Common Charges will be due and payable.

17. **Equipment and Furnishings.** Seller will provide Purchaser only with the fixtures, equipment, hardware, appliances and furnishings referred to in the Plan, which are included in the purchase price of the Unit. Furnishings, equipment, appliances and decorations in any model unit or sales office not referred to in the Plan are excluded from this sale unless specifically included by a rider to this Purchase Agreement. The cost of any such items will be added to the purchase price of the Unit.

18. **Acceptance of Condition of Unit; Risk of Loss.**

(i) Purchaser shall accept title (without abatement in or credit against the purchase price or provision for escrow) notwithstanding that construction of (a) minor details of the Unit, including custom work, or the Building in which the Unit is located, or (b) other Units or (c) the landscaped areas and/or amenities of the Condominium or (d) other portions of the Common Elements of the Condominium have not been completed. Minor details referred to in (a) above shall include, but is not be limited to, any items which Purchaser may set forth or which are set forth on the Punchlist Inspection Statement, appearing in Part II of the Plan.

(ii) Prior to the closing of title to a Unit, no Purchaser shall be permitted to enter the Unit without the prior consent of Seller or the Selling Agent. Purchaser shall have the right to enter and inspect such Unit prior to the closing of title, but shall be obligated to make an inspection appointment with Seller or the Selling Agent. Under no circumstances shall Purchaser perform or cause to be performed any work in such Unit prior to the closing of title thereto.

(iii) Purchaser represents to Seller that he has either examined the floor Plans for the Unit or the Unit and agrees that his execution of this Purchase Agreement shall constitute acceptance of the Unit and the Building and all fixtures, machinery, equipment, furnishings, appliances, installations and other personal property represented in the Plan or contained in the Unit, in their represented or present condition on the date of this Purchase Agreement, subject to reasonable use, wear, tear and natural deterioration between the date of this Purchase Agreement and the Closing Date and subject to any other obligations of Seller with regard thereto under the terms of the Plan.

(iv) The risk of loss from fire or other casualty with respect to the Unit shall remain with Seller until the closing of title for the Unit. In the case of a casualty to the Unit, Seller at its sole discretion, reserves the right to either repair or restore such Unit whereupon Purchaser shall be obligated to close without an abatement in the purchase price, or not repair or restore the Unit and grant Purchaser the right to rescind the Purchase Agreement. Notwithstanding the above, in the event that Purchaser, or one claiming by or through Purchaser, enters into possession of the Unit prior to the closing of title, then Purchaser shall bear the risk of loss or other casualty with respect to the Unit. Additionally, in the event that Purchaser, or one claiming by or through Purchaser enters into possession of the Unit prior to the closing of title, Purchaser shall be solely responsible for any damage to, or loss or other condition in, the Unit and Seller shall not be obligated to repair any damages to the Unit or its appliances, fixtures and equipment. Accordingly, Purchaser, or one claiming by or through Purchaser, who takes possession of the Unit prior to the closing of title should obtain insurance coverage for the Unit prior to taking possession, since, despite any loss, Purchaser will remain obligated to purchase the Unit under the terms of this Purchase Agreement, without any abatement in the purchase price. PURCHASER SHOULD CONSULT WITH AN ATTORNEY AND/OR INSURANCE AGENT AS TO HIS OR HER INSURANCE NEEDS.

19. **Possession of Unit Prior to Closing.** It is expressly understood and agreed that the Purchaser shall in no event take possession of the Unit prior to the time of the delivery of the deed and full compliance by the Purchaser with the terms of this Purchase Agreement, and should the Purchaser violate this provision, the Purchaser consents that the

Seller shall have the right to remove him from the Unit as a squatter and intruder by summary proceedings. Upon the Purchaser's unauthorized possession, the Purchaser shall be deemed in default hereunder at the option of the Seller, and if the Seller so elects, the Seller may cancel this Agreement and the amount deposited hereunder shall belong to the Seller as liquidated damages deemed earned hereunder. It is further understood and agreed that the Seller will not be responsible for damage or loss to any property belonging to Purchaser whether same is delivered to the property before, on or after the closing of title herein.

20. **Limitation of Seller's Liability.** . If Sponsor is unable to deliver title to the Unit to Purchaser in accordance with the provisions of this Agreement and the Plan, Sponsor will not be obligated to bring any action or proceeding or otherwise incur any cost or expense of any nature whatsoever in excess of its obligations set forth in the Plan in order to cure such inability, and, in such case, if Sponsor notifies Purchaser of its refusal to cure such inability and if Purchaser is not in default hereunder, Purchaser's sole remedy will be to either (a) take title to the Unit subject to such inability (without any abatement in, or credit against, the Purchase Price, or any claim or right of action against Sponsor for damages or otherwise) or (b) terminate this Agreement. If Purchaser so elects to terminate this Agreement, Sponsor will, within thirty (30) days after receipt of notice of termination from Purchaser, return to Purchaser the Down Payment paid by Purchaser hereunder, subject to Sponsor's rights to retain certain funds deposited by Purchaser for special work in the Unit, as more particularly described in the Section of the Plan, entitled "Terms of Sale," and, upon making such payment, this Agreement will be terminated and neither party hereto will have any further rights, obligations or liability to or against the other under this Agreement or the Plan. The foregoing remedy must be exercised by notice of Purchaser in writing to Sponsor within fifteen (15) days after the giving of Sponsor's notice of refusal to cure such inability, failing which it will be conclusively deemed that Purchaser elected the remedy described in clause (a) above (i.e., to acquire title subject to such inability).

21. **Definitions.** The term "Purchaser" shall be read as "Purchasers" if more than one person are purchasers, in which case their obligations shall be deemed joint and several. The terms used herein shall have the same meanings as ascribed thereto in the Plan.

22. **Gender.** The use of the masculine gender in this Purchase Agreement shall be deemed to refer to the feminine gender or to an entity whenever the context so requires.

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 or discharged 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 _____, as broker, (is) (are) the only broker(s) or sales agents with whom Purchaser has dealt in connection with this transaction,

hereinafter "Broker". Seller agrees to pay the commission earned by Broker pursuant to separate agreements between Seller and Broker. Purchaser agrees that should any claim be made against Seller or Broker, for commissions by any other broker or co-broker, other than the aforementioned Broker, on account of any acts of Purchaser or Purchaser's representatives, Purchaser will indemnify and hold Seller and Broker free and harmless from and against any and all liabilities and expenses in connection therewith, including reasonable legal fees. The provisions of this paragraph 25 shall survive the closing of title.

26. **Governing Law.** This Purchase Agreement shall be governed by and construed in accordance with the law of the State of New York, notwithstanding the principles of Conflicts of Law.

27. **Jury Waiver.** Purchaser hereby waives trial by jury in any action, proceeding, or counterclaim involving any matter whatsoever arising out of, or in any way 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 twenty (20) days after delivery to Seller or its Agent by Purchaser of this Purchase Agreement, executed by Purchaser, together with the required Down Payment, Seller will either:

- (a) accept this Agreement and cause to be returned to Purchaser a fully executed counterpart thereof or
- (b) reject this Agreement offer and refund the Down Payment tendered by Purchaser.

If Seller takes no action within said twenty (20) day period this Purchase Agreement shall be deemed null and void and Seller will return Purchaser's Down Payment within twenty (20) days.

Upon such refund being made, neither party shall have any further rights, obligations or liabilities hereunder with respect to the other. Prior to Sponsor's countersigning and returning this Purchase Agreement to Purchaser, and at any time thereafter, Purchaser agrees upon request to provide Sponsor with written information about Purchaser's employment, financial and rental/ownership history. Such information obtained prior to countersignature may be used to determine Purchaser's qualification to purchase and own the Unit, but does not constitute a reservation or binding obligation on either the applicant or Sponsor. Sponsor has the right, without incurring any liability, to reject this Agreement without cause or explanation to Purchaser. This Agreement may not be rejected due to Purchaser's sex, race, creed, color, national origin, ancestry, disability, marital status, or other ground proscribed by law.

29. **Transfer Tax Returns.** At closing, Purchaser will duly complete and sign before a Notary Public the transfer tax return required to be filed with the City of New York and the appropriate New York State form (TP-584 or its successor) required to be filed with the New York County Register's office. This transfer tax return and TP-584 form 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.

30. **Foreign Investment in Real Property Tax Act.** Pursuant to the Foreign Investment in Real Property Tax Act (FIRPTA), upon disposition of a United States real property interest by a foreign person on or after January 1, 1985, the Purchaser of such real property interest must deduct and withhold a tax equal to ten percent (10%) of the purchase price unless the Seller furnishes a certificate that it is not a foreign entity or individual. Seller, a New York limited liability company, will furnish to Purchaser a non-foreign certification at closing, thereby complying with FIRPTA and relieving Purchaser from any withholding obligations.

31. **Custom Work.** Purchaser acknowledges and agrees that all custom work ordered by Purchaser is to be performed by Sponsor's contractors. The cost of such custom work will be in addition to the total purchase price for the Unit and will be at the sole cost and expense of Purchaser. The initial downpayment for the purchase of the Unit will be increased by the total cost of the custom work. Although initially deposited in escrow, upon the rescission of a Purchase Agreement by Purchaser, the funds deposited for the extra custom work will not be refunded to the Purchaser to the extent such funds have already been disbursed or are required to pay for the custom work. Any work or items ordered from Seller by Purchaser which are not included in the plans or standard model of the Residential Unit shall, except as may otherwise be provided in this Agreement or in a writing signed by Seller, be paid for in full by Purchaser at the time they are ordered. The failure of Seller to perform or supply and install such work or items shall not entitle Purchaser to cancel this Agreement even if Purchaser has already paid for such work or items. Purchaser's only right in the event of Seller's failure to perform such extra work or supply and install such extra items is to receive a refund or credit at the time of Closing equal to the total payments made to Seller for such extra work or extra items. Seller shall have no responsibility for any work, fixtures, appliances, equipment or materials not ordered directly from Seller by Purchaser. For the purposes of this provision, any orders which Purchaser places directly with Seller's contractors or suppliers shall not be deemed to have been ordered directly from Seller.

32. **Damage to Public Improvements, Amenities and Common Elements.** Purchaser shall repair and/or restore to their original condition and standards any public improvement, amenity or Common Element on the Property damaged by Purchaser or Purchaser's agents, employees, contractors or licensees. Upon failure of Purchaser to complete such repair and/or restoration work within thirty (30) days after written notice from Seller, then and in that event, Seller may complete same at the expense of Purchaser who shall reimburse Seller for the cost thereof immediately upon demand. This paragraph shall survive delivery of the deed at Closing.

33. **Costs of Enforcing and Defending Agreement.** Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor, if Sponsor is the prevailing party, in defending Sponsor's rights under this Agreement, or in the event Purchaser defaults under this Agreement beyond any applicable grace period, in canceling this Agreement or otherwise enforcing either Seller's rights or Purchaser's obligations hereunder.

34. **Survival.** The closing of title to the Unit and the delivery of the deed thereto shall be deemed full compliance by Seller with each and every term of this Purchase Agreement, except as to any item specifically listed and excepted therefrom. All representations under the Plan, all obligations pursuant to the General Business Law, and such additional obligations under the Plan which are to be performed subsequent to the Closing will survive delivery of the deed.

35. **Conflict with Plan.** Any conflict between the Plan and this Purchase Agreement will be resolved in favor of the Plan.

36. **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, the intent of any provision hereof.

Dated: _____, New York _____ L.S.

_____ Purchaser

_____ L.S.

_____ Purchaser

Accepted:
Seller:

631 E 18th Street, LLC

ESCROW AGENT:
The Law Offices of Michael Michael
PLLC

By: _____

By: _____

Dated: _____, 201__

POLICY ON SMOKING FOR THE 631 EAST 18TH STREET CONDOMINIUM

There is no safe amount of exposure to secondhand smoke. Adults exposed to secondhand smoke have higher risks of stroke, heart disease and lung cancer. Children exposed to secondhand smoke have higher risks of asthma attacks, respiratory illnesses, middle ear disease and sudden infant death syndrome (SIDS). For these reasons, and to help people make informed decisions on where to live, New York City requires residential condominium unit owners (referred to in this policy as the "Owner" which includes the owner of record, seller, manager, landlord, any agent thereof or governing body) in buildings with three or more residential units to create a policy on smoking and share it with all occupants. The building policy on smoking applies to any person on the property, including guests.

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

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

Smoke-Free Air Act New York City law prohibits smoking and using e-cigarettes of any kind in indoor common areas, including but not limited to, lobbies, hallways, stairwells, mailrooms, fitness areas, storage areas, garages and laundry rooms in any building with three or more residential units. NYC Admin. Code, § 17-505.

Policy on Smoking Smoking is not allowed in the following areas (Take note that the Smoke-Free Air Act bans smoking tobacco or non-tobacco products, and using e-cigarettes in indoor common areas):

Outside of areas that are part of residential units, Outdoor common areas, including play areas, rooftops, courtyards; and Outdoors within 15 feet of entrances, exits, windows, and air intake units on property grounds.

There is no smoking in the Community Facility Unit or its limited common elements.

Smoking is allowed in individual residential units and their limited common elements.

Complaint Procedure Complaints about smoke drifting into a residential unit or common area should be made promptly to the Manager listed here _____ . Complaints should be made in writing and should be as specific as possible, including the date, approximate time, location where smoke was observed, building address, description of incident and apparent source of smoke.

Acknowledgment and Signatures: I have read the policy on smoking described above, and I understand the policy applies to the property. I agree to comply with the policy described above.

For rental units, I understand that violating the smoking policy may be a violation of my lease. For condominiums, cooperatives or other owned units, I understand that violations of the policy on smoking may be addressed according to the building's governing rules.

Manager's printed name _____

Manager's signature _____ Date _____

Owner's printed name _____

Owner's signature _____ Date _____

Tenant's printed name _____

Tenant's signature _____ Date _____

UNIT DEED

THIS INDENTURE made the _____ day of _____, 201____,
between 631 E 18th Street, LLC, 2753 Coney Island Avenue, Brooklyn, New York
11235, (hereinafter "Grantor"), and

_____, (hereinafter "Grantee");

WITNESSETH

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

The Unit described in the attached Schedule A.

TOGETHER with any strips or gores adjoining the above described premises on any of the sides thereof;

TOGETHER with an undivided _____ percent interest in the Common Elements of the Property described in said Declaration (hereinafter called the "Common Elements");

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

TOGETHER with an easement in common with the Owners of other Units to use any pipes, wires, ducts, cables, conduits, public utility lines, and other Common Elements located in any of the other Units or elsewhere on the Property, and serving the Units;

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

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

SUBJECT to easements in favor of adjoining Units and in favor of the Common Elements for the continuance of all encroachments of such adjoining Units or Common Elements on the Unit, now existing as a result of construction of the Buildings, or as a result of repair or restoration of the Buildings, or any adjoining Unit, or of the Common Elements, after damage, condemnation, or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements made by, or with the consent of, the Board of Managers so that any such encroachments may remain so long as the Buildings shall stand. Each Unit shall be subject to the aforesaid easements in favor of all other Units.

TOGETHER with and subject to easements, rights of way, restrictions and encumbrances created by the Declaration for THE 631 EAST 18TH STREET CONDOMINIUM recorded in the Kings County Office of the Register of the City of New York on the day of _____, in CRFN# _____

SUBJECT to the provisions of the Declaration, By-Laws, and Floor Plans of the Condominium recorded simultaneously with and as part of the Declaration, as the same may be amended from time to time by instruments recorded in the Kings County Office of the Register of the City of New York, which provisions, together with any amendments thereto, shall constitute covenants running with the land and shall bind any person having time, any interest, or estate in the Unit, as though such provisions were recited and stipulated at length herein;

AND the Grantor covenants that the Grantor has not done or suffered anything whereby the said premises have been encumbered in any way whatsoever, except as aforesaid;

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

The use for which the Unit is intended is that of a residence and/or professional office as permitted by the By-Laws and the Declaration.

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to the provisions of the Condominium Act, or if any provision that is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of the Condominium Act shall control.

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 improvements, and will apply the same first to the payment of the cost of the improvements before using any part of the same for any other purpose.

IN WITNESS WHEREOF, the Grantor has duly executed this Deed the day and year first above written.

631 E 18TH STREET, LLC

BY:

STATE OF NEW YORK)
COUNTY OF)

SS.:

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 same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed the instrument.

NOTARY PUBLIC

POWER OF ATTORNEY

THE UNDERSIGNED, the Owner of Unit No. _____ in the Condominium known as THE 631 EAST 18TH STREET CONDOMINIUM, consisting of the property submitted to the provisions of Article 9-B of the Real Property Law of the State of New York pursuant to Declaration recorded the _____ day of _____, 201____, in the Kings County Office of the Register at CRFN# _____ in the floor plan of file as Map No. _____, do hereby nominate, constitute, and appoint persons who may from time to time constitute the Board of Managers of THE 631 EAST 18TH STREET CONDOMINIUM jointly, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, to acquire in their own name, as members of the Board of Managers, or in the name of their designee, corporate, or otherwise, on behalf of all Owners of Units whose Owner in said Property, in accordance with their Common Interests, any Unit whose Owner desired to abandon or sell the same, the undivided interest in the Common Elements appurtenant thereto, the interest of such Unit Owner in any other Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, or in the proceeds of sale of such Unit Owner in any other Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners in all other assets of the Condominium as defined in the aforementioned Declaration, or any Unit, which shall be the subject of a foreclosure or other judicial sale, or to lease any Unit whose Owner desires to rent the same, at such price or on such rental, as the case may be, and on such terms as said attorneys-in-fact may determine, granting to such attorneys-in-fact the power to do all things in the said premises which the undersigned could do, if the undersigned were personally present. In more particular delineation of, but not in derogation or limitation of, the power set forth above, the Board of Managers, notwithstanding bankruptcy of any Unit Owner, specifically has the power to do any act or thing, and execute any document necessary to effectuate the purposes set forth in the Declaration referenced above including, but not limited to, Amendment of said Declaration, execution of the Deed conveying Condominium property, filing for a severance of tax lots, and any other document or thing reasonable or necessary to effectuate the aforementioned purposes.

The acts of majority of such persons shall constitute the acts of said attorneys-in-fact.
The Power of Attorney shall be irrevocable.

SS.:

NOTARY PUBLIC

ESCROW AGREEMENT

AGREEMENT made this day of , 20____, by and among ("PURCHASER"), 631 E 18TH STREET, LLC ("SPONSOR"), as sponsor of the The 631 East 18th Street Condominium offering plan ("Plan") and The Law Offices of Michael Michael PLLC, ("ESCROW AGENT").

WHEREAS, SPONSOR has filed the Offering Plan with the Attorney General to offer for sale condominium ownership interests at the premises located at 631 East 18th Street Brooklyn, 11226, subject to the terms and conditions set forth in the Plan; and

WHEREAS, ESCROW AGENT is authorized to act as an escrow agent hereunder in accordance with New York General Business Law ("GBL") Sections 352-e(2-b), 352-(h) and the New York Department of Law's regulations promulgated thereunder; and

WHEREAS, SPONSOR and PURCHASER desire that ESCROW AGENT act as escrow agent for deposits, down payments, and advances (referred to herein as "Deposit") pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1.1. ESCROW AGENT Shall establish an escrow account for the purpose of holding the Deposit made by PURCHASER pursuant to that certain purchase agreement for the purchase and sale of unit__ the Purchase Agreement at CHASE Bank located at 1507 Avenue M, Brooklyn, New York 11230, in the State of New York ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled IOLA The Law Offices of Michael Michael PLLC/The 631 East 18th Street Condominium ("Escrow Account"). The account number is _____.

1.2 ESCROW AGENT has designated the following attorneys to serve as signatories: Michael H. Michael All designated signatories are admitted to practice law in the State of New York. All of the signatories on the Escrow Account have an address of 1795 Coney Island Avenue, Brooklyn, New York 11230, and a telephone number of 718 998-9888.

1.3 ESCROW AGENT and all authorized signatories hereby submit to the jurisdiction of the State of New York and its Courts for any cause of action arising out of this Agreement or otherwise concerning the maintenance of or release of the Deposit from escrow.

1.4 Neither ESCROW AGENT nor any authorized signatories on the Escrow Account are the Sponsor, Selling Agent, Managing Agent (as those terms are defined in the Plan), or any principal thereof, or have any beneficial interest in any of the foregoing .

1.5 The Escrow Account is an IOLA account established pursuant to Judiciary Law Section 497.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

2.1 All Deposits received from PURCHASER prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be placed into the Escrow Account. All instruments to be placed into the Escrow Account shall be made payable directly to the order of IOLA The Law Offices of Michael Michael PLLC/ The 631 East 18th Street Condominium, as ESCROW AGENT, pursuant to the terms set forth in the Plan. Any instrument payable to, or endorsed other than as required hereby, and which cannot be deposited into such Escrow Account, shall be returned to PURCHASER promptly, but in no event more than five (5) business days following receipt of such instrument by ESCROW AGENT. In the event of such return of the Deposit, the instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

2.2 ESCROW AGENT is hereby obligated to send a notice of all Deposits received by ESCROW AGENT to PURCHASER within ten (10) business days of receipt of same. Such notice shall set forth the Bank, the account number, and the initial interest rate earned thereon. If the PURCHASER does not receive notice within fifteen (15) business days after tender of the Deposit, the PURCHASER may cancel the Purchase Agreement 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, 120 Broadway, 23rd Floor, New York, N.Y. 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning the Deposit and requisite notice was timely mailed to the Purchaser.

3. RELEASE OF FUNDS

3.1 Under no circumstances shall SPONSOR seek or accept release of the Deposit of PURCHASER to SPONSOR until after consummation of the Plan, as evidenced by the acceptance of an effectiveness amendment by the New York State Department of Law. Consummation of the Plan shall not relieve SPONSOR or ESCROW AGENT of any obligation to PURCHASER as set forth in GBL §§ 352-3(2-b) and 352-h.

3.2 ESCROW AGENT shall release the Deposit to PURCHASER or SPONSOR as directed:

3.2.1 pursuant to terms and conditions set forth in the Purchase Agreement and this Agreement, upon closing of title to the [shares/unit/membership interest/fractional interest];

3.2.2 in a subsequent writing signed by both SPONSOR and PURCHASER; or

3.2.3 by a final, non-appealable order or judgment of a court.

3.3 If Escrow Agent is not directed to release the Deposit pursuant to paragraph 3.2 above, and Escrow Agent receives a request by either SPONSOR or PURCHASER to release the Deposit, then Escrow Agent must give both the Purchaser and Sponsor prior written notice of not fewer than thirty (30) days before releasing the Deposit. If Escrow Agent has not received notice of objection to the release of the

Deposit prior to the expiration of the thirty (30) day period, the Deposit shall be released and Escrow Agent shall provide further written notice to both PURCHASER and SPONSOR informing them of said release. If Escrow Agent receives a written notice from either PURCHASER or SPONSOR objecting to the release of the Deposit within said thirty (30) day period, Escrow Agent shall continue to hold the Deposit until otherwise directed pursuant to paragraph 3.2 above. Notwithstanding the foregoing, Escrow Agent shall have the right at any time to deposit the Deposit contained in the Escrow Account with the Clerk of the county where the [unit/building] is located and shall give written notice to both SPONSOR and PURCHASER of such deposit.

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

3.4.1 Purchaser, if Purchaser timely rescinds in accordance with an offer of rescission contained in the Plan or an Amendment to the Plan; or

3.4.2 Purchaser after an Amendment abandoning the Plan is accepted for filing by the New York State Department of Law.

4. RECORDKEEPING.

4.1 ESCROW AGENT shall maintain all records concerning the Escrow Account for seven years after release of the Deposit.

4.2 Upon the dissolution of the law firm which was ESCROW AGENT, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the New York State Department of Law of such transfer.

4.3 ESCROW AGENT shall make available to the Attorney General, upon request, all books and records of ESCROW AGENT relating to the funds deposited and disbursed hereunder.

5. GENERAL OBLIGATIONS OF ESCROW AGENT.

5.1 ESCROW AGENT shall maintain the Escrow Account under its direct supervision and control.

5.2 A fiduciary relationship shall exist between ESCROW AGENT, and PURCHASER, and ESCROW AGENT acknowledges its fiduciary and statutory obligations pursuant to GBL §§ 352(e)(2-b) and 352(h).

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

6. RESPONSIBILITIES OF SPONSOR.

6.1 SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall deliver the Deposit received by them prior to closing of the [unit/shares/membership interest/fractional interest] to a designated attorney who is a member of or employed by ESCROW AGENT, within two (2) business days of tender of the Deposit by PURCHASER, using such transmittal forms as required by ESCROW AGENT.

6.2 SPONSOR agrees that it shall not interfere with ESCROW AGENT'S performance of its fiduciary duties and statutory obligations as set forth in GBL §§ 352-(e)(2-b) and 352-(h) and the New York State Department of Law's regulations.

6.3 SPONSOR shall obtain or cause the selling agent under the Plan to obtain a completed and signed Form W-9 or W-8, as applicable, from PURCHASER and deliver such form to ESCROW AGENT together with the Deposit and Purchase Agreement.

7. TERMINATION OF AGREEMENT.

7.1 This Agreement shall remain in effect unless and until it is canceled by either:

7.1.1 Written notice given by SPONSOR to ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity, which cancellation shall take effect only upon the filing of an amendment to the Plan with the Department of Law providing for a successor escrow agent that meets the requirements set forth in applicable regulations of the New York State Department of Law. PURCHASER shall be deemed to have consented to such cancellation;

7.1.2 The resignation of ESCROW AGENT, which shall not take effect until ESCROW AGENT is replaced by a successor escrow agent that meets the requirements set forth in applicable regulations of the New York State Department of Law, and notice is given to PURCHASER of the identity of the successor escrow agent, the Bank in the State of New York where the Deposit is being held, and the account number therefor.

7.2 Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1.1 or 7.1.2 above, ESCROW AGENT shall deliver the Deposit held by ESCROW AGENT and the Purchase Agreement and any other documents maintained by ESCROW AGENT relating to the Deposit to the successor escrow agent.

8. SUCCESSORS AND ASSIGNS.

This Agreement shall be binding upon SPONSOR, PURCHASER, and ESCROW AGENT and their respective successors and assigns.

9. GOVERNING LAW.

This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

10. ESCROW AGENT'S COMPENSATION.

Prior to release of the Deposit, ESCROW AGENT'S fees and disbursements shall neither be paid by SPONSOR from the Deposit nor deducted from the Deposit by any financial institution under any circumstance.

11. SEVERABILITY.

If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

12. INDEMNIFICATION.

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 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 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.

13. ENTIRE AGREEMENT.

This Agreement, read together with GBL §§ 352-e(2-b) and 352-(h) and the New York State Department of Law's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

ESCROW AGENT:

The Law Offices of Michael Michael
PLLC By: _____

Name: _____

Title: _____

631 E 18th Street, LLC

By: _____

Name: _____

Title: _____

PURCHASER

By: _____

Name: _____

Title: _____

339-KK. RENTS.

(A) FOR THE PURPOSES OF THIS SECTION, "NON-OCCUPYING OWNER" SHALL MEAN A UNIT OWNER IN A CONDOMINIUM ASSOCIATION WHO DOES NOT OCCUPY THE DWELLING UNIT.

(B) IF A NON-OCCUPYING OWNER RENTED ANY DWELLING UNIT TO A RENTAL TENANT AND THEN FAILS TO MAKE PAYMENTS DUE FOR COMMON CHARGES, ASSESSMENTS OR LATE FEES *FOR* SUCH UNIT WITHIN SIXTY DAYS OF THE EXPIRATION *OF* ANY GRACE PERIOD AFTER THEY ARE DUE, UPON NOTICE IN ACCORDANCE WITH SUBDIVISION (C) *OF* THIS SECTION, ALL RENTAL PAYMENTS FROM THE TENANT SHALL BE DIRECTLY PAYABLE TO THE CONDOMINIUM ASSOCIATION.

(C) IF THE COMMON CHARGES, ASSESSMENTS OR LATE FEES DUE FOR ANY UNIT HAVE NOT BEEN PAID IN FULL, WITHIN SIXTY DAYS AFTER THE EXPIRATION OF ANY GRACE PERIOD OF THE EARLIEST DUE DATE, THE BOARD OF MANAGERS SHALL PROVIDE WRITTEN NOTICE TO THE TENANT AND THE NON-OCCUPYING OWNER PROVIDING THAT, COMMENCING IMMEDIATELY AND UNTIL SUCH TIME AS ALL PAYMENTS FOR COMMON CHARGES, ASSESSMENTS OR LATE FEES ARE MADE CURRENT, ALL RENTAL PAYMENTS DUE SUBSEQUENT TO THE ISSUANCE OF SUCH NOTICE ARE TO BE MADE PAYABLE TO THE CONDOMINIUM ASSOCIATION AT THE ADDRESS LISTED ON THE NOTICE. WHERE A MAJORITY OF THE BOARD OF MANAGERS HAS BEEN ELECTED BY AND FROM AMONG THE UNIT OWNERS WHO ARE IN OCCUPANCY, THE BOARD MAY ELECT NOT TO REQUIRE THAT RENTAL PAYMENTS BE MADE PAYABLE TO THE CONDOMINIUM ASSOCIATION. AT SUCH TIME AS PAYMENTS FOR COMMON CHARGES, ASSESSMENTS AND LATE FEES FROM THE NON-OCCUPYING OWNER ARE ONCE AGAIN CURRENT, NOTICE OF SUCH FACT SHALL GIVEN WITHIN THREE BUSINESS DAYS TO THE RENTAL TENANT AND NON-OCCUPYING OWNER. THEREAFTER ALL RENTAL PAYMENTS SHALL BE MADE PAYABLE TO THE NON-OCCUPYING OWNER WHO DISPUTES THE ASSOCIATION'S CLAIM TO RENTAL SUPPORTING SUCH OWNER'S POSITION AT THE NEXT SCHEDULED MEETING OF THE BOARD OF MANAGERS, WHICH MUST BE HELD WITHIN THIRTY DAYS OF THE DATE THAT SUCH BOARD RECEIVES NOTICE THAT SUCH SEEKS TO DISPUTE SUCH CLAIM.

(D) NOTHING IN THIS SECTION SHALL LIMIT ANY RIGHTS OF UNIT OWNERS OR OF THE BOARD OF MANAGERS EXISTING UNDER ANY OTHER LAW OR AGREEMENT.

(E) PAYMENT BY A RENTAL TENANT TO THE CONDOMINIUM ASSOCIATION MADE IN CONNECTION WITH THIS SECTION SHALL RELIEVE THAT

RENTAL TENANT FROM THE OBLIGATION TO PAY SUCH RENT TO THE NON-OCCUPYING OWNER AND SHALL BE AN ABSOLUTE DEFENSE IN ANY NON-PAYMENT PROCEEDING COMMENCED BY SUCH NON-OCCUPYING OWNER AGAINST SUCH TENANT FOR SUCH RENT.

4. This act may be enforced by any party by means of a special proceeding brought pursuant to article 4 of the civil practice law and rules.

6. This act shall take effect immediately, and is applicable to all cooperative corporations and condominiums in existence on or after such date.

The Legislature of the STATE OF NEW YORK SS:

Pursuant to the authority vested in us by section 70-b of the Public Officers Law, we hereby jointly certify that this slip copy of this session law was printed under our direction and, in accordance with such section, is entitled to be read into evidence.

JOSEPH L. BRUNO SHELDON SILVER
TEMPORARY PRESIDENT SPEAKER OF THE ASSEMBLY
OF THE SENATE

DECLARATION

ESTABLISHING A PLAN OF CONDOMINIUM OWNERSHIP OF
PREMISES LOCATED AT
631 EAST 18TH STREET, BROOKLYN,
KINGS COUNTY, CITY AND STATE OF NEW YORK,
PURSUANT TO ARTICLE 9-B OF THE REAL PROPERTY LAW OF
THE STATE OF NEW YORK

NAME: THE 631 EAST 18TH STREET CONDOMINIUM

SPONSOR: 631 E 18TH STREET, LLC
2753 Coney Island Avenue
Brooklyn, New York 11226

DATE OF DECLARATION:

The Law Offices of Michael Michael PLLC Attorneys for the Sponsor
1795 Coney Island Avenue
Brooklyn, New York 11230

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PLAN OF CONDOMINIUM UNIT OWNERSHIP

DECLARATION OF 631 E 18TH STREET, LLC PURSUANT TO ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK

In the County of Kings, City and State of New York, on this day of , 201 , 631 E 18TH STREET, LLC, whose principal office is situated at 2753 Coney Island Avenue, Brooklyn, New York 11226, hereinafter referred to as the "Owner" represented in this Declaration by, , who is fully empowered and qualified to execute this Declaration on behalf of the said LLC does hereby state:

FIRST: Submission of Property. By this Declaration the Owner submits the property described in this Declaration, including the land and the Building and all other improvements erected and to be erected thereon, all easements, rights and appurtenances belonging thereto and all other property, real, personal or mixed, intended for use in connection therewith, to the provisions of Article 9-B of the Real Property Law of the State of New York.

SECOND: Description of Property. The Owner owns all that certain plot, piece or parcel of land situate, lying and being in Brooklyn, in the Borough of Brooklyn, in the County of Kings, City and State of New York, and more particularly described in Schedule A annexed hereto.

THIRD: Definitions.

(a) "Units" shall refer to the 26 residential units and 1 Community Facility contained in the Condominium.

(b) The Owner of a Unit is hereinafter referred to as a "Unit Owner". The Unit Owner(s) are hereinafter collectively referred to as the "Unit Owners" and individually as a "Unit Owner". The description of the Units set forth herein pertains to the location of the walls, floors and ceiling of the Units as they are finally set forth in the building plans to be filed simultaneously with the recording of the Declaration.

Each 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 or whether the Unit is owned by an individual, corporation, partnership, fiduciary or

any other entirety. Where such ownership is joint, in common or by tenancy by the entirety, majority vote of such owners shall be necessary to cast the Unit Owner's vote referred to in Article Eighth of this Declaration.

(c) A "Unit" as hereinafter referred to shall be defined as follows: Each Unit consists of the area enclosed horizontally by the unexposed faces of the dry walls, including the thickness of such dry walls, located at an exterior wall of the buildings and the unexposed faces of the dry walls, including the thickness of such dry walls, dividing the Residential Unit from corridors, stairs or other Unit and vertically by the upper face of the sub-floor of the Residential Unit up to the unexposed side of the sheetrock forming the upper ceiling or the plaster ceiling of the Residential Unit. Doors and windows that open from a Residential Unit and interior walls of a Residential Unit shall be deemed to be part of the Residential Unit.

(d) A "Building" as hereinafter referred to shall be defined as a number of Units all of which are constructed under a continuous roof.

(e) "Party Wall" as hereinafter referred to shall be defined as a wall that is common to and separates two Units.

(f) "Condominium" as hereinafter referred to shall mean THE 631 EAST 18TH STREET CONDOMINIUM that is composed of the Unit Owners.

(g) The term "Unit Owner", as used herein shall be construed to mean Unit and Unit Owner as defined in Section 339-e of Article 9-B of the Real Property Law of the State of New York.

FOURTH: Community. The Owner is constructing on the parcel of land described above a Condominium Community known as THE 631 EAST 18TH STREET CONDOMINIUM according to the plans filed simultaneously with the recording of this Declaration in the Office of the Register of Kings County, which Plans, set forth a description of the buildings stating the number of stories and number of Units.

The Community will consist of 26 Residential Units, and 1 Community Facility located in a Six (6) story building. The Building is constructed of concrete foundations, exterior walls of concrete block and brick construction, with double-pitched roof, concrete slab on metal decking with waterproofing membrane as set forth on the Plot Plan filed simultaneously herewith. Each of the Units has access to each other Unit or to any other portion of the Community or to a street upon which the Community abuts by means of a walk or hallway. For the purposes of describing the location of the buildings, approximate area, type and number of rooms of each Unit and the common elements to which each Unit has immediate access, each Unit is described on Schedule B annexed hereto.

Each Unit will be sold to one or more Owners, each Owner obtaining fee ownership, together with an undivided interest in the Common Elements of the Community, as listed hereinafter in this Declaration and referred to as the "common elements," all of the above in accordance with Article 9-B of the Real Property Law of the State of New York. The designation of the number of rooms, interior partitions and kitchen and bathroom facilities may be changed by mutual consent of the Owner and the Unit Owner at the time of construction of the Unit.

The aforesaid Community has a total plot area of approximately 5242 feet.

FIFTH: (a) Common Elements. The Common Elements consist of all portions of the Property other than the Units, including, without limitation, the following:

1. The land on which the Building is erected and all other land within the boundaries of the Property;
2. All foundations, columns, girders, beams and supports;
3. All exterior walls of the Buildings;
4. Roofs, halls, corridors, lobbies, stairs, stairways and entrances to and exits from the Buildings;
5. All utility or other pipes, ducts, wires, chutes, cables, conduits and materials located outside of the Units and all other mechanical equipment spaces;
6. All other parts of the Property and all apparatus and installations existing in the Building or on the Property for common use or necessary or convenient to the existence, maintenance or safety of the Property.

(b) Limited Common Elements: Certain portions of the Common Elements are irrevocably restricted in use to specified Unit Owners, subject to the right of the Board of Managers to enter upon any restricted area for maintenance, repair or improvement of a Unit or Common Element. Any portion of the Common Elements, which is not restricted in use, may be used by any Unit Owner. Following are detailed descriptions of the Limited Common Elements:

1. Any balcony or terrace appurtenant to a Unit shall be limited in use to the Unit Owner who has direct access to the balcony or terrace from the interior of his Unit. However, each Unit Owner shall have a right of access over any such balcony for emergency ingress or egress from the building.
2. The Common Elements shall remain undivided and no Unit Owner shall bring any action for partition or division unless otherwise provided by law.

The percentage of the undivided interest in the Common Elements established herein shall not be changed for a Unit except with the consent of all of the Unit Owners affected expressed in a duly recorded amendment to this Declaration.

The undivided interest in the Common Elements shall not be separated from the Unit to which it appertains and shall be deemed conveyed or encumbered with the Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument.

SIXTH: Easements. (a) All pipes, wires, conduits, vents and public utility lines located within each Unit shall be owned by such Unit Owner. Any portion of such pipes, wires, conduits, vents and public utility lines located in the Common Elements will be owned in common by all the Unit Owners. Every Unit Owner shall have an easement in common with the owners of other Units to maintain and use all pipes, wires, conduits and public utility lines located in other Units and servicing such Unit Owner's Unit. Each Unit shall be subject to an easement in favor of the Unit Owners of other Units to maintain and use the pipes, wires, conduits and public utility lines servicing such other Units and located in such Unit. The Board of Managers shall have a right of access to each Unit for maintenance, repair or improvements to any pipes, wires, conduits and public utility lines located in any Unit and servicing the Common Elements. The cost of such repairs shall be a common expense. The Board of Managers shall have a right of access to all Common Elements for maintenance, repair or improvement whether such Common Elements are restricted or not;

(b) The Owner, its successors, assigns, and purchasers, reserves the easements, licenses, rights and privileges of a right-of-way in, through, over, under and across the Common Elements and Limited Common Elements of all Units of the Condominium for the purpose of the sale of Units and facilities in the Condominium and, towards this end, reserves the right to grant and reserve easements and rights-of-way in, through, under, over and across the Common Elements and Limited Common Elements for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, cable television and other utilities and for any other materials or services necessary for the completion of the work. The Owner, its successors, assigns, and purchasers, also reserve the right to connect with and make use of the utility lines, wires, pipes, conduits, cable television, sewers and drainage lines which may from time to time be in or along the streets and roads or other areas of the Common Elements or Limited Common Elements. Finally, the Owners, its successors, assigns and purchasers reserve the right to continue to use the Common Elements and any facilities, sales offices, model units, signs located on the Common Elements or Limited Common Elements, in its efforts to market Units in the Condominium. This paragraph shall not be amended without the consent of the Owner.

SEVENTH: Service of Process: Service of process on the Unit Owners in any action with relation to the Common Elements shall be made upon the Board of Managers of THE 631 EAST 18TH STREET CONDOMINIUM, Brooklyn, New York.

EIGHTH: Common Interest. Each Unit Owner shall have such percentage interest in the Common Elements as is set forth in Schedule B attached hereto and shall bear such percentage of the Common Expenses of the Condominium. All expenses of the Condominium shall be common expenses and shall be apportioned among all the Unit Owners according to the method set forth in the By-Laws. Each Unit Owner shall have one vote for all voting purposes at any meeting of the Unit Owners. The percentage of interest of each Unit in the Common Elements has been based upon the approximate proportion that the floor area of the Unit bears in relation to the floor area of all the Units, reflecting the substantially exclusive advantage enjoyed by some, but not all of Units in the Common Elements as of the recording of the Declaration.

NINTH: Administration. The administration of the Condominium, the Community and parcel of land described herein shall be in accordance with the provisions of this Declaration and with the provisions of the By-Laws which are made a part of this Declaration and are attached hereto as Exhibit "A".

TENTH: Amendments and Withdrawal.

(a) The dedication of the property to Condominium ownership herein shall not be revoked or the property withdrawn from Condominium ownership unless 80% of the Unit Owners in number and in common interest and the first mortgagees, if any, of each of these same Units agree to such revocation or removal of the property from the Plan by duly recorded instruments.

(b) The provisions of this Declaration may be modified or amended by an instrument executed by the Board of Managers upon a vote of 80% of the Unit Owners in number held at a duly called meeting of the Unit Owners, provided however, that:

(i) No amendment shall change any Condominium parcel, nor a Unit Owner's proportionate share of the common charges, nor the voting rights appurtenant to any Unit, unless all of the record Unit Owner(s) in number and common interest thereof and the first mortgagees, if any, of each of these same units agree to such revocation by recorded instrument.

(ii) No amendment shall be passed which shall impair or prejudice the rights and priorities of mortgagees.

There shall be a presumption for a period of 60 days subsequent to the recording of the amendment that the vote of the Unit Owners was made at a duly called

meeting and that the requisite voting percentage was obtained. After the 60-day period such presumption will be deemed conclusive.

execute or (on its request) to require the Board of Managers to execute and record in the Office of the Register of the County of Kings and elsewhere if required by law, an amendment or amendments to this Declaration (together with such other documents, plan and maps as may be required to effectuate the same) to reflect (i) the certification by a registered architect or professional engineer, certifying that the floor plans filed as part of an amended Declaration are an accurate copy of portions of the plans of the building and fully and fairly depict the layout, location, designation and approximate dimensions of the units as built or (ii) utility easements or (iii) the carrying out of other provisions of the Offering Plan of THE 631 EAST 18TH STREET CONDOMINIUM.

(d) Any amendment to this Declaration shall not take effect until it is recorded in the Register's Office of Kings County, City and State of New York.

Irrespective of any other provision of this Declaration, no action for partition or division of the Common Elements shall be brought nor shall this plan of Condominium ownership be terminated where such partition, division or termination will result in a violation of the then existing local zoning and building laws and codes.

ELEVENTH: Subject to Declaration, By-Laws, etc. All present or future Unit Owners, tenants, future tenants, or any other person that might use the facilities of the Community in any manner, are subject to the provisions of this Declaration, the By-Laws and Rules and Regulations of the Condominium and the mere acquisition or rental of any of the Units of the Community or the mere act of occupancy of any of said Units shall signify that the provisions of this Declaration and the By-Laws and Rules and Regulations of the Condominium are accepted and ratified and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance or lease thereof.

TWELFTH: Common Charges. All sums assessed as Common Charges by the Board of Managers of the Condominium but unpaid together with the maximum interest permitted in New York thereon, chargeable to any Unit Owner shall constitute a lien on his Unit prior to all other liens except: (a) tax or assessment liens on the Unit by the taxing subdivisions of any governmental authority, including but not limited to State, County, City, and School District taxing agencies; and (b) all sums unpaid on any first mortgage of record encumbering any Unit. Such lien may be foreclosed when past due in accordance with the laws

of the State of New York, by the Condominium, in like manner as a mortgage on real property, and the Condominium shall also have the right to recover all costs incurred including reasonable attorney's fees (but such right shall not be a lien against the Unit). In the event the proceeds of the foreclosure sale are not sufficient to pay such unpaid Common Charges the unpaid balance shall be charged to all Unit Owners as a common expense. However, where the holder of an institutional mortgage of record, or other purchaser of a Unit at a foreclosure sale of an institutional mortgage, obtains title to the Unit as a result of foreclosure, or the institutional mortgage holder obtains title by conveyance in lieu of foreclosure, such acquirer of title, his successors or assigns, shall not be liable and the Unit shall not be subject to a lien for the payment of Common Charges chargeable to such Unit which were assessed and became due prior to the acquisition of title to such Unit by such acquirer. In such event, the unpaid balance of the Common Charges will be charged to all other Unit Owners as a common expense. The term "institutional mortgage" herein used shall mean a first mortgage granted by a bank, savings and loan association, life insurance company, mortgage company, pension fund, trust company or other institutional lender or a mortgage granted by the Owner to a purchaser of a Unit or in which the Owner participates with one of the above.

Every Unit Owner shall pay the Common Charges assessed against him when due and no Unit Owner may exempt himself from liability for the payment of the Common Charges applicable to his Unit assessed against him by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of his Unit. However, no Unit Owner shall be liable for the payment of any Common Charges accruing subsequent to a sale, transfer or other conveyance by him of such Unit made in accordance with the provisions of this Declaration and the By-Laws.

THIRTEENTH: Units Acquired by the Board. In the event any Unit Owner shall convey his Unit to the Board of Managers in accordance with Section 339-x of the Real Property Law or in the event the Board of Managers shall purchase any Unit at a foreclosure sale in accordance with Article IX of the By-Laws, title to such Unit or the rights to the lease of such Unit shall be held by the Board of Managers or its designee on behalf of all of the other Unit Owners.

In order to carry out the provisions of this paragraph each Unit shall, upon becoming such, grant an irrevocable power of attorney, coupled with an interest to the Board of Managers and their successors to acquire title or lease any such Unit under whatever terms the Board may in its sole discretion deem proper and to sell, lease, sublease, mortgage, vote or otherwise deal with such Unit under such terms as the Board in its sole discretion shall deem proper.

FOURTEENTH: Encroachments. The Unit Owners agree that if any portion of a Unit or the Common Elements (whether restricted in use to an individual Unit Owner or not) encroaches upon another or shall hereinafter encroach upon another as a result of original construction or settling of the Buildings, a valid

easement for the encroachment and the maintenance of the same, so long as it stands, shall and does exist. In the event the Building is partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings and is rebuilt, the Unit Owner and Condominium agree that encroachments of any portion of the Unit or the Common Elements as afore-described due to construction, shall be permitted, and that a valid easement for said encroachment and the maintenance thereof shall exist so long as the Buildings or reconstructed Buildings shall stand.

FIFTEENTH: Unit Ownership. Upon the closing of title to a Unit, a Purchaser shall automatically become a Unit Owner in the Condominium and shall remain such until such time as he ceases to own the Unit for any reason.

SIXTEENTH: Conveyance of a Unit. In any conveyance of a Unit, either by voluntary instrument, operation of law or judicial proceeding in accordance with this Declaration or the By-Laws, the Grantee of the Unit shall be jointly and severally liable with the Grantor for any unpaid Common Charges applicable to the Unit, against the latter assessed and due up to the time of the grant or conveyance without prejudice to the Grantee's right to recover from the Grantor the amounts paid by the Grantee therefor. Any such Grantee shall be entitled to a statement from the Board of Managers setting forth the amount of the unpaid Common Charges and against the Grantor and such Grantee shall not be liable for, nor shall the Unit conveyed be subject to a lien for any unpaid Common Charge against the Grantor in excess of the amount set forth in such statement. Grantee as used herein shall not include either the holder of an institutional mortgage of record or other purchaser of a Unit at a foreclosure sale of an institutional mortgage.

SEVENTEENTH: Covenants and Restrictions. The use of the Unit by the Unit Owner or other occupant shall be subject to the rules, regulations and provisions of this Declaration, the By-Laws and Rules and Regulations of the Board of Managers and the following covenants and restrictions:

(a) The Unit and area restricted to the Unit Owner's use shall be maintained in good repair and overall appearance.

(b) No alteration to any part of the Common Elements may be made without the written consent of the Board of Managers.

(c) No alterations, enclosures or additions to the exterior of the Unit may be made without the written consent of the Board of Managers. No alterations to the inside of a Unit that would impair the structural soundness of the Buildings may be made without the written consent of the Board of Managers. Consent may be requested by mailing a letter, certified mail, return receipt requested to the Management Agent, if any, or to a member of the Board of Managers, if no Management Agent is employed. The Board of Managers shall have the

obligation to answer within sixty (60) days and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration. The provisions of this paragraph shall not apply to Owner.

(d) Any Unit Owner who mortgages his Unit shall notify the Board of Managers providing the name and address of his mortgagee.

(e) The Board of Managers shall, at the request of the mortgagee of the Unit, report any unpaid Common Charges due from the Unit Owner of such Unit.

(f) No nuisances shall be allowed upon the property nor shall any use or practice be allowed which is a source of annoyance to residents or which interferes with the peaceful possession and proper use of the property by its residents.

(g) No immoral, improper, offensive or unlawful use shall be made of the property or any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.

(h) Regulations promulgated by the Board of Managers concerning the use of the property shall be observed by the Unit Owners provided, however, that copies of such regulations are furnished to each Unit Owner prior to the time the said regulations become effective.

(i) The Common Charges shall be paid when due.

EIGHTEENTH: Use of Buildings and Units. (l) Each of the Units in the Building shall be used as a residence only, except that while the Sponsor or his designee owns any Unit, he shall have the right to use such Unit for general and sales office purposes, as models and for other promotional purposes in connection with the sale or lease of Units and to erect and maintain signs at the Building.

NINETEENTH: Invalidity. Invalidation of any of the covenants, limitations or provisions of the Declaration by judgment or court order shall in no wise affect any of the remaining part or parts hereof, and the same shall continue in full force and effect.

631 e 18TH STREET, LLC

By: _____

President ATTEST:

Secretary

[Seal]

In presence of:

**UNIFORM FORM CERTIFICATE OF ACKNOWLEDGMENT
(WITHIN NEW YORK STATE)**

STATE OF NEW YORK)

)
COUNTY OF) ss.:

On the _____ day of _____ in the year 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 by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Signature and Office of individual
taking acknowledgment

SCHEDULE A

TO BE COMPLETED PRIOR TO
RECORDING OF DECLARATION

SCHEDULE B

	Percentage of Common	Tax Lot	Approximate Area in	Number of Rooms
<u>Unit Number</u>	<u>Interest</u>	<u>Number</u>	<u>Square Feet and</u>	<u>Bath</u>

TO BE COMPLETED PRIOR TO RECORDING OF DECLARATION

BY-LAWSOF
THE 631 EAST 18TH STREET CONDOMINIUM

The Law Offices of Michael Michael PLLC
Attorneys for the Sponsor
1795 Coney Island Avenue
Brooklyn, New York 11230

BY-LAWS

OF

THE 631 EAST 18TH STREET CONDOMINIUM

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BY-LAWS

OF

THE 631 EAST 18TH STREET CONDOMINIUM

ARTICLE I. PLAN OF CONDOMINIUM OWNERSHIP

Section 1. Condominium Unit Ownership. The property located at 631 East 18th Street, Brooklyn, New York, as specifically set forth in the Declaration and more commonly known as THE 631 EAST 18TH STREET CONDOMINIUM has been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York.

Section 2. By-Laws Applicability. The provisions of these By-Laws are applicable to the Condominium. The term "Condominium" as used herein shall include the land and the building and improvements thereon including the Condominium Units (hereinafter referred to as "Units") and the Common Elements and the use and occupancy thereof, the Term "Building" as hereinafter used shall be defined as the exterior walls and roof of a Unit or number of Units all of which are constructed under a continuous roof or the entire interior and exterior of any building or structure which shall form a portion of the Condominium but which does not contain any of the Units.

Section 3. Personal Application. All present or future Unit Owners, mortgagees and lessees, or their employees, guests or any other person that might use the facilities of the Community in any manner are subject to these By-Laws, the Declaration and any Rules and Regulations established by the Board of Managers. The mere acquisition or rental of any of the Units or the mere act of occupancy of any of said Units will signify that these By-Laws, the Declaration and the Rules and Regulations are accepted, ratified, and will be complied with.

ARTICLE II. CONDOMINIUM, VOTING, QUORUM, PROXIES AND WAIVERS

Section 1. Condominium. The Condominium shall be limited to Unit Owners. "Unit Owner" as referred to herein shall mean all of the owners of each Residential Unit.

Section 2. Voting. Each Unit Owner (including the Sponsor and the Board of Managers, if the Sponsor or the Board of Managers shall then own or hold title to one or more Units) shall be entitled to cast one vote at all Unit Owners' meetings for each Unit or Units owned by such Unit Owner, but in the event the Board of

Managers acquires a Unit on behalf of the Condominium it shall not cast any of its votes for the election of any member to the Board.

Section 3. Quorum. So many Unit Owners as shall represent at least 51% of the total authorized votes of all Unit Owners present in person or represented by written proxy shall constitute a quorum at all meetings of the Unit Owners for the transaction of business, except as otherwise provided by Statute, by the Declaration, or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting of the Units Owners, the Unit Owners entitled to vote thereat, present in person or represented by written proxy, shall have power to adjourn the meeting. At least 5 days written notice of such adjourned meeting shall be given to all Unit Owners. At such adjourned meeting any business may be transacted which might have been transacted at the meeting originally called. At such adjourned meeting, so many Unit Owners as shall represent at least 33-1/3% of the total authorized votes of all Unit Owners shall constitute a quorum.

Section 4. Vote Required to Transact Business. When a quorum is present at any meeting, the vote of a majority of the Unit Owners present in person or represented by written proxy shall decide any question brought before such meeting and such vote shall be binding upon all Unit Owners, unless the question is one upon which, by express provisions of the Declaration, Statute, or of these By-Laws, a different vote is required, in which case such express provisions shall govern and control the decision of such question.

Section 5. Right to Vote. At any meeting of Unit Owners, every Unit Owner having the right to vote shall be entitled to vote in person, or by proxy. Such proxy shall only be valid for such meeting or subsequent adjourned meetings thereof.

Section 6. Proxies. All proxies shall be in writing and shall be filed with the Secretary prior to the meeting at which the same are to be used. A notation of such proxies shall be made in the minutes of the meeting.

Section 7. Waiver and Consent. Whenever the vote of Unit Owners at a meeting is required or permitted by any provision of the Declaration, Statutes or of these By-Laws to be taken in connection with any action of the Condominium, the meeting and vote of Unit Owners may be dispensed with if all Unit Owners who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such action being taken.

Section 8. Place of Meetings. Meetings shall be held at such suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

Section 9. Annual Meetings - Control of Board of Managers by Sponsor. Within one year after the transfer of title to the first Unit, the Sponsor shall call the first annual Unit Owners meeting. At such meeting a new Board of Managers shall be

elected by the Unit Owners and the former members of the Board shall thereupon resign. Thereafter annual meetings shall be held on the anniversary of such date each succeeding year. At such meetings there shall be elected by ballot of the Unit Owners a Board of Managers in accordance with the requirements of Article III of these By-Laws. The Unit Owners may also transact such other business of the Condominium as may properly come before them. The Sponsor will have voting control of the Board of Managers until the second anniversary of the closing of the first Unit or until the unsold Units constitute less than fifty percent (50%) of the common interests, whichever occurs first. At the second annual meeting, and at all successive meetings, Sponsor may not designate a majority of the Board of Managers but may cast its votes to elect no more than two members of the Board of Managers.

Section 10. Special Meetings. It shall be the duty of the President to call a special meeting of the Unit Owners as directed by the Board of Managers or upon a petition signed by a majority of the Unit Owners having been presented to the Secretary.

Section 11. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record, at least five but not more than ten days prior to such meeting. The mailing of a notice in the manner provided in these By-Laws shall be considered notice served.

Section 12. Order of Business. The order of business at all meetings shall be as follows:

- (a) Roll Call
- (b) Proof of notice of meeting or waiver of notice
- (c) Reading of minutes of preceding meeting
- (d) Report of officers
- (e) Report of committees
- (f) Election of inspectors of election (in the event there is an election)
- (g) Election of managers (in the event there is an election)
- (h) Unfinished business
- (i) New business

ARTICLE III. BOARD OF MANAGERS

Section 1. Number and Term. The affairs of the Condominium shall be governed by a Board of Managers. The first Board of Managers shall consist of three (3) Managers designated by the Sponsor who shall hold office and exercise all powers of the Board of Managers until the first annual meeting of the Unit Owners. Within 60 days of the closing of title to the first Unit, a meeting of the Unit Owners shall be held at which time a Unit Owner-Occupant who is independent of the Sponsor shall be

elected to the first Board of Managers by majority vote of the Unit Owners. Until succeeded by the Managers elected at the first annual meeting of Unit Owners, Managers need not be Unit Owners; thereafter, all Managers, other than designees or nominees of the Sponsor, must be Unit Owner-Occupants or members of a Unit Owner-Occupants's household who are unrelated to the Sponsor and its principals. The Managers shall be elected at the annual meeting of the Unit Owners. At the first annual meeting of Unit Owners called pursuant to Section 9 of Article II, three (3) Managers shall be elected by the Unit Owners. The term of office of one (1) of the Managers shall be fixed for three (3) years, the term of office of one (1) of the Managers shall be fixed at two (2) years, and the term of office of one (1) of the Managers shall be fixed at one (1) year. Separate ballots shall be conducted for each of the three terms of office. Each Homeowner shall be entitled to cast one vote on each ballot for each Home he owns. The three nominees on each of the ballots receiving the highest number of votes on their ballot shall constitute the duly elected Board of Managers. At the expiration of the initial term of office of each respective Manager, his successor shall be elected to serve a term of three (3) years. The Managers shall hold office until their successors have been elected and hold their first meeting. But in any event, at least one-third of the terms of the members of the Board of Managers shall expire annually. Notwithstanding the foregoing, the Sponsor shall have the right to designate a majority of the Board of Managers so long as it continues to own 50% or more of the common interests or until the second anniversary of the closing of the first Unit, whichever is sooner, after which time a majority of the Board of Managers must be owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals. This Section 1 may not be amended without the consent of Sponsor.

Section 2. Vacancy and Replacement. If the office of any Manager or Managers becomes vacant by reasons of death, resignation, retirements, disqualification, removal from office or otherwise, a majority of the remaining managers, though less than a quorum, at a special meeting of Managers duly called for this purpose, shall choose a successor or successors, who shall hold office for the unexpired term in respect to which such vacancy occurred. If the vacancy occurs with respect to any member who has been designated by the Sponsor or its designee, as the case may be, only they shall have the right to choose such Manager's successor to fill the unexpired portion of that term.

Section 3. Removal. Managers may be removed for cause by an affirmative vote of a majority of the Unit Owners. No manager other than a member of the First Board of Managers or designees or nominees of the Sponsor shall continue to serve on the Board if, during his term of office, he shall cease to be a Unit Owner.

Section 4. First Board of Managers. The first Board of Managers shall consist of principals and affiliates of the Sponsor who shall hold office and exercise all powers of the Board of Managers until the first annual meeting of Unit Owners. A Unit Owner, who is independent of the Sponsor, shall be elected by a majority of the Unit Owners other than Sponsor to the first Board at a meeting held within 60 days of the closing of title to the first Unit. If no such election has been made, then Sponsor may designate such member. Any or all of said Managers shall be subject to replacement in the event of resignation or death in the manner set forth in Section 2 of this Article.

Section 5. Powers.

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

1. To determine and levy monthly assessments ("Common Charges") to cover the cost of common expenses, payable in advance. The Board of Managers may increase the monthly assessments or vote a special assessment in excess of that amount, if required, to meet any additional necessary expenses, but said increases can only be assessed among the Unit Owners pro-rata according to their respective Common Interest;
2. To collect, use, and expend the assessments collected to maintain, care for and preserve the Common Elements;
3. To make repairs, restore or alter any Units or the Common Elements after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings;
4. To enter into and upon the Units when necessary and at as little inconvenience to the Unit Owners as possible in connection with the maintenance, care, and preservation of the property;
5. To open bank accounts on behalf of the Condominium and to designate the signatories to such bank accounts;
6. To insure and keep insured the Common Elements and Unit in accordance with Article VII of these By-Laws;
7. To collect delinquent assessments by suit or otherwise, to abate nuisances and to enjoin or seek damages from the Unit Owners of the

property for violations of the house rules or rules and regulations herein referred to.

8. To make reasonable rules and regulations and to amend the same from time to time, and such rules and regulations and amendments shall be binding upon such Unit Owners when the Board has approved them in writing. A copy of such rules and all amendments shall be delivered to each Unit Owner.

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

10. To bring and defend actions by or against one or more Unit Owner and pertinent to the operation of the Condominium and to levy special assessments to pay for the cost of such litigation.

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

12. To make additions, alterations, or improvements to the Common Elements of the Community, the cost of which addition, alteration, or improvement does not exceed \$10,000. The Board of Managers may make additions, alterations or improvements to the Common Elements costing in excess of \$10,000 only with the approval of a majority of the Unit Owners as affects the Common Elements. While the Sponsor is in control of the Board of Managers, the Board may make additions, alterations, or improvements to the Common Elements costing in excess of \$10,000 or enter into service or maintenance contracts the duration of which will extend more than one year after the Sponsor loses control of the Board of Managers, only with the approval of a majority of the Unit Owners, excluding the Sponsor, voting at a duly held meeting of the Unit Owners. In addition, the Sponsor must give his written approval pursuant to the terms of Section 6(c) herewith.

13. To borrow money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the Common Elements, provided, however, that (i) the consent of at least 66-2/3% in number of all Unit Owners for Common Elements obtained at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws, shall be required for the borrowing of any sum in excess of \$10,000 and (ii) no lien to secure repayment of any sum

borrowed may be created on any Unit or its appurtenant interest in the common elements without the written consent of the Owner of said Unit.

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

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

(b) The Board of Managers may, by resolution or resolutions passed by a majority of the whole Board, designate one or more committees, each of such committees to consist of at least two (2) managers or two (2) Unit Owners one (1) of whom shall be a manager, which, to the extent provided in said resolution or resolutions, shall have and may exercise the powers of the Board of Managers in the management of the business affairs of the Condominium and may have power to sign all papers which may be required, provided the said resolutions shall specifically so provide. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Managers. Committees established by resolution of the Board of Managers shall keep regular minutes of their proceedings and shall report the same to the Board as required.

(c) Notwithstanding anything to the contrary contained in these By-Laws, so long as the Sponsor or its designee shall continue to own Units representing 5% or more in Common Interest of the Units but in no event later than five (5) years from the date of the recording of the Declaration of Condominium, the Board of Managers may not, without the Sponsor's prior written consent: (i) make an addition, alteration or improvement to the Common Elements costing cumulatively more than \$10,000, the foregoing not to include necessary repairs and maintenance work, or (ii) assess any Common Charges for the creation of, addition to, or replacement of all or part of a reserve, contingency or surplus fund,

or (iii) hire any employee in addition to the employees referred to in the Plan of Condominium ownership, or (iv) enter into any service or maintenance contract for work not covered by contracts in existence on the date the said Plan is declared effective or (v) borrow money on behalf of the Condominium. The provisions of this Paragraph may not be amended without the written consent of Sponsor.

Section 6. Repairs and Maintenance. All maintenance, repairs and replacements to the Common Elements of the property including but not limited to exterior walls, roof and roof members, as well as all maintenance, repairs and replacements to any public utility lines as are located in the Common Elements and serve one or more Units, and exterior maintenance shall be a common expense. All maintenance (including electrical and plumbing repairs in the Units and painting and decorating of the inside of the Units), repairs and replacements to the Units including windows (including all glass breakage), doors, windows and doors which open from a Unit (except painting and maintenance of the exterior surface which is performed by the Board of Managers), and repairs to the pipes, wires and conduits located within or without the same Unit other than as set forth above shall be made by the respective Unit Owners at their own expense. All irrevocably restricted Common Elements shall be maintained and repaired by the Board of Managers except for general cleaning and snow removal on any balconies. The Board of Managers shall repair and replace any public utility lines located underground or overhead of any irrevocably restricted Common Element except where such repair or replacement is necessitated because of the negligence or misuse or neglect of the Unit Owner to which the Common Element is restricted in use, in which event such Unit Owner shall make such repairs or replacements at his own expense. The Board of Managers and its agents, employees and contractors shall have a right of access to any Unit and to all portions of the Common Elements for the purpose of carrying out any of its obligations under these By-Laws or the Declaration of the Condominium. The Board of Managers will provide snow plowing for any driveways located on the property. All replacements, repairs, painting or maintenance, whether made by the Unit Owner or by the Board of Managers to the doors, windows, or the exterior surface of the Buildings, including roofs, or to any generally visible portion of the Common Elements shall be carried out in such a manner so as to conform to the materials, style and color initially provided by the Sponsor. In the event that a Unit Owner fails to make any maintenance or repair which maintenance or repair is necessary to protect any of the Common Elements or any other Unit, the Board of Managers shall have the right to make such maintenance or repair (after the failure of the Unit Owner to do so after ten (10) days written notice, or written or oral notice of a shorter duration in the event of any emergency situation) and to charge the Unit Owner for the cost of all such repairs and/or maintenance. In the event that the Board of Managers charges a Unit Owner for repairs or maintenance to his Unit or for repairs to any Common Element restricted in use to such Unit Owner, and the Unit Owner fails to make prompt payment, the Board of Managers shall be entitled to bring suit thereon

and, in such event, the Unit Owner shall be liable for the reasonable attorney's fees and costs of such suit or proceeding together with interest on all sums due.

Section 7. Compensation. Managers, committee members and officers, as such, shall receive no compensation for their services.

Section 8. Meetings. (a) The first meeting of each Board newly elected by the Unit Owners shall be held immediately upon adjournment of the meeting at which they were elected, provided a quorum shall then be present, or as soon thereafter as may be practicable. The annual meeting of the Board of Managers shall be held at the same place as the Unit Owners meetings, and immediately after the adjournment of same, at which time the dates, places and times of regularly scheduled meetings of the Board shall take place.

(b) Regularly scheduled meetings of the Board may be held without special notice.

(c) Special meetings of the Board may be called by the President on two (2) days notice to each manager either personally or by mail or telegram. Special meetings shall be called by the President or Secretary in a like manner and on like notice on the written request of at least three (3) managers.

(d) At all meetings of the Board, a majority of the managers shall be necessary and sufficient to constitute a quorum for the transaction of business, and an act of the majority of the managers present at any meeting at which there is a quorum shall be the act of the Board of Managers, except as may be otherwise specifically provided by statute or by the Declaration or by these By-Laws. If a quorum shall not be present at any meetings of managers, the managers present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

(e) Before or at any meeting of the Board of Managers, any Manager may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Manager at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 9. Annual Statement. The Board of Managers shall furnish to all Unit Owners, their mortgagees and if required by applicable law, statute or regulations of the Department of Law of the State of New York and shall present annually (at the annual meeting, but in no event later than four months after the close of the fiscal year) and when called for by a vote of

the Unit Owners at any special meeting of the Unit Owners, a full and clear statement of the business conditions and affairs of the Condominium, including a balance sheet and profit and loss statement verified by an independent public accountant and a statement regarding any taxable income attributable to the Unit Owner and a notice of the holding of the annual Unit Owners meeting.

Section 10. Fidelity Bonds. The Board of Managers shall require that all officers and employees of the Condominium handling or responsible for Condominium funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be a common expense.

Section 11. Management Agent. The Board of Managers may employ for the Condominium a Management Agent under a term contract or otherwise at a compensation established by the Board, to perform such duties and services as the Board shall authorize, including, but not limited to, all of the delegable duties of the Board listed in this Article. While Sponsor is in control of the Board of Managers it will not enter into contracts that bind the Condominium for a period of more than two (2) years (except Cable Television agreements) after the recording of the Declaration unless the contract provides that it may be canceled by the Condominium upon 90 days notice.

Section 12. Liability of the Board of Managers, Officers and Unit Owners. Any contract, agreement or commitment made by the Board of Managers shall state that it is made by the Board of Managers, as agent for the Unit Owners as a group only and that no member of the Board of Managers, Officer of the Condominium or individual Unit Owners shall be liable for such contract, agreement or commitment. The Unit Owners shall be liable as a group under such contract, agreement or commitment but the liability of each Unit Owner shall be limited to such proportion of the total liability thereunder as his Common Interest bears to the Common Interest of all Unit Owners. The Board of Managers and Officers of the Condominium shall have no liability to the Unit Owners in the management of the Community except for willful misconduct or bad faith and the Unit Owners shall severally indemnify all members of the Board of Managers and Officers of the Condominium against any liabilities or claims arising from acts taken by a member of the Board of Managers in accordance with his duties as such member except acts of willful misconduct or acts made in bad faith. Such several liability of the Unit Owners shall, however, be limited as to each Unit Owner to such proportion of the total liability thereunder as such Unit Owner's Common Interest bears to the Common Interest of all Unit Owners.

ARTICLE IV. OFFICERS

Section 1. Elective Officers. The officers of the Condominium shall be chosen by the Board of Managers and shall be a president, a vice president, a secretary and a treasurer. The Board of Managers may also choose one or more assistant secretaries and assistant treasurers and such other officers as in their judgment may be necessary. All officers must be Unit Owners or designees of the Sponsor. The same person may not hold two or more offices.

Section 2. Election. The Board of Managers at its first meeting after each annual Unit Owners Meeting shall elect a president, a vice president, a secretary and a treasurer. Only the president must be a member of the Board.

Section 3. Appointive Officers. The Board may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

Section 4. Term. The officers shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Managers may be removed with or without cause, at any time, by the affirmative vote of a majority of the whole Board of Managers. If the office of any officer becomes vacant for any reason, the Board of Managers shall fill the vacancy.

Section 5. The President. The President shall be the chief executive officer of the Condominium; he shall preside at all meetings of the Unit Owners and Managers, he shall be an ex-officio member of all standing committees, shall have general and active management of the business of the Condominium, shall see that all orders and resolutions of the Board are carried into effect and shall have such other powers and duties as are usually vested in the office of President of a stock corporation organized under the Business Corporation of the State of New York.

Section 6. The Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act and shall have such other powers and duties as are usually vested in the office of Vice President of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 7. The Secretary. The Secretary and/or Assistant Secretary shall attend all sessions of the Board and all Unit Owners meetings and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all Unit Owners meetings and special meetings of the Board of Managers, and shall perform such other duties as may be prescribed by the Board of Managers or by the President, under whose supervision he shall be.

Section 8. The Treasurer. The Treasurer shall have the custody of the Condominium funds and securities and shall keep full and accurate chronological accounts of receipts and disbursements in books belonging to the Condominium including the vouchers for such disbursements, and shall deposit all monies and other valuable effects in the name and to the credit of the Condominium in such depositories as may be designated by the Board of Managers. He shall disburse the funds of the Condominium as he may be ordered by the Board, making proper vouchers for such disbursements and shall render to the President and Managers, at the regular meeting of the Board of whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Condominium.

He shall keep detailed financial records and books of account of the Condominium, including 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.

Section 9. Agreements, etc. All agreements and other instruments shall be executed by the President or such other person as may be designated by the Board of Managers.

ARTICLE V. NOTICES

Section 1. Definition. Whenever under the provisions of the Declaration or of these By-Laws, notice is required to be given to the Board of Managers, any manager or Unit Owner, it shall not be construed to mean personal notice; but such notice may be given in writing, by mail, by depositing the same in a post office or letter box in a postpaid sealed wrapper, addressed to the Board of Managers, such manager, Unit Owner at such address as appears on the books of the Condominium.

Section 2. Service of Notice-Waiver. Whenever any notice is required to be given under the provisions of the Declaration, or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE VI. FINANCES

Section 1. Checks. All checks or demands for money and notes of the Condominium shall be signed by the President and Treasurer, or by such other officer or officers or such other person or persons as the Board of Managers may from time to time designate.

Section 2. Assessments. The Board of Managers shall, from time to time, but at least annually, fix and determine the budget representing the sum or sums necessary and adequate for the continued operation of the Common Elements and shall send a copy of the budget and any supplement to the budget to every Unit Owner and mortgagee. They shall determine the total amount required, including the operational items such as insurance, repairs, reserves, betterments, maintenance of the Common Elements and other operating expenses as well as charges to cover any deficits from prior years. The total annual requirements shall be assessed and prorated against each of said Units according to the respective common interest appurtenant to all such Units. This proration of assessments shall remain constant regardless of the percentage of the building square footage included in each Unit or the Common Elements restricted to the use of the Unit Owner of said Unit. Said assessments shall be payable monthly in advance as ordered by the Board of Managers. Special assessments, should such be required, shall be levied and paid in the same manner as herein above provided for regular assessments. The Unit Owner agrees to pay promptly when due the monthly and all special assessments assessed against his own Unit. In the event of a default in payment of monthly Common Charge assessments by any Unit Owner, the Board, at its sole option, may declare the Common Charge assessment on said Unit Owner's Unit for the balance of the fiscal year immediately due and payable. Prior to making any such declaration following a default the Board shall send notice to the delinquent Unit Owner and the mortgagee, if any, of such Unit giving the Unit Owner a five day grace period in which to make his payment. The Board may charge the delinquent Unit Owner a fee as the Board may determine to cover the additional burden to the Board occasioned by the lack of timely payment. Interest at the highest legal rate may also be collected by the Board on the Common Charge assessment from its due date to the date payment is actually received from the Unit Owner. Special assessments should such be required, shall be levied and paid in the same manner as herein above provided for regular assessments. The Board shall take action to collect any Common Charges due from any Unit Owner which remains unpaid 90 days from its due date by way of foreclosure of the lien on such Unit in accordance with Section 339 of the Real Property Law or otherwise.

No Unit Owner shall be liable for any Common Charges that accrue against his Unit subsequent to a sale, transfer or other conveyance by him of his Unit in accordance with these By-Laws and the Declaration. A Purchaser of a Unit (other than a mortgagee or a Purchaser at a foreclosure sale) shall be liable for the payment of all Common Charges assessed against the Unit and unpaid at the time of the purchase.

Section 3. Foreclosures of Liens for Unpaid Common Charges. The Board shall have the power to purchase any Unit at a foreclosure sale resulting from any action brought by the Board to foreclose a lien on the Unit because of unpaid Common Charges. In the event of such purchase, the Board shall have the power

to hold, lease, mortgage, vote, sell or otherwise deal with the Unit. A suit to recover a money judgment for unpaid Common Charges shall also be obtainable separately without waiving the lien on the Unit.

Section 4. Statement of Common Charges. Upon the written request of any Unit Owner or his mortgagee, the Board shall promptly furnish such Unit Owner or his mortgagee with a written statement of the unpaid Common Charges due from such Unit Owner.

Section 5. Liability for Electricity and Utilities. All electricity consumed in the Units shall be an expense of each individual Unit Owner. Any other utility that is separately metered for each Unit shall be an expense of each individual Unit Owner.

Section 6. Operating Account. There shall be established and maintained a cash deposit account to be known as the "Operating Account," into which shall be deposited the operating portion of all monthly and special assessments as fixed and determined for all Units. Disbursements from said account shall be for the general need of the operation including, but not limited to, wages, repairs, betterments, maintenance and other operating expenses of the Common Elements and for the purchase, lease, sale or other expenses resulting from the purchase or lease of Units.

Section 7. Other Accounts. The Board shall maintain any other accounts it shall deem necessary to carry out its purpose.

ARTICLE VII. INSURANCE AND INSURANCE TRUSTEE

Section 1. Insurance to be Carried by the Board. The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance: fire insurance with extended coverage, water damage, vandalism and malicious mischief endorsements, insuring the Building in the Condominium including all of the Units and the bathroom and kitchen fixtures initially installed therein by the Sponsor (but not including wall, ceiling or floor decoration, furniture, furnishings, fixture, equipment or other personal property supplied or installed by Unit Owners), together with all heating, air-conditioning and other service machinery, contained therein, covering the interest of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as interest may appear, in an amount equal to the full replacement value of the Buildings. Each of such policies shall contain a New York standard mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee hereinafter set forth; and such other insurance as the Board of Managers may determine. All such policies shall provide that adjustment of loss shall be

made by the Board of Managers with the approval of the Insurance Trustee, and that the net proceeds thereof, if \$40,000 or less, shall be payable to the Board of Managers, and if more than \$40,000 shall be payable to the Insurance Trustee.

The casualty insurance and property damage will commence with the closing of title to the first Unit in an amount as required by the mortgagee of such Unit and such amount will be increased upon the closing of title to all Units and until the first meeting of the Board of Managers following the first Unit Owners meeting, such amount shall be at least in the sum of \$1,000,000 for the Building.

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

The Board of Managers shall also be required to obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Board of Managers may from time to time determine, covering each member of the Board of Managers, the Managing Agent and each Unit Owner. Such public liability coverage shall also cover cross liability claims of one insured against another. Until the first meeting of the Board of Managers following the first annual Unit Owners meeting, such public liability insurance shall be in a single limit of \$1,000,000 for covering all claims for bodily injury and property damage arising out of one occurrence. Such public liability insurance shall commence on the closing of title to the first Unit.

Unit Owners shall not be prohibited from carrying other insurance for their own benefit provided that such policies contain waivers of subrogation and further provided that the liability of the carriers issuing insurance procured by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

Section 2. The Insurance Trustee. The Insurance Trustee shall be a bank or trust company located in the State of New York, designated by the Board of Managers and shall constitute a common expense of the Condominium. In the event the Insurance Trustee resigns or fails to qualify, the Board of Managers

shall designate a new Insurance Trustee that shall be a bank or trust company located in the State of New York. The Insurance Trustee shall have a capital, surplus and undivided profits of \$50,000 or more.

Section 3. Restoration or Reconstruction After Fire or Other Casualty. In the event of damage to or destruction of the Building as a result of fire or other casualty (unless 75% or more of the Units are destroyed or substantially damaged and 75% or more of either Unit Owners do not duly and promptly resolve to proceed with repair or restoration), the Board of Managers shall arrange for the prompt repair and restoration of the Building (including any damaged Units and any kitchen or bathroom fixtures initially installed therein by the Sponsor, any heating, air conditioning or other service machinery which is covered by insurance but not including any wall, ceiling or door decorations or coverings or other furniture, furnishings, fixtures or equipment installed by Unit Owners in the Units), and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a common expense and the Board of Managers may assess the Unit Owners for such deficit as part of the Common Charges.

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

ARTICLE VIII. HOUSE RULES

Section 1. In addition to the other provisions of these By-Laws, the following house rules and regulations together with such additional rules and regulations as may hereafter be adopted by the Board of Managers shall govern the use of the Units and the conduct of all residents thereof.

Section 2. The Residential Units shall be used for residential purposes only.

Section 3. Owners of a Unit members of their families, their employees, guests and their pets shall not use or permit the use of the premises in any manner which

would be illegal or disturbing or a nuisance to other said owners, or in such a way as to be injurious to the reputation of the Condominium.

Section 4. The Common Elements shall not be obstructed, littered, defaced or misused in any manner.

Section 5. Every Unit Owner shall be liable for any and all damage to the Common Elements and the property of the Condominium, which shall be caused by said Unit Owner or such other person for whose conduct he is legally responsible.

Section 6. (a) Every Unit Owner must perform promptly all maintenance and repair work to his own Unit which, if omitted, would affect the Condominium in its entirety or in a part belonging to other Unit Owners, or the buildings of which his Unit forms a part, he being expressly responsible for the damages and liabilities that his failure to do so may engender.

(b) All the repairs to internal installations of the Unit located in and servicing only that Unit, such as telephones and sanitary installations shall be at the Unit Owner's expense.

Section 7. A Unit Owner may not make any alterations or modifications to the exterior of their Unit or any part of the Common Elements without the written consent of the Board of Managers. No alterations to the inside of a Unit that would impair the structural soundness of the buildings may be made without the written consent of the Board of Managers. Consent may be requested by mailing a letter, certified mail, return receipt requested to the Management Agent, if any, or to a member of the Board of Managers, if no Management Agent is employed. The Board of Managers shall have the obligation to answer within sixty days and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration. This Paragraph shall not apply to Sponsor.

Section 8. (a) No Residential Unit Owner shall post any advertisement or posters of any kind in or on the Property except as authorized by the Board of Managers.

(b) No television or radio antenna or storm and screen windows and doors shall be erected on the exterior of the Units or the Common Elements without the prior written consent of the Board of Managers.

(c) No Unit Owner shall paint the exterior surfaces of the windows, walls or doors opening out of his Unit.

(d) Each Unit Owner shall keep his Unit and its appurtenant irrevocably restricted areas in a good state of preservation, condition, repair and cleanliness in accordance with the terms of the By-Laws.

(e) It is prohibited to hang garments, rugs, etc., from the windows or from the Building or to string clotheslines on or over the Common Elements (including the irrevocably restricted areas) or to use any of the Common Elements for storage purposes.

(f) No repair of motor vehicles shall be made in any of the parking areas, if any, of the Condominium nor shall such areas be used for storage or long-term parking (in excess of 24 hours without use) of any boat, trailer, camper, bus, truck or commercial vehicle. Any such parking shall be subject, in addition, to any restriction due to zoning or local ordinance requirements.

Section 9. Smoking is not allowed in the following areas (Take note that the Smoke-Free Air Act bans smoking tobacco or non-tobacco products, and using e-cigarettes in indoor common areas): Outdoor common areas, including play areas, rooftops, parking areas, or yards and the Community Facility Unit including its limited common areas ; and Outdoors within 15 feet of entrances, exits, windows, and air intake units on property grounds. Smoking is allowed in one's unit and their limited common elements (i.e. balconies). The condominium's smoking policy will be distributed to each unit owner and their tenants, if any.

ARTICLE IX. DEFAULT

In the event a Unit Owner does not pay any sums, charges or assessments required to be paid when due, the Board of Managers, acting in behalf of the Board shall notify the Unit Owner and the mortgagee, if any, of such Unit. If such sum, charge of assessment shall remain unpaid for 90 days after the giving of such notice, the Board may foreclose the lien encumbering the Unit as a result of the non-payment of the required monies as set forth in the Declaration (subject to the lien of any first mortgage), in the same manner as the foreclosure of a mortgage. In the event the Owner of a Unit does not pay the assessment required to be paid by him within thirty (30) days of its due date, said sum shall bear interest at the maximum amount permitted by the State of New York from its due date and said Unit Owner shall be liable for the Condominium's reasonable costs and a reasonable attorney's fee incurred by it incident to the collection or enforcement of such lien.

ARTICLE X. AMENDMENTS

(a) These By-Laws may be altered, amended or added to at any duly called Unit Owners meeting; provided: (1) that the notice of the meeting shall contain a full statement of the proposed amendment; (2) that the amendment shall be approved

by eighty percent (80%) of the Unit Owners in number and Common Interest and (3) said amendment shall be set forth in a duly recorded amendment to the Declaration. However, no amendment will affect or impair the validity or priority of the Unit Owner's interest and the interests of holders of a mortgage encumbering a Unit or Units.

(b) Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition, or deletion of or to these By-Laws shall be effective in any respect against Sponsor or its designee, any Unsold Unit, the Community Facility Owner(s), the Community Facility(s), the holder of any present or future mortgage, pledge, lien, or security agreement covering any Unsold Unit, unless and until Sponsor, such designee, all such existing holders (as the case may be) shall consent to the same in writing.

C) i. Amendments of a material adverse nature to mortgagees shall be agreed to by mortgagees that represent at least fifty one (51%) percent of the votes of unit estates that are subject to mortgages.

ii. In any action to terminate the legal status of the project after substantial destruction or condemnation occurs or for other reasons to be agreed to by mortgagees that represent at least fifty one (51%) percent of the votes of the unit estates that are subject to mortgages

iii. The Condominium Board of Managers shall give a prompt written notice to any mortgagee and guarantor of the mortgage regarding the following:

- any condemnation or casualty loss that affects either a material portion of the project or the unit securing its mortgage;
- delinquency in the payment of assessments or charges owed by the owner of any unit on which it holds the mortgage, which is in excess of 60 days;
- a lapse, cancellation, or material modification of any insurance policy maintained by the homeowners' association; and
- any proposed action that requires the consent of a specified percentage of mortgagees.

iv. No provision of the condominium project documents shall give a condominium unit owner or any other party priority over any rights of the first mortgagee of the condominium unit pursuant to its mortgage in the case of payment to the unit owner of insurance proceeds or condemnation awards for losses to or a taking of condominium units and/or common elements.

ARTICLE XI. SELLING, MORTGAGING AND LEASING UNITS

Section 1. Selling and Leasing Units. Units may be conveyed or leased by its Unit Owner free of any restrictions except that no Unit Owner shall convey,

mortgage, pledge, hypothecate, sell or lease his Unit unless and until all unpaid Common Charges assessed against his Unit shall have been paid to the Board of Managers. However, such unpaid Common Charges can be paid out of the proceeds from the sale of a Unit, or by the Grantee. Further, a Unit Owner may convey his Unit and his Common Interest appurtenant thereto, to the Board of Managers on behalf of all Unit Owners conveyance such Unit Owner shall not be liable for any Common Charges thereafter accruing against such Unit. Any sale or lease of any Unit in violation of this section shall be voidable at the election of the Board of Managers.

The provisions of this section shall not apply to the acquisition or sale of a Unit by a mortgagee who shall acquire title to such Unit by foreclosure or by deed in lieu of foreclosure. Such provisions shall, however, apply to any purchaser from such mortgagees.

Whenever the term "Unit" is referred to in this section, it shall include the Unit, the Unit Owners undivided interest in the Common Elements and the Unit Owners interest in any Units acquired by the Board of Managers.

Section 2. Waiver of Partition Rights. The Unit Owners waive all of their voting rights concerning partition respecting any Unit acquired by the Board of Managers in accordance with this Article.

Section 3. Mortgaging of Units. No Unit Owner shall mortgage his Unit except by a mortgage loan granted by a federal or state savings and loan association, savings or commercial bank, life insurance company, mortgage company, union pension fund, agency of the United States Government or agency of the State of New York or a purchase money mortgage loan granted by the Seller or in participation with one of the above institutions.

Section 4. Gifts, etc. Any Unit Owner may convey or transfer his Unit by gift during his lifetime or devise his Unit by will or pass the same by intestacy, without restriction.

ARTICLE XII. CONDEMNATION

In the event all or part of the Common Elements are taken in condemnation or eminent domain proceedings, the award from such proceedings shall be paid to the Insurance Trustee if the award is more than \$50,000 and to the Board of Managers if the award is \$50,000 or less, to be distributed in accordance with Section 3 of Article VII but in the following amounts:

(a) So much of the award as is applicable to unrestricted Common Elements, to the Unit Owners pro rata according to the respective Common Interest appurtenant to the Units owned by such Unit Owners.

(b) So much of the award as is applicable to irrevocably restricted Common Elements to the Unit Owner having general use of such Common Element.

In such eminent domain or condemnation proceeding the Board shall request that the award shall set forth the amount allocated to unrestricted Common Elements and to each irrevocably restricted Common Element. In the event the award does not set forth such allocation then the question of such allocation shall be submitted to arbitration in accordance with the Arbitration Statutes of the State of New York.

ARTICLE XIII. MISCELLANEOUS

Section 1. Insurance. Under no circumstances shall a Unit Owner permit or suffer anything to be done or left in his Unit that will increase the insurance rates on his Unit or any other Unit or on the Common Elements.

Section 2. Severability. Should any of the covenants, terms or provisions herein imposed by void or be or become unenforceable at law in equity, the remaining provisions of these By-Laws shall, nevertheless, be and remain in full force and effect.

Section 3. Notice to Condominium. A Unit Owner who mortgages his Unit, shall notify the Condominium through the Management Agent, if any, or the President of the Board of Managers in the event there is no Management Agent, of the name and address of his mortgagee; and the Board of Managers shall maintain such information in a book entitled "Mortgagees of Units".

Section 4. Notice of Unpaid Assessments. The Board of Managers shall at the request of a mortgagee of a Unit, report any unpaid assessments due from the Unit Owners of such Unit.

Section 5. Examination of Books and Records. Every Unit Owner or his representative and mortgagee shall be entitled to examine the books and records of the Condominium on reasonable notice to the Board but not more often than once a month.

Section 6. Construction. Wherever the masculine singular form of the pronoun is used in these By-Laws, it shall be construed to mean the masculine, feminine or neuter; singular or plural; wherever the context so requires.

Section 7. Compliance with Article 9-B. These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Laws of the State of New York. In case any of these By-Laws conflict with the provisions of said Statute or of the Declaration, the provisions of the Statute or of the Declaration, whichever the case may be, shall control.

CERTIFICATION BY SPONSOR AND SPONSOR'S PRINCIPALS
PURSUANT TO PART 20 OF TITLE 13 NYCRR SECTION 20.4 (b)

Department of Law
120 Broadway
New York, NY 10271

RE: THE 631 East 18th Street Condominium
631 East 18th Street , Brooklyn, New York

Sir/Madam:

We are the Sponsor and the principals of Sponsor of the Condominium Offering Plan for the captioned property. We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20 and such other laws and regulations as may be applicable.

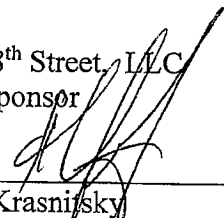
We have read the entire Offering Plan. We have investigated the facts set forth in the Offering Plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the Offering Plan does, and that documents submitted hereafter by us which amend or supplement the Offering Plan will:

- (1) set forth the detailed terms of the transaction and be complete, current and accurate;
- (ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;
- (iii) not omit any material fact;
- (iv) not contain any untrue statement of a material fact;
- (v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;
- (vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) not contain any representation or statement which is false, where I/we:

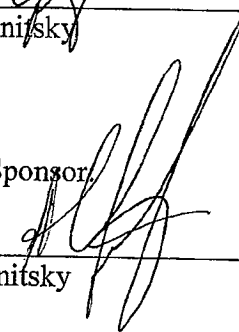
- (a) knew the truth;
- (b) with reasonable effort could have known the truth;
- (c) made no reasonable effort to ascertain the truth, or
- (d) did not have knowledge concerning the representation or statement made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

631 E. 18th Street, LLC
Sponsor

By: 
Oleg Krasnitsky

Principal of Sponsor


Oleg Krasnitsky

Sworn to before me this
16 day of Feb, 2018


Notary Public

MICHAEL MICHAEL
Notary Public, State of New York
No. 02MI5026918
Qualified In Kings County
Commission Expires April 25, 2018

ZPROEKT

Architecture, Planning & Consulting

1817 Emmons Ave, Brooklyn, New York 11235

Phone: 718-934-2322

Email: igor@zproekt.com

CERTIFICATION BY SPONSOR'S ARCHITECT

PURSUANT TO SECTION 20.4 OF THE REGULATIONS ISSUED

PURSUANT TO ARTICLE 23-A OF THE GENERAL BUSINESS LAW, AS AMENDED

Real Estate Financing Bureau
New York State Department of Law
120 Broadway, 23rd floor New
York, NY 10271

Re: 631 East 18th Street Condominium
631 East 18th Street
Brooklyn, New York

Dear Sir/Madam:

The sponsor of the offering plan to convert the captioned property to condominium ownership retained me to prepare a report describing the construction of property (hereinafter called the "Report"). I visually inspected the property on January 2, 2019. I prepared the plans and specifications dated January 2, 2019 and the Report dated January 2, 2019. A copy of the Report is intended to be incorporated into the offering plan so that prospective Purchasers may rely on the Report.

I am a registered architect in the State of New York.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to this Report.

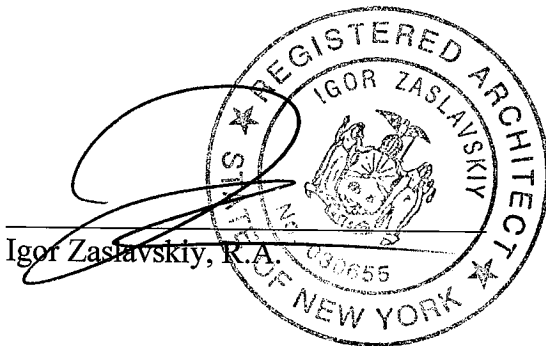
I have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

I certify that the Report:

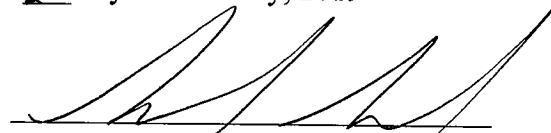
- (i) sets forth in narrative form the description and physical condition of the entire property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I prepared;

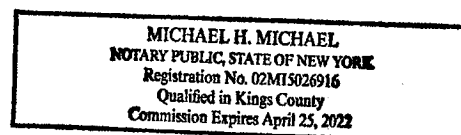
- (ii) in my professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and physical condition of the property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I prepared;
- (iii) does not omit any material fact;
- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment, or suppression;
- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) does not contain any representation or statement which is false, where I:
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to ascertain the truth; or
 - (d) did not have knowledge concerning the representation or statement made.

I further certify that I am not owned or controlled by and have no beneficial interest in the sponsor and that my compensation for preparing this Report is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.



Subscribed and sworn to before me this
25 day of February, 2019


Notary Public



ATLANTIC PROPERTIES REALTY

2721 AVENUE U, BROOKLYN, NEW YORK 11229 PHONE: (718)743-1414: FAX (718)743-7141

CERTIFICATION BY THE SPONSOR'S EXPERT ON ADEQUACY OF BUDGET FOR
RESIDENTIAL UNITS PURSANT TO SECTION 20.4 OF THE REGULATIONS ISSUED
PURSANT TO ARTICLE 2-A OF THE GENERAL BUSINESS LAW AS AMENDED.

Real Estate Financing Bureau
New York State Department of Law
120 Broadway 23rd Floor
New York, NY 10271

Re: 631 East 18th Street Condominium
631 East 18th Street
Brooklyn, NY, 11226

Dear Sir/Madam

The sponsor of the condominium offering plan for the captioned property retained me to review or prepare Schedule B and B-1 containing projections of income and expenses for the first year of condominium operation. My experience in this field includes being licensed real estate broker and salesman for over fifteen (15) years. I am familiar with prices, practices, and procedures in the area of the condominium.

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 B-1.

I have reviewed the Schedules B and B-1 and investigated the facts set forth in the schedule and, the facts underlying them with due diligence in order to form a basis for this certification. I also have relied on my experience in managing residential buildings.

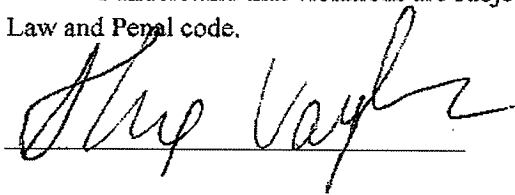
I certify that the projection in schedule B and B-1 appear reasonable and adequate under existing circumstances and the projected income appears to be sufficient to meet the anticipated operating expenses to the projected first year of condominium operation

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 operations
- (iii) Do not omit any material fact:
- (iv) Do not contain any untrue statement of a material fact.
- (v) Do not contain any fraud, deception, concealment, or suppression
- (vi) Do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances
- (vii) Do not contain any representation or statement which is false where I:
 - (a) Knew the truth:
 - (b) With reasonable effort could have known the truth:
 - (c) Made no reasonable effort to ascertain the truth or
 - (d) Did not have knowledge concerning the representation or statement made.

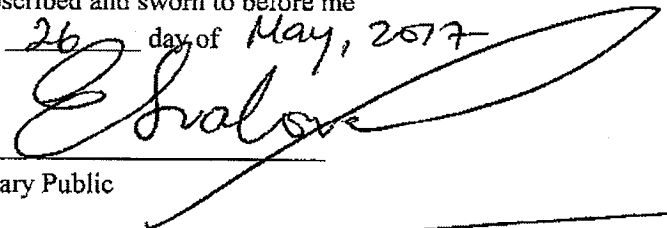
I further certify that I am not owned or controlled by the sponsor. I understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation. This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made.

I understand that violations are subject to the civil and criminal penalties of the general business Law and Penal code.



Subscribed and sworn to before me

this 26 day of May, 2017


Notary Public

ELIZABETH SVALOVA
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01SV6357603
Qualified in Kings County
Commission Expires April 24, 2021

ATLANTIC PROPERTIES REALTY

2721 AVENUE U, BROOKLYN, NEW YORK 11229 PHONE: (718)743-1414; FAX (718)743-7141

CERTIFICATION BY THE SPONSOR'S EXPERT ON ADEQUACY OF BUDGET FOR COMMERCIAL UNITS PURSANT TO SECTION 20.4 OF THE REGULATIONS ISSUED PURSANT TO ARTICLE 2-A OF THE GENERAL BUSINESS LAW AS AMENDED.

February 13, 2019

Real Estate Financing Bureau
New York State Department of Law
120 Broadway 23rd Floor
New York, NY 10271

Re: The 631 East 18th Street Condominium
631 East 18th Street
Brooklyn, NY

The sponsor of the condominium offering plan for the captioned property retained me to review or prepare Schedule B which includes projections of common charges payable by the owners of the commercial unit/community facility. My experience in this field includes being a licensed real estate broker and salesman for over twenty (20) years. I am familiar with prices, practices, and procedures in the area of the condominium.

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 the commercial unit/community facility listed in Schedule B.

I have reviewed the Schedule as it impacts upon the commercial unit/community facility and investigated the facts underlying it with due diligence in order to form a basis for this certification. I also have relied on my experience in managing over 30 residential buildings including buildings with commercial and or community spaces

I certify that the projections in Schedule B for common charges payable by the owners of commercial unit/community facility appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributable to such commercial unit/community facility for the projected first year of condominium operation, and that the allocation of common charges attributable to the commercial

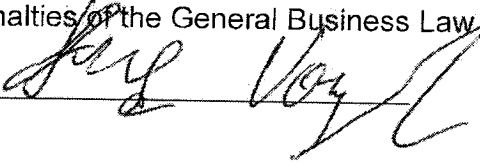
unit/community facility also reflects special or exclusive use or availability or exclusive control of particular common areas.

I/We certify that the estimates in Schedule B for the common charges payable by the owners of the commercial unit/community facility:

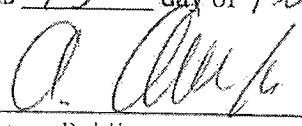
- (i) set forth in detail the projected common charges for the commercial unit/community facility or the first year of condominium operation;
- (ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the common charges payable by the owners of the commercial unit/community facility;
- (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/we:
 - (vii) (a) knew the truth;
 - (vii) (b) with reasonable effort could have known the truth;
 - (vii) (c) made no reasonable effort to ascertain the truth; or
 - (vii) (d) did not have knowledge concerning the representation or statement made.

I further certify that I am not owned or controlled by the sponsor. I understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the common charges fairly attributable to the commercial unit/community facility 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.

By: 

Subscribed and sworn to before me
this 13 day of February, 2009


Notary Public

